

LET'S GO SHOPPING:

How Marketers Are Driving In-Store Sales
As Restrictions Are Lifted



First, Some Context

As the COVID-19 pandemic begins to subside, consumers are leaving their houses more frequently to satisfy the long pent-up demand for all sorts of consumable and durable goods. It's a natural time for marketers to double down on in-store retail as a sales channel and ensure growth in new and existing customers. It's also a natural time for Reveal Mobile to answer a host of questions about consumers and marketer behaviors.

At a high level, this report answers two key questions:

**1 WHAT ARE MARKETERS
DOING TO DRIVE IN-STORE
FOOT TRAFFIC?**

**2 WHERE IS IN-STORE
FOOT TRAFFIC
INCREASING?**

The report does much more than answer just those two questions. Combining Reveal Mobile's privacy-compliant precise location data and the results of a market research study with 175 digital marketers across the U.S., we analyze and share how paid media professionals are focusing their time and resources on getting consumers back into brick and mortar stores.

Consumers Return to Shop In-Store

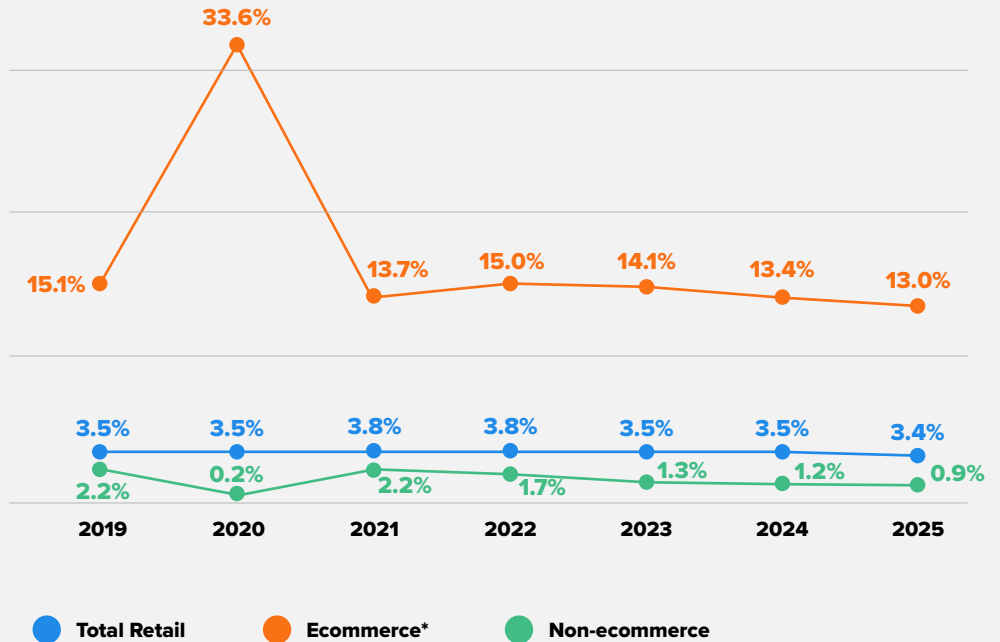
We've all heard predictions of the retail apocalypse, driven by ecommerce expansion and exacerbated by the global pandemic, reducing physical retail stores to little more than showrooms across categories. The popular narrative is that e-commerce is eating in-store sales' lunch. However grave and persistent the warnings, the apocalypse is not actually happening.

While ecommerce represents a larger portion of all U.S. retail sales than it has in years past, it is still dwarfed by in-store retail sales. What's more, physical retail's value and purpose is shifting.

"The physical retail experience emerging in 2021 suggests that stores must still be able to adjust to rapidly changing conditions, and technology will be key to that flexibility," according to [eMarketer](#). They also predict **"brick-and-mortar retail sales will rebound from a 0.2 percent decline in 2020 to a 2.2 percent gain in 2021."**

US TOTAL RETAIL SALES GROWTH, BY SEGMENT 2019-2025

% change



Note: excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling, and other vice goods sales;
 *includes products or services ordered using the internet, regardless of the method of payment or fulfillment.

