

Ipsos Webinar  
September 2020

# ARE YOU READY FOR YOUR NEXT CUSTOMER?

An audience with ... Dimas Gimeno

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GAME CHANGERS







## An audience with ...

On September 30 2020, we enjoyed 'an audience with ...' Dimas Gimeno. Dimas spoke with Ipsos about a range of topics, but with the focus on 'being ready for your next customer'. This report provides a brief overview of the key points he made in the interview.



*Although cinema is still my passion, what really interests me now is who will write the script for the future of retail*

### Dimas Gimeno

- Founder and CEO of Skintelligence Investments
- Former President of El Corte Inglés
- Opinion leader in retail, innovation, new business models and digitalisation
- LinkedIn influencer

## COVID-19: The lessons so far

1

COVID-19 is behind many changes, but the implications go far beyond the obvious.

2

People are looking for security. Brands have a role to play.

3

There is no single solution for all consumers ... just as there is not one for all brands.

4

This is a lasting situation. Plans must be made, with flexibility a must.

# Preparing for the new normal

## ***"We are more fragile now"***

- Insecurity is one of the dominant feelings apparent.
- This insecurity leads to emotional fragility: *"It is difficult for us to return to that 'next normal', when we do not yet know what that is"*.
- But we cannot wait for that new normality to be defined, we have to define it ourselves to reduce the general uncertainty.
- **Brands have a big role to play**, helping consumers to move forward, encouraging them, motivating them and making everything a little more positive.



## **Ipsos' point of view**

We know that values remain unchanged in the medium term, and the signals we are seeing in response to Covid-19 are examples of people becoming **even more entrenched in the values they already have**. When such crises occur, people look for ways to reinforce what they already think or want to believe is true.

The economic impact will be felt for years to come and **"step-by-step changes" in consumer behaviour will be** observed, for example the switch from cash to card, online shopping... are only signs of the change while the values remain unchanged.

Source: Global Trends <https://www.ipsosglobaltrends.com/covid-19/>



One of the conclusions drawn from our studies is that the **Spanish are the European citizens who feel most threatened by the Coronavirus** (at present, above Italy, the United Kingdom and France).

According to Vicente Castellanos, Director of Public Opinion and Social Studies at Ipsos, *"Spaniards are divided between reality and desire. Two stories that intersect; on the one hand, people want to forget about the virus, to return to normal life, to Summer holidays, and then the stubborn reality imposed on us by outbursts, closures, limits, which impose a new way of living is hard to accept because we considered it to be transitory, but we see that perhaps it is not so transitory"*.

Source: Essentials (July 2020)

<https://www.ipsos.com/es-es/espana-el-pais-europeo-que-se-siente-mas-amenazado-por-el-coronavirus>





# Being ready for your next digital customer

***“COVID has accelerated what was already happening”***

- **We’re seeing accelerated digitisation.** As the CEO of Microsoft has said “... seen two years worth of digital transformation in just two months”.
- Digital pure players have changed the rules of the game.
- Previously non-digital consumers have discovered online shopping and are delighted with it.
- The fragility linked to insecurity will clearly leave its mark on purchases; **the ‘next customer’ will demand secure purchases**, whether physical or online.
- This whole process is here to stay. Anyone who thinks that we will be back to square one, where we were in February 2020, is wrong.



## Ipsos' point of view

Small and medium-sized business owners are preparing for another surge in Coronavirus infections. At the same time, shoppers, who are now more supportive of small businesses, **have rapidly adopted digital payments, e-commerce and home delivery**. Many owners and operators are now investing in going **digital to survive in a near future which is completely uncertain**. This accelerated migration to digital signals new opportunities for merchants' financial service providers, according to studies and analysis by Ipsos.

Source: <https://www.ipsos.com/en-us/knowledge/consumer-shopper/As-small-businesses-go-digital-to-survive-coronavirus-financial-services-players-innovate>





# But it goes beyond digital desire

## *"What is sure to stay ..."*

- **Traceability:** we need to know where the things we touch and consume come from, we need guarantees, we want to know the journey of each product.
- **Close to source:** because of both safety linked to traceability, and because of the desire not to be dependent on other countries.
- **Change in physical retailer promotion model:** no more 'x' days, nor 'y' events to generate traffic and fill the shops. A change in promotion strategies; events will be reformulated to generate sales peaks in another way.



