

**GOLDEN QUARTER**  
2020 REPORT

# Christmas is coming, come what may

Making the most of  
2020's challenging  
Golden Quarter

**aptos**<sup>®</sup>



## Introduction

In any year the Golden Quarter is a critical time as retailers look to capitalise on consumers' readiness to shop for Christmas goods and gifts, and special offers. This year, however, the Golden Quarter will be unlike any other, as different parts of the UK experience a variety of pandemic-related lockdowns and associated restrictions, including the temporary closure of brick-and-mortar stores selling non-essential goods.

Nevertheless, the news from our recent research is generally positive: despite the pandemic, people are still keen to shop. Most shoppers intend to spend the same as, or more than, last year. And, in common with previous Golden Quarters, the majority will be looking to bag a bargain. Pandemic-driven uncertainty means that some people will have started their Christmas shopping earlier than usual, and that others will buy gifts without waiting for sale days.

To make the most of this Golden Quarter, retailers will need to take an agile approach. For some, that may mean extending opening hours on the days before a lockdown comes into force, to help maximise customer visits and spending – and being ready to do the same once lockdown is lifted. The ability to shift to online sales during any lockdown-related closure is also a critical success factor. In particular, we've seen retailers with omnichannel capabilities – including the ability to ship from store – perform better during previous lockdowns.

Where non-essential retailers' brick-and-mortar stores are open or can re-open, consumers' willingness to visit will hinge on the presence of adequate social distancing and hygiene measures. Understandably too, plenty of people are looking for some festive cheer, so retailers should consider investing in retailtainment, immersive seasonal displays and interactive experiences to elevate the shopping experience and help entice shoppers through their doors.



## Despite the pandemic, people want to shop

Retailers can take comfort in the fact that most people want to shop during this Golden Quarter. Around half of consumers will spend the same as last year, and some will spend more – whether on general shopping, gifts or sale day shopping.

**Reduced expenditure over the course of the year on commuting, going out or going on holiday means that just over a quarter of consumers have more money to spend this Golden Quarter. Almost as many say they intend to spend more on gifts for family and friends this Christmas.**



## How much will we spend compared with last year?



### General shopping:

**55%** will spend the same

**14%** will spend more



### Gift shopping:

**50%** will spend the same

**10%** will spend more



### Sale days:

**≥ 45%** will spend the same

**≥ 15%** will spend more

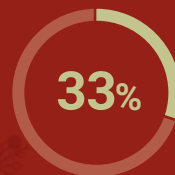
## Shopping through the second wave

One thing that's clear from our research is that people won't let the second pandemic stop them from getting their Christmas shopping done.

Faced with the second wave and the associated lockdown restrictions:



43% of shoppers will have started shopping earlier than usual this year



33% will be rushing to buy their Christmas gifts without waiting for sale days

## There's no doubt that people like shopping in store

People acknowledge that they enjoy the experience of shopping in store, even during the pandemic. Before lockdown restrictions on non-essential stores were announced, most people (81%) said they could be tempted to visit brick-and-mortar stores that were open at any point during the Golden Quarter; and 40% said they would do at least some of their gift shopping in store.



These findings were borne out by consumers' behaviour once lockdowns were on the horizon. News reports showed people flocking to stores and taking advantage of longer opening hours, many of them doubtless worried they might not have another opportunity to shop in store before Christmas.

### So why do people prefer going into a store rather than shopping online?

**~50%**

like being able to see and handle items; and to go home with the goods they've bought

**~40%**

like finding new items in store they might not have seen otherwise

**21%**

(rising to 27% of those aged under 45) like being able to get help and advice from sales assistants

**The challenge, then, for retailers that have to close their stores for any length of time during the Golden Quarter is: how do you persuade people to shop with you online instead?**



## How can retailers get online right?

To build and maintain consumers' trust in online shopping channels this Golden Quarter, retailers must ensure they deliver on time and get deliveries right. Above all, they need to communicate well with their customers throughout the end-to-end process. Savvy retailers will doubtless have learned from their earlier lockdown experience that an effective order management solution and omnichannel strategy are critical.

As part of their strategy for online sales success, retailers need to address consumers' top concerns around online shopping during the Golden Quarter:

**53%**

worry about deliveries taking longer than normal this year

**46%**

worry about stock limitations or items being out of stock

**41%**

worry that deliveries may never arrive

## What else can retailers do to attract customers to their online stores?

As well as getting the basics right, retailers selling online could consider adding extra services that reflect aspects of in-store shopping or enhance the online experience.

For customers who appreciate help and advice from sales assistants, retailers could consider providing enhanced search facilities, a live online chat service, interactive consultations and personal shopping experiences.

