



—

How Technology Can Drive Retail Sales This Black Friday

September 2020

CapTech®

There were some positive signs for retailers when the Commerce Department announced mid-August that retail sales had risen for the third straight month. But while consumer spending has rebounded to pre-pandemic levels, it has also coincided with government assistance in the form of \$600 a week in unemployment assistance, and brick-and-mortar stores in many industries are still suffering.

In other words, there is still competition for share of wallet and continued uncertainty for retailers, especially due to the ever-changing nature of COVID-19. With many consumers shifting to online shopping during the pandemic, we can only imagine that many businesses are eyeing Black Friday—and the holidays beyond—with great trepidation. That’s why technology will play a key role in how retailers attract, engage, and service their customers this year.

Retailers already have the tall task of creating a safe environment for consumers still willing to shop in person the day after Thanksgiving.

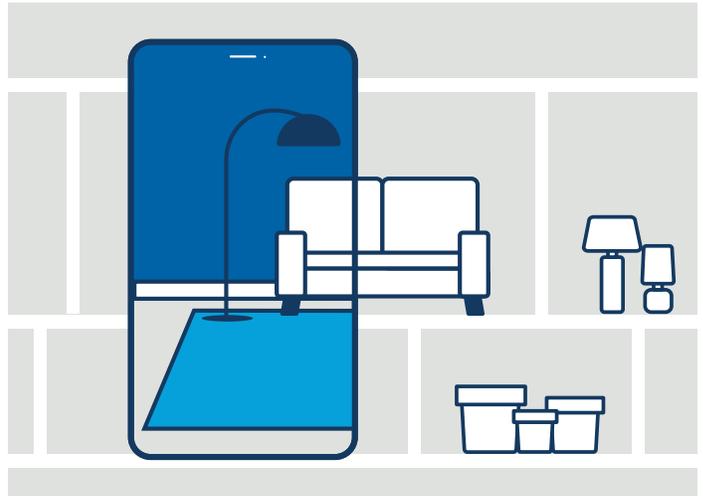
This year’s success also hinges on their ability to be more creative—and targeted—in their digital approach. Retailers can take solace in the fact that online shopping was already a Black Friday trend, with a 6.2% drop in brick-and-mortar sales in 2019. So, while innovating online can help you this fall, it also has the potential to pay dividends on future Black Fridays, too.

6.2% DROP IN BRICK-AND-MORTAR SALES IN 2019¹

For businesses looking to shake things up online in 2020, here are four ways you can use technology to drive sales this Black Friday.

1

CREATE A VIRTUAL SHOPPING EXPERIENCE



While many consumers will be content shopping online since it’s become a habit during the pandemic, others will certainly miss the tangible experience of being in a store and shopping with their families and friends after Thanksgiving. While you might not be able to satisfy this need completely online, you can certainly create ways for customers to “browse” virtual shelves, reserve desired products, and interact with associates.

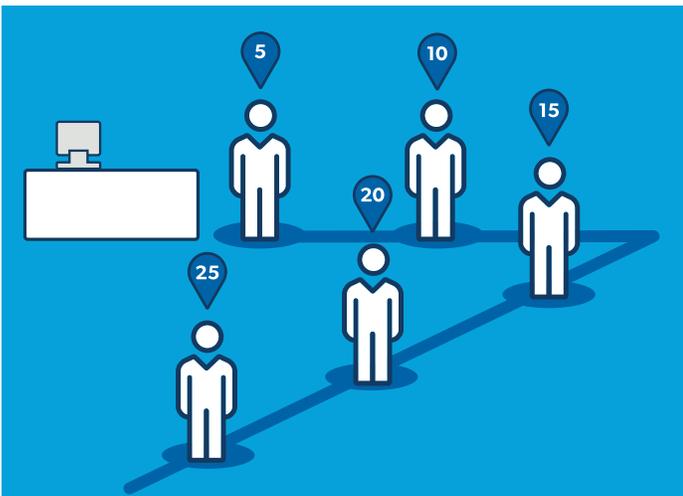
Ultimately, this Black Friday success will demand out-of-the-box thinking. We are excited by the possibility of using Augmented Reality (AR) or Virtual Reality (VR) to create an ultra-realistic shopping experience. AR allows consumers to try a product, say a sofa, using technology to see how the product looks within their current reality. VR is a more immersive experience, one that can allow customers to virtually explore a store and add items to their bag or carts from the comfort of their own home—then get those items delivered directly to them.

100 MILLION+ CONSUMERS WILL USE AR TO SHOP IN 2020²

2

OPTIMIZE CONSUMER SAFETY AND DENSITY

Consumers confident enough to continue their in-person shopping this year will likely want to visit places where safety is taken seriously. Many retailers have put appropriate protocols in place—for example, apps that allow for customer queuing and appointments—and these practices will need to be perfected for Black Friday. In-store density-tracking tools are critical, too; while they've been used for labor scheduling and conversion calculations, today they're helping retailers manage safety guidelines and optimize customer load.



Consider offering Black Friday appointments throughout the season or in the weeks leading up to Thanksgiving to spread out the load, all while offering the same deals found on the big day. If you're using a density-tracking tool, you can also direct foot traffic to various displays and centers in your store based upon volume.

AMERICANS KEPT SHOPPING IN JULY WITH RETAIL SALES RISING 1.2% FROM JUNE³

3

LEVEL UP WISH LISTS AND GAMIFIED SHOPPING



Wish lists can create connection and intrigue between gift givers and recipients, but there are tactics retailers can use to enhance them for this year's (hopefully!) biggest shopping day of the year. Using push notifications to offer spontaneous deep discounts on wish list items has the potential to spur sales. Or highlighting items on your loved one's wish list in the store using AR can be an effective marketing feature and drive conversion.