Source: eMarketer, Feb 2021



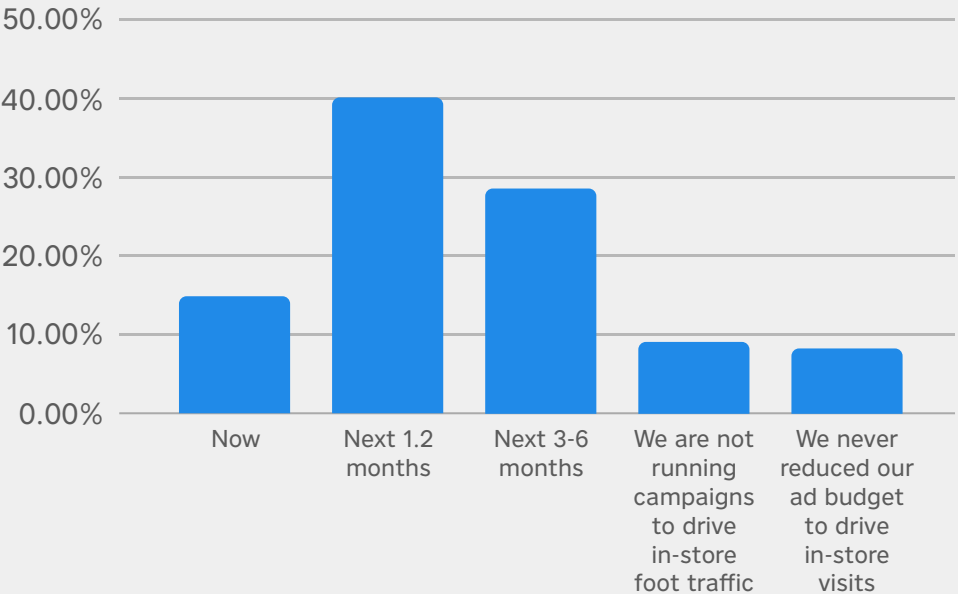
The Post-Pandemic Dawn of In-store Retail

Americans are getting vaccinated, states are lifting closure mandates and increasing maximum capacity within retail locations, and people are giving into their pandemic fatigue and going out more frequently. This is feeding the resurgence of physical retail for everything from apparel to tacos. We conducted a nationwide survey to find out how digital marketers are planning their media budgets for the sweeping return to in-store retail.

91 percent of the marketers we surveyed work with brands that sell products in-store and via buy online pick up in-store (BOPIS). The vast majority are currently running ads to drive foot traffic for in-store sales: 71 percent in all, with 46 percent also focusing on BOPIS. As a point of comparison, 85 percent of marketers surveyed are also driving online sales. Many of the marketers in our survey are advertising to generate sales through multiple channels.

While 15 percent of marketers have already begun to increase ad spend to generate more foot traffic to physical stores, 55 percent plan to boost ad spend to drive more in-store traffic in the next 30 to 60 days. Another 28 percent plan to increase their spend within the next three to six months, blending summer campaigns with the pre-holiday season.

When do you plan to increase your ad budget on campaigns to drive in-store foot traffic?