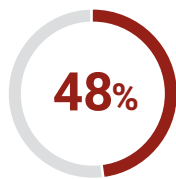
To enhance the online experience retailers could consider providing a gift finding service supported by reviews from store associates and customer feedback.



## The lure of the deal

So it's important for retailers relying on online operations during any lockdown period to provide the deals and discounts that will attract customers. Instead of waiting for special sale days, you might look at starting deals and discounts earlier, or replacing larger sale events with a series of promotions in the run-up to Christmas. Doing so could also help you reach the 43% of customers who said a second pandemic wave would prompt them to start their Christmas shopping early.

It's no surprise to learn that the vast majority of consumers are motivated by special offers and promotions:



would be persuaded to shop in store rather than online because of better in-store discounts and offers



express concern about finding fewer offers and promotions online during the pandemic

### Black November is the new Black Friday

More and more retailers are extending Black Friday deals this Golden Quarter by running month-long promotions, or a variety of promotions throughout November. These include, but are not limited to - Boots, Argos, Very, Superdrug and AO.

And looking beyond Black Friday and Cyber Monday, extending sales through December could be another way of bringing more customers to your door (or your website). After all, 44% of consumers say they have complete or a high degree of faith in the deals on offer during the last week before Christmas. This presents a huge opportunity to retailers.



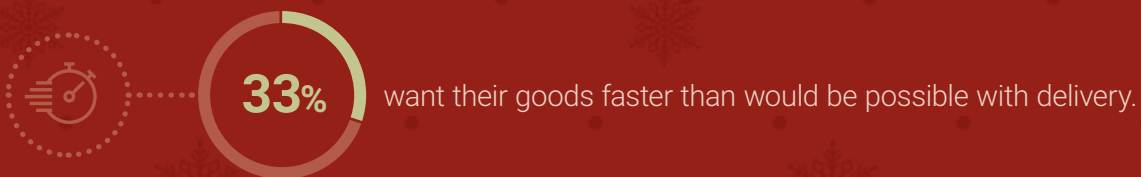
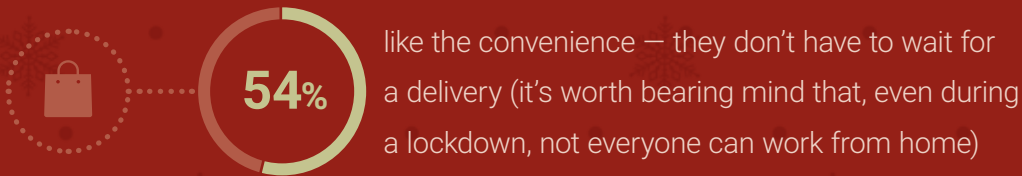


## Click and collect will be popular this Golden Quarter

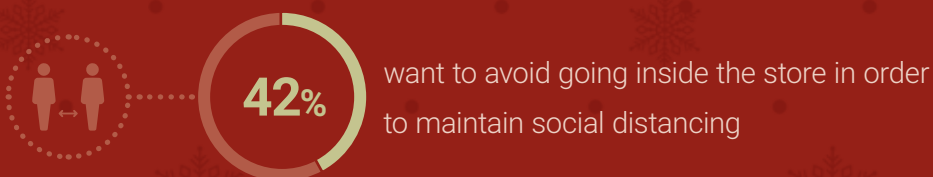
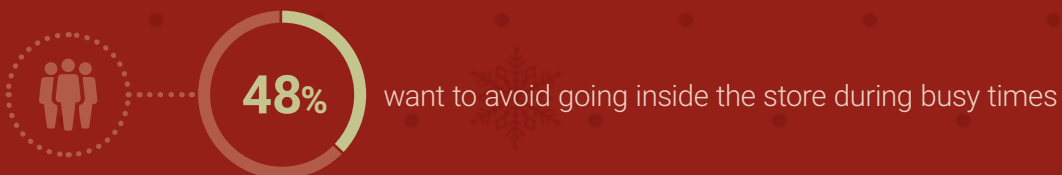
As an alternative to delivery of online orders, both essential and non-essential retailers should consider offering or enhancing their click and collect fulfilment options. This can help overcome consumers' concerns around potential issues with late or missed deliveries, and allow them to continue shopping with confidence if lockdown restrictions prevent in-store visits.

Before the pandemic, 58% of consumers had used click and collect. During the Golden Quarter, around three quarters of shoppers say they'll probably or possibly use click and collect — either inside the store or at the curbside, whether or not lockdown restrictions are in force.