### Ipsos' point of view

Data from August showed how the return to the 'new normal' was having a direct impact on physical trade. Following the initial fear about returning to shopping malls and physical stores, we saw these feelings decrease week by week; we saw more and more people going to these physical locations and even 'dare' to try on clothes and shoes. But **Spanish consumers are the Europeans who feel least comfortable trying on clothes and shoes**, with only 33% already doing so, compared to 50% of the Italians, 49% of the French and 40% of the Germans.

Despite the fact that consumers are gradually returning to make their purchases in physical shops, the boom in online shopping caused by the months of confinement is still going on. For 72% of Spaniards, online shopping allows them to avoid contact with products, thus reducing the possibility of contagion.

Source: [https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-08/clean-green-affordable\\_3.pdf](https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-08/clean-green-affordable_3.pdf)



## Ipsos' point of view

### What does this mean for brands?

COVID is accelerating many changes in purchasing behaviour, so to adapt to new needs, brands to anticipate the 'next normal' should:

1. Establish a **direct connection** with consumers.
2. Make your **brand convenient and accessible**.
3. Continue to **invest in advertising** to keep your brand prominent and relevant.
4. **Research and understand changes in purchasing behaviour**, general attitude and brand sentiment.

Source: <https://www.ipsos.com/en-us/knowledge/consumer-shopper/How-Covid-19-Fosters-New-Purchasing-Behavior>



# Fighting on all fronts

***"To attract the next buyer, a 'soup recipe'..."***

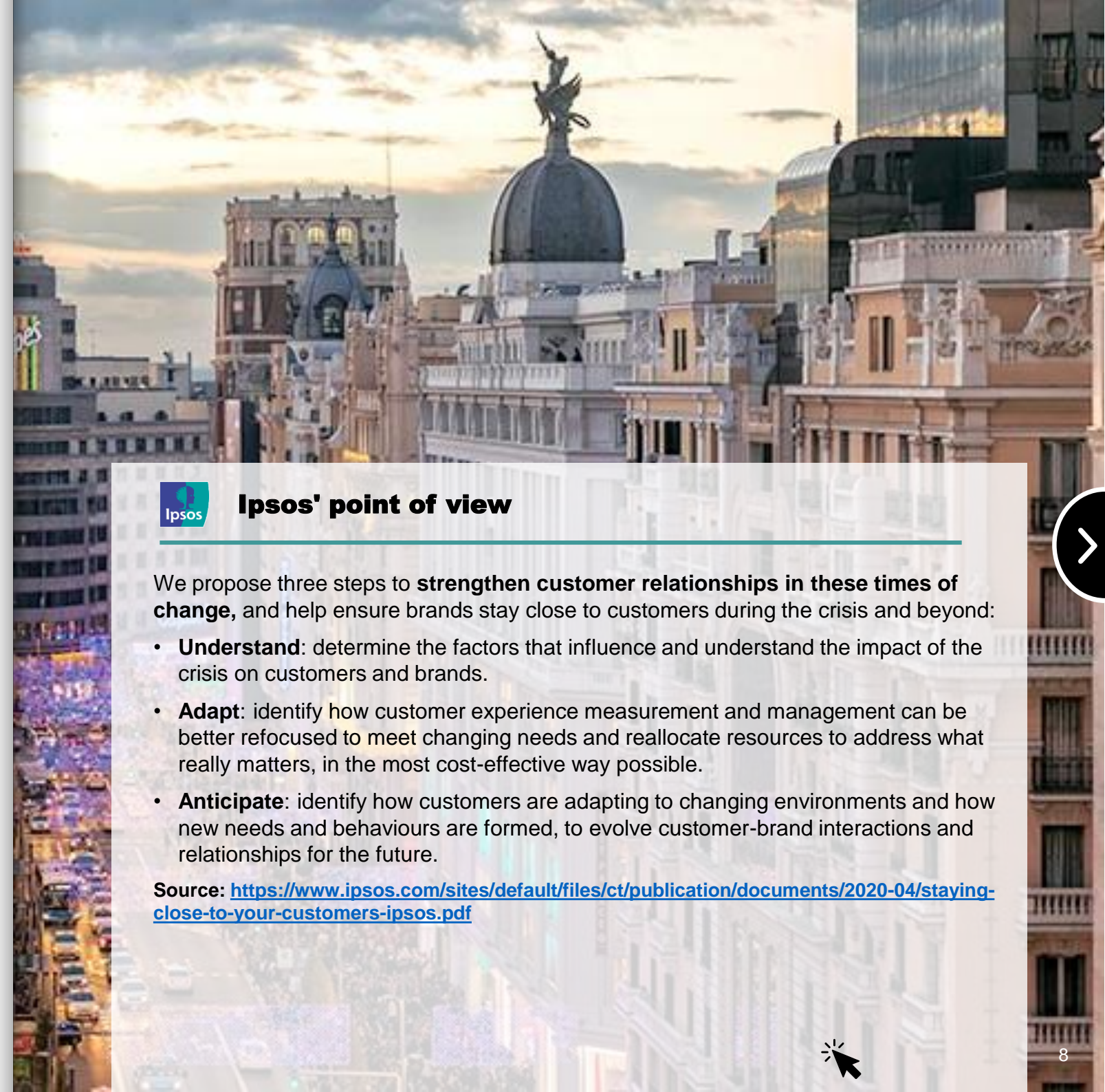
- **Analyse your 'essence' and act accordingly:** *"it is not the same to be a shopping centre, as a neighbourhood shop, a warehouse, or a specialist shop on Calle Serrano. If you take into account where you come from, you will clearly understand what you are missing".*
- **Correct convergence of physical and digital:** *"you need to understand which part of the digital you need to do well, so that it adds to your starting point and that both are unbeatable. Owning the inventory and being able to offer it in digital or physical is key".*
- **Innovate and differentiate:** *"I know that this is very difficult, and that we are all selling the same thing, which is terrible, because when you sell the same thing it is very difficult to differentiate yourself and the digital one ends up winning because it brings it to your home sooner, better and cheaper".*
- **Exciting shopping experience:** *"the shops have to be like a '3 ring circus', where a lot of things are happening".*