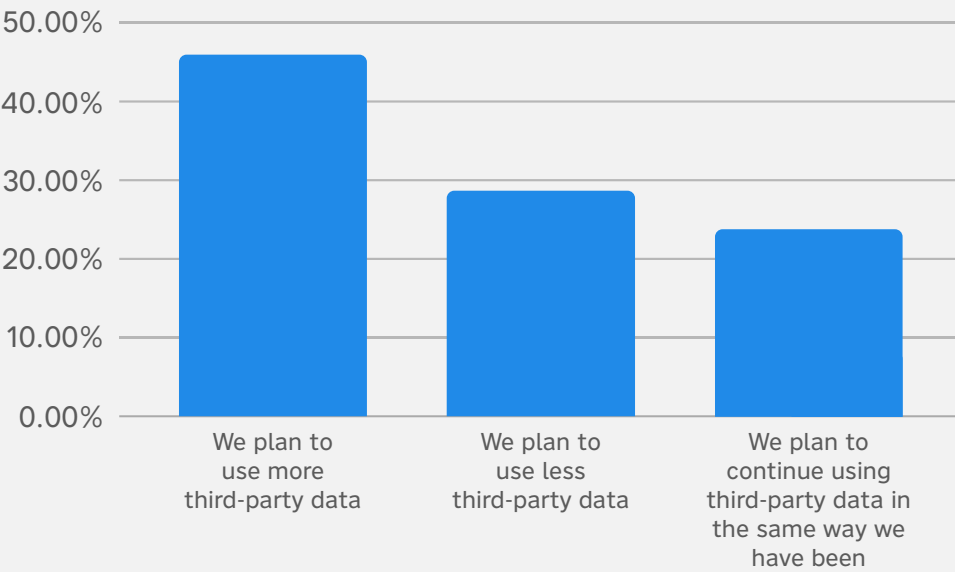
Marketers Double Down on Data

The most agile companies have leveraged data and technology to stay above water throughout the pandemic. Big-box retailers like Walmart, Target, and Best Buy have seen success through adjustments to supply chains, product and service bundles, stocking and inventory, and customer service. Other brands such as Apple, Lululemon, Nike, and Starbucks have focused on innovating and modifying store experiences through digital integration for frictionless shopping.

The marketers we surveyed have followed suit. 55 percent of marketers we surveyed have increased their use of campaign data and analytics capabilities to weather the pandemic storm. Another 36 percent indicated that their use of data has not changed, likely because they were already properly equipped.

Similarly, more marketers are seeing the value of third party data. 47 percent of those we surveyed plan to use more third party data in campaigns this year.

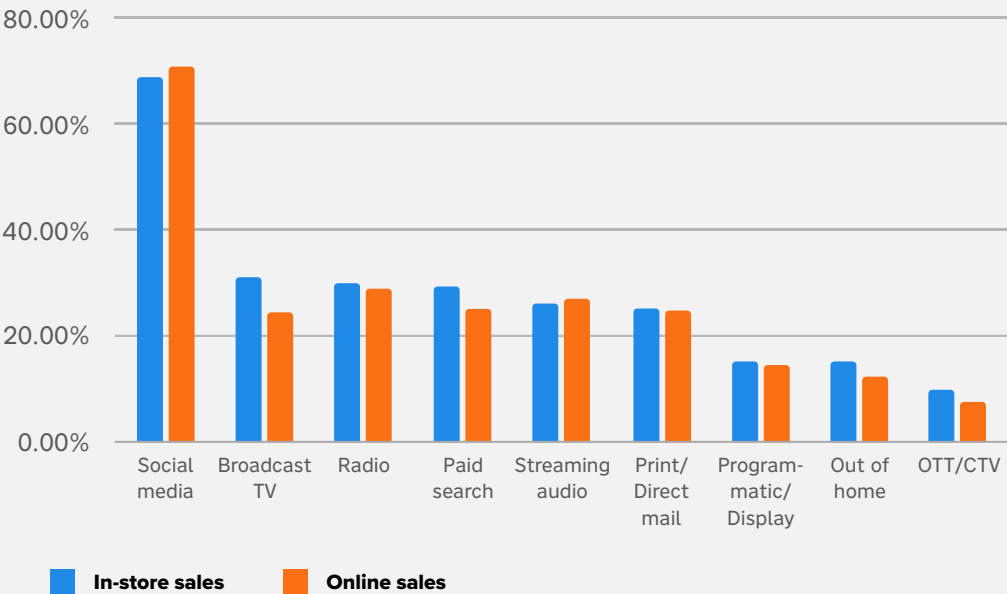
How will your use of the third-party data change this year?



Marketers Keep a Healthy Mix of Ad Channels

It may come as no surprise that paid social is the top channel used by marketers for driving both in-store and online sales. Roughly 70 percent use a social ad platform such as Facebook and Instagram in their campaigns.

What ad channels do you use to drive sales in-store and online?