## Why do consumers choose click and collect?



Even when stores are open or have reopened, click and collect remains some people's preference while the pandemic continues:



Partnering with other retailers can help make click and collect more efficient for everyone. Last year, for example, Amazon partnered with Next to allow customers to collect parcels from the latter's high street stores; while fashion retailer Boden's customers were able to pick up online orders from selected Waitrose stores under a agreement with the John Lewis Partnership. John Lewis also has a tie-up with the Co-op grocery chain that lets its customers collect online orders from more than 500 Co-op stores.

Other possibilities include arranging for pickup points with businesses staying open as providers of essential goods, such as petrol stations and post offices. Of course, any collection point – whether your own or a third party – must offer customers a safe experience, with appropriate hygiene and social distancing measures in place.



## Shopping safely is consumers' main priority

As and when stores re-open, retailers will need to be mindful that the top five consumer concerns around shopping in store relate to the pandemic. They reflect worries about overcrowding, spending too long in the store, and lack of hygiene measures.

What's more, these top concerns significantly outweigh all their other worries around in-store shopping, such as out-of-stock items, price hikes, or a lack of promotions and special offers.

### Top 5 concerns around shopping in store during Covid-19

1 Crowded store



2 Long checkout queues



3 Lack of social distancing measures



4 Lack of hygiene measures



5 Cluttered store that makes it hard to socially distance



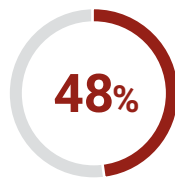


While physical stores selling non-essential goods are closed during lockdown periods, retailers should look to maintain contact with customers and reassure them that all the right hygiene and social distancing measures will be in place once in-store shopping is back on the agenda. For 49% of shoppers, knowing that these precautions have been implemented would be enough to encourage them back into a store.

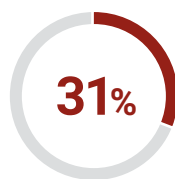
Think too about some of the other reasons people can be encouraged to shop in store, and whether you can build any of them in to your re-opening. Beyond the obvious offers and promotions (sought by 71% of shoppers):



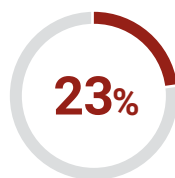
of shoppers could be encouraged into stores by seasonal decorations and displays



are looking for pop-ups and other temporary stores carrying items they wouldn't normally get to see.



would be pleased to use a personal shopping or gift suggestion service.



are interested in demonstrations or group activities.



would enjoy tech experiences.

Both of these are especially popular among the under-35s.

## Queue-busting tech could be a winner

Long checkout queues are the second biggest turnoff for consumers able to shop in store this Golden Quarter — and a restricted number of pre-Christmas shopping days could see those queues become even longer. To help maximise profits and give customers the best possible shopping experience — despite difficult circumstances — retailers need to enable customers to move in and out of the store as efficiently as possible. One way to cut the checkout queues may be to take advantage of shoppers' receptiveness to alternative ways to pay:



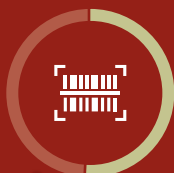
**74%**

would be very or fairly likely to use a self-service checkout



**53%**

would be very or fairly likely to use a mobile card reader



**51%**

would be very or fairly likely to use scan and go

## Stock management matters

When brick-and-mortar stores are open, retailers must ensure they manage stock well to avoid the risk of lost sales.

If an item is out of stock on a sale day, 35% of shoppers will go elsewhere. However, gift items being out of stock will send 38% of shoppers to another retailer's store or website.

Although 18% of consumers will buy general goods from you online if they're unavailable in store, that drops to 15% for gift items, and to 14% on sale days.

Online shoppers also care about items being out of stock — it's top-three concern for 46% of them.

So whether making sales online, in store, or both, retailers must ensure they're on top of their stock management.



## Start the Golden Quarter early, and keep it going for longer

Despite the pandemic, most people say they intend to spend at least as much during this year's Golden Quarter as they did last year. To prevent pandemic-related lockdowns and associated restrictions from spoiling the festive season, some people will have started their shopping early, while others will be getting their gift shopping done quickly without waiting for sale days.

To capitalise on the urge to shop early and quickly, retailers may want to consider starting sales and promotions sooner than usual, whether online or in store. And to encourage shoppers into their stores as and when they can open, retailers need to continue to create an environment where people feel comfortable shopping. That means constantly reviewing and implementing appropriate hygiene and social distancing measures. They could also consider implementing technology that helps shorten queues at the till.

When retailers are selling online, they should bear in mind consumers' concerns about deliveries arriving late or not at all. Delivering on time and communicating well with customers will be critical to maintaining trust in online shopping channels.