# Retail: from the outskirts to the centre

*"The digital is not going to replace the physical and the closer we are to the customer, the better ..."*

- The **apocalypse of physical retail is a fallacy**. This is demonstrated by the best examples from China, where all-digital companies are creating actual shops.
- But shops have to be redesigned, so including:
  - Urban shop concepts that get closer to the customer where s/he is
  - Flagship stores, showroom style, that support the digital channel, where there is more attention on the experience and less on sales.
  - Shops that focus on necessary, impulse buying, deliver 'wow', are physically close and serve 'click & collect' in immediate vicinity.
- This will serve to increase brand loyalty, which in pure digital, can be challenging (albeit not always so).



## Ipsos' point of view

We propose three steps to **strengthen customer relationships in these times of change**, and help ensure brands stay close to customers during the crisis and beyond:

- **Understand:** determine the factors that influence and understand the impact of the crisis on customers and brands.
- **Adapt:** identify how customer experience measurement and management can be better refocused to meet changing needs and reallocate resources to address what really matters, in the most cost-effective way possible.
- **Anticipate:** identify how customers are adapting to changing environments and how new needs and behaviours are formed, to evolve customer-brand interactions and relationships for the future.

Source: <https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-04/staying-close-to-your-customers-ipsos.pdf>





# And what about shopping centres like ... El Corte Inglés?

***"I am an advocate of the company, I don't need to express my love for the green triangle"***

- El Corte Inglés is the Spanish "Love Brand".
- They have as much information about us as the banks do!
- It is a transgenerational brand.
- An almost unrivalled physical presence that sells in all categories.
- The key will be future execution because it is a complex company with old structures; they must make a complete turnaround and eliminate the burden of the old, of the journeys that are no longer consistent with the needs of Spaniards in this much more digital era.





# Macro trends to be taken into account

***“Everything is going to coexist at the same time”***

## Digital First?

Wanting to shape digital to our physical model is a mistake.

China is the benchmark, their business has gone out of digital and now they are going into physical.

## Channels?

Talking about channels in isolation no longer makes sense. UX has to be satisfactory at all touch points, because they all blend into one journey.

*"You're looking at the product on your mobile while you're inside the physical shop"*

*"The mobile is the main touchpoint"*

## City-Village?

Until February there was a lot of talk about megacities. Now and because of teleworking we also have to look at rural and small town environments.