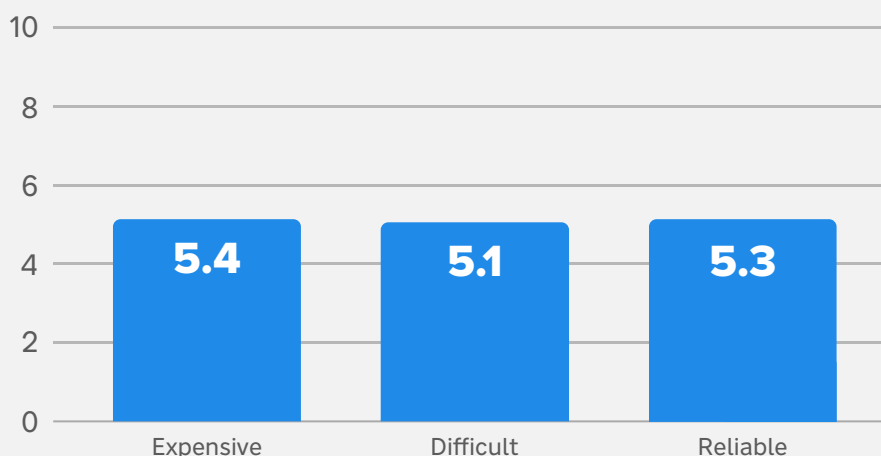
The use of traditional channels -- linear TV, radio, and direct mail -- makes measuring attribution difficult. This may be why almost 40 percent of those surveyed plan to increase their use of third party data in 2021. Streaming audio, programmatic display, and OTT are viable candidates for [pixel-based foot traffic attribution](#).

How to Measure Campaigns that Drive Retail Foot Traffic

Attribution has a stigma of being expensive, difficult to measure, and sometimes unreliable. Tools built in to platforms such as Facebook are making measuring attribution easier and more approachable for more marketers, but the results are not as accurate and thorough as they need to be for proving actual ROAS. Too many marketers still claim that they know half of their marketing investment is working; they just don't know which half.

We asked marketers about their perceptions around attribution.

On a scale of 1 to 10, how expensive, difficult and reliable would you say it is to accurately measure campaign performance?



Those we surveyed are lukewarm toward built-in attribution tools across all measures because they are hesitant about how reliable results in those tools are. They use a lot of different tools (see word cloud on next page) and rely on top level analytics like those found in Facebook Ads Manager and Google Analytics. Correlating across these platforms is next to impossible, and they often leave a muddled picture of performance.

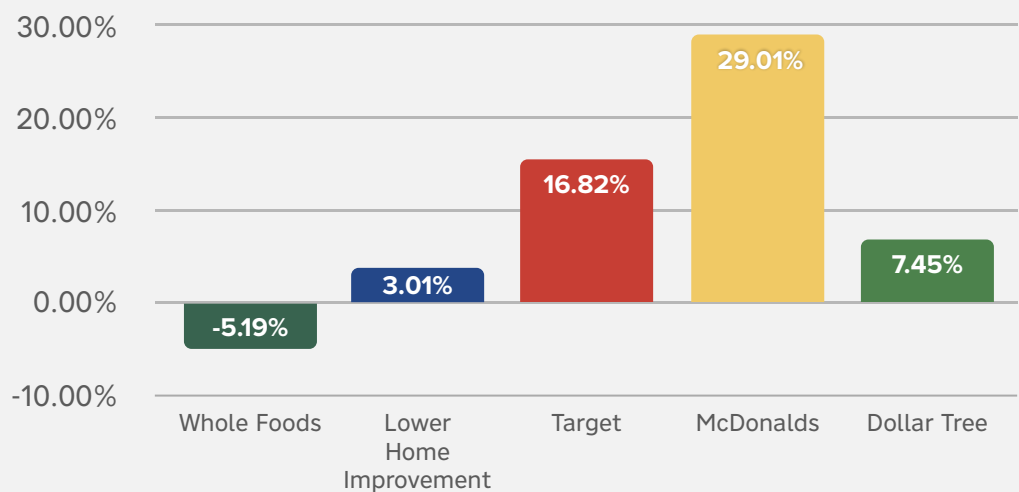
In-Store Retail Foot Traffic by Segment

To augment the actions marketers are taking to drive higher volumes of in-store retail foot traffic, we analyzed foot traffic in several retail categories, using a large chains representative of each segment:

- **Whole Foods** in grocery
- **Lowe's** in home improvement
- **Target** in big box retail
- **McDonalds** in quick serve restaurants
- **Dollar Tree** in discount retail

Using Reveal Mobile's proprietary point-on-interest database and opted-in GPS location data, we compared foot traffic in March 2020, the month the pandemic took hold, to foot traffic in March 2021.