And what about after Christmas? Keeping promotions running through to the January sales — online or in store — looks like a good move, as customers have the most faith in the deals on offer on these days:

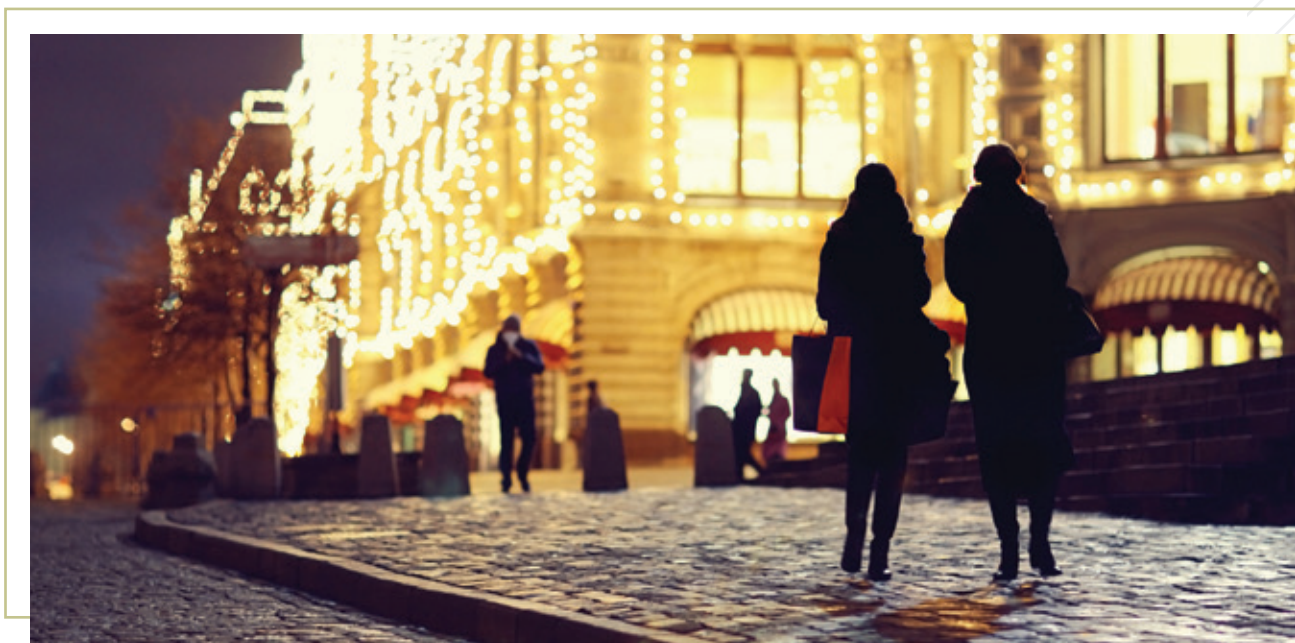


of shoppers trust  
Boxing Day deals



of shoppers trust  
January sales deals





## Outlook for 2021

Predicting what lies ahead for retailers in 2021 is challenging as the pandemic continues to play out, and the effects of regional lockdowns during the Golden Quarter remain to be seen.

In the short term at least, it's clear that implementing social distancing and hygiene measures is a basic requirement for encouraging people into brick-and-mortar stores. And some of the shifts in consumer behaviour caused by the pandemic – such as the increased popularity of click and collect – may well be here to stay.

The role of online retail will doubtless continue to be important, as pandemic-related restrictions may come and go; and some shoppers will simply stick with online shopping out of preference.

To keep pace with short- and long-term change, retailers should ensure they're in a position to accelerate their digital and omnichannel transformation, and get their business into shape for the industry's new normal.

## Research methodology

This independent research was carried out on behalf of Aptos by Coleman Parkes Research, a specialist in marketing and business research. They surveyed 2,000 consumers across the UK in September 2020.

## About Aptos

### Aptos: Engaging Customers Differently

Aptos is the largest provider of enterprise software focused exclusively on retail. Our cloud-based Singular Retail™ solutions are trusted by over 1,000 retail brands in 65 countries. With industry-leading omnichannel commerce and merchandise lifecycle management solutions, we help retailers develop dynamic and responsive assortments, streamline operations and deliver integrated, seamless experiences...wherever shoppers choose to engage. More than 1,300 colleagues share our collective passion for engaging customers differently, and we are committed to developing relationships built on trust and tangible value by partnering with our clients to create agile retail enterprises that are built to thrive in an era of constant change.

Learn more at [www.aptos.com](http://www.aptos.com).