Retailers should also consider gamifying any "doorbuster deals," whether that involves creating a "deal of the hour" like Amazon does on Prime Day or allowing customers to simulate the competitive experience of getting the best deals. Brick-and-mortar stores, for instance, could allow customers to reserve in-store items if they're within 100 feet of the store—and then provide curbside delivery for those who had the fastest fingers when using their mobile devices for a purchase.

4

FOCUS ON PICK-UP AND DELIVERY SOLUTIONS

Consumers have adjusted to buying online and then picking up in the store or curbside, so being prepared for an influx of these buyers will ensure a smooth Black Friday experience the day of, and throughout the holiday season. Mobile apps can help with scheduling and queuing for pick-ups, and stores can also utilize kiosks and lockers for fully automated pick-up. Home Depot's use of lockers for pick-up or drop-off could serve as a good alternative for those looking to leave the house—but limit their time in-store—on Black Friday.



Scanning items in-store for future delivery is a smart approach, too; customers could get the “deal of the day,” avoid touching heavily trafficked displays, and have their purchases seamlessly delivered to their homes.

208% INCREASE OF ONLINE IN-STORE PICKUPS IN APRIL 2020 COMPARED TO APRIL 2019⁴

REMEMBER WHAT CONSUMERS LOVE ABOUT BLACK FRIDAY

Ultimately, when planning for Black Friday, companies should keep in mind the main drivers of going to the store versus shopping online. Consumers enjoy the tangible and cultural aspect of the shopping experience, and the post-Thanksgiving tradition of it all. Many enjoy the thrill of the hunt, and the triumph of taking their purchases home with them. That means retailers should do everything in their power to appease these motivations virtually, or with virtual assistance.

CapTech regularly launches solutions similar to the ones mentioned in this article—often in four to six weeks. We can provide development and implementation services in partnership with your IT organization so you can get to market quickly with new concepts. If you're interested in how technology can benefit your business during the holiday season, get in touch.

CITED SOURCES

1. CNBC, “Black Friday Shopping at Brick-and-Mortar Stores Dropped by 6% as Consumers Spent Record Online,” November 30, 2019. Retrieved from <https://www.cnbc.com/2019/11/30/black-friday-shopping-at-brick-and-mortar-stores-dropped-by-6percent.html>
2. Gartner, “Gartner Says 100 Million Consumers Will Shop in Augmented Reality Online and In-Store by 2020,” April 1, 2019. Retrieved from [https://www.gartner.com/en/newsroom/press-releases/2019-04-01-gartner-says-100-million-consumers-will-shop-in-augme#:~:text=Augmented%20reality%20\(AR\)%20and%20virtual,%2C%20according%20to%20Gartner%2C%20Inc.](https://www.gartner.com/en/newsroom/press-releases/2019-04-01-gartner-says-100-million-consumers-will-shop-in-augme#:~:text=Augmented%20reality%20(AR)%20and%20virtual,%2C%20according%20to%20Gartner%2C%20Inc.)
3. New York Times, “Retail Sales Rise for Third Month, Though Growth Slows,” April 14, 2020. Retrieved from <https://www.nytimes.com/2020/08/14/business/retail-sales-coronavirus.html>
4. CNBC, “Curbside Pickup at Retail Stores Surges 208% During Coronavirus Pandemic,” April 27, 2020. Retrieved from <https://www.cnbc.com/2020/04/27/coronavirus-curbside-pickup-at-retail-stores-surges-208percent.html>



Bree Basham
Managing Director, Customer Experience

With 20+ years in the brand and marketing space, Bree has spent much of that time on the agency side as Creative Director for a range of clients and industries. She draws on deep brand experience across a variety of applications, including traditional, digital, and mobile, and a strong background in brand strategy. She has directed many large digital programs within the retail services space and is passionate about delivering compelling, human-centered design that provides business value.

e: bbasham@captechconsulting.com

p: 704.631.3279



Jon Bradway
Managing Director, Business Development

Jon helps clients leverage technology, data, content, and agile operations to create new strategies, products, consumer interaction points, and business models in alignment with the total Customer Experience (CX).

e: jbradway@captechconsulting.com

p: 404.220.7070

This publication contains general information for educational purposes only. In posting this publication CapTech is not providing business, financial, investment, tax, legal or other professional advice or services and should not be used as a substitute for those services or should not be used for any decision or action that may impact your business. This publication is not a solicitation for business for any of the companies or the organizations included in it, nor does CapTech recommend or endorse the services or products provided by these companies or organizations. CapTech provides this publication on an "as is" basis and makes no representation or warranty as to its suitability or validity for any specific purpose. CapTech is not responsible for any loss sustained by any person or company who relies on this publication for making business decisions.

captechconsulting.com

CapTech is a national consulting firm that helps clients grow efficient, successful businesses. We do so by bringing the data, systems, and ingenuity organizations need to stay ahead and transform what's possible in a changing world. Here, we're master builders, creators, and problem solvers who find inspiration in the unknown and enjoy getting our hands dirty as we design solutions for each client. Across industries and business goals, we fuse technical depth and analytical prowess with creative savvy to ignite innovation and move business forward. This drive helps each organization use technology, management, and insight to turn ideas into action. Together, we create outcomes that exceed the expected — which is one of the reasons we've been on the Inc. 500/5000 list for over a decade.

CapTech[®]

[t](#) [in](#) [@](#) [f](#) [ⓧ](#)
[@CapTechListens](#)

Copyright © 2020 CapTech Ventures, Inc. All Rights Reserved.