Foot Traffic to Select Retailers in March 2020 compared to March 2021



Grocery

The only retailer that saw a small decline in foot traffic was Whole Foods. This decrease may be due to a couple of factors. First, in the second half of March 2020, grocery stores were one of the very few retail categories that were allowed to remain open as essential businesses. This means more people may have been going to Whole Foods in March 2020 as a way to prepare than they did in March this year because options for grocery shoppers to go has significantly increased.

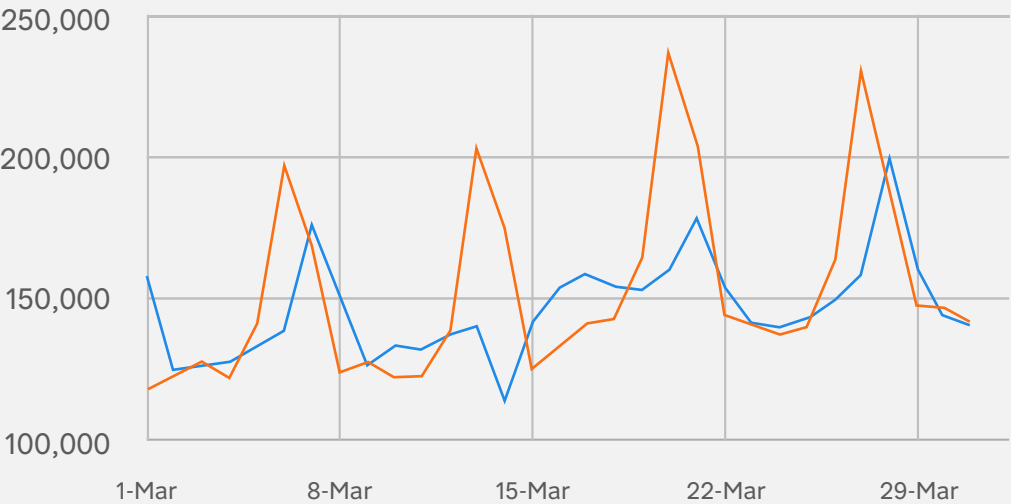
Another reason for Whole Foods’ slight drop may be due to the comfort level of customers and their willingness to diversify their grocery shopping options from pre-pandemic days. Whole Foods is a trusted brand for keeping their customers safe and healthy and took strong measures to uphold this reputation during pandemic closures. As of March 2021, we know a lot more about how the virus spreads and consumers may be more comfortable shopping at brands that are not as well known for keeping their customers safe. Loyal customers, therefore, are straying from Whole Foods. The grocer’s sales reflect the drop in foot traffic. First-quarter sales at Whole Foods stores fell [16% year-over-year](#).



Home Improvement

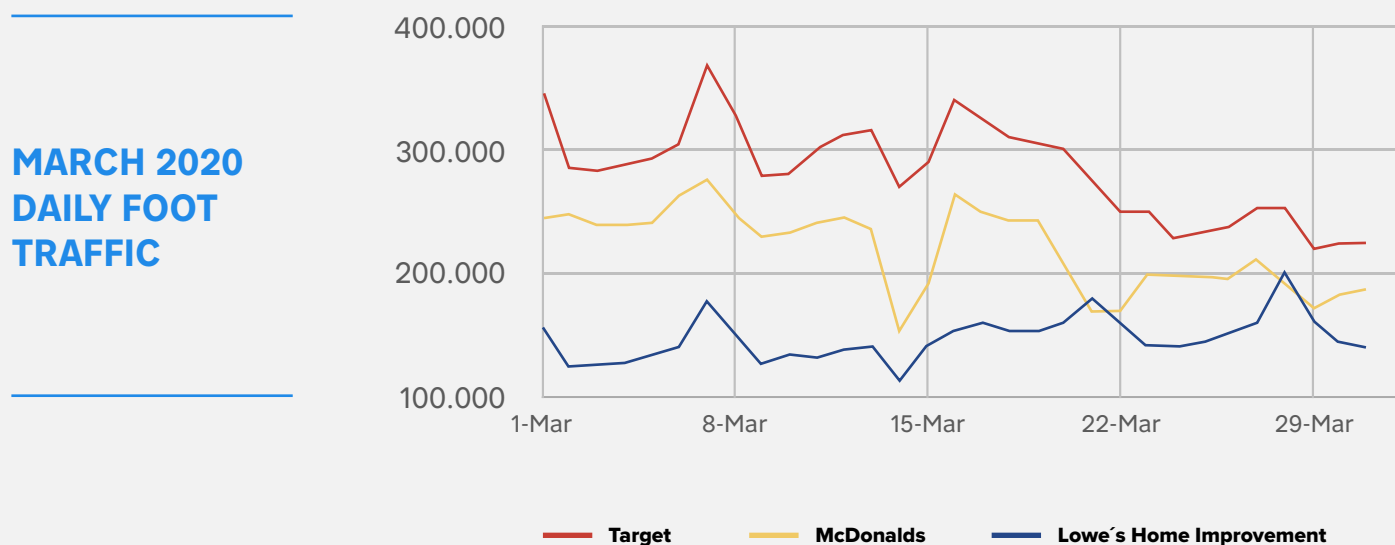
Lowe’s foot traffic stayed relatively flat year over year. Home improvement stores were also allowed to stay open through shut-downs as essential businesses. Last year, [we reported that foot traffic to the home improvement category increased by 142%](#). With so many people still working from home, house projects do not look to be slowing down.

MAR-20 VS
MAR-21
COMPARISON,
LOWE’S



— March 2020 visitors
— March 2021 visitors

In big box retail and QSR, we see a noticeable decline after March 13, 2020, indicating consumers weren't venturing out much at all.



Big Box Retail

Analysts have attributed Target's forward-looking pre-pandemic strategy of investing in brick-and-mortar stores as the key to its success in the last year, as some other retailers had to pivot on the fly. Target has used its stores as fulfillment centers for digital sales focusing on a store-centric approach, and it has paid off.

Even with all of its digital sales growth, the big box chain still saw an almost 17 percent increase in foot traffic when comparing March 2020, when people were stocking up on toilet paper and hand sanitizer, with March 2021. This shows that in-store investment is invaluable when done right.



QSR

As we've seen, brands learned a lot during the pandemic, from how to message, sell and retain customers, and not lose sight of the fundamentals. McDonalds is no different. The QSR giant had customers in the United States order more hamburgers and fries in drive-throughs outlets and on delivery apps to avoid dining out during the pandemic. Because of this trend and to stay agile, they plan to build some locations without any dining rooms at all to focus on carryout, drive-through and

McDonalds is also implementing a program with tailored offers to increase loyalty and decrease friction in the in-store experience. McDonalds' focus on long-term strategy, including a refocus on their core menu offerings of burgers, coffee and chicken, implementing their loyalty program, and new re-imagined restaurants, is already showing signs of paying off with a 30 percent increase in foot traffic.



Discount Retail

Dollar Tree is seeing a consistently healthy trend as well with a 7.45% increase in foot traffic from March 2020 to March 2021. The discount retailer is going all-in on physical retail and has plans to [open 600 stores](#) and renovate 1,250 Family Dollar locations this year. They are also rolling out a new concept of a combination store where Dollar Tree and Family Dollar share the same physical location. The brand has plans to open these stores in small towns and rural communities with populations of 3,000 to 4,000 — markets where the company would traditionally not open a Dollar Tree store alone.



Wrapping Up In-Store Foot Traffic

If there were a time of year to advertise for physical retail stores, this is the high season. The pandemic and [worry is on the wane](#), consumer comfort with [shopping in-store is rising](#), and demand has grown across [every retail category](#). Now is the time for marketers to get new and loyal customers back to the places they want to shop.

ABOUT REVEAL MOBILE

Reveal Mobile provides customizable geofencing marketing solutions to digital agencies, brands, retailers and media companies. Creator of VISIT Local, the company's award-winning geofencing product allows companies of any size to leverage location data to understand, reach and measure the right audiences.

Reveal Mobile is CCPA and GDPR compliant and a member of the Network Advertising Initiative, which conducts an annual privacy certification. The company is based in Raleigh, NC. For more information, visit <https://revealmobile.com>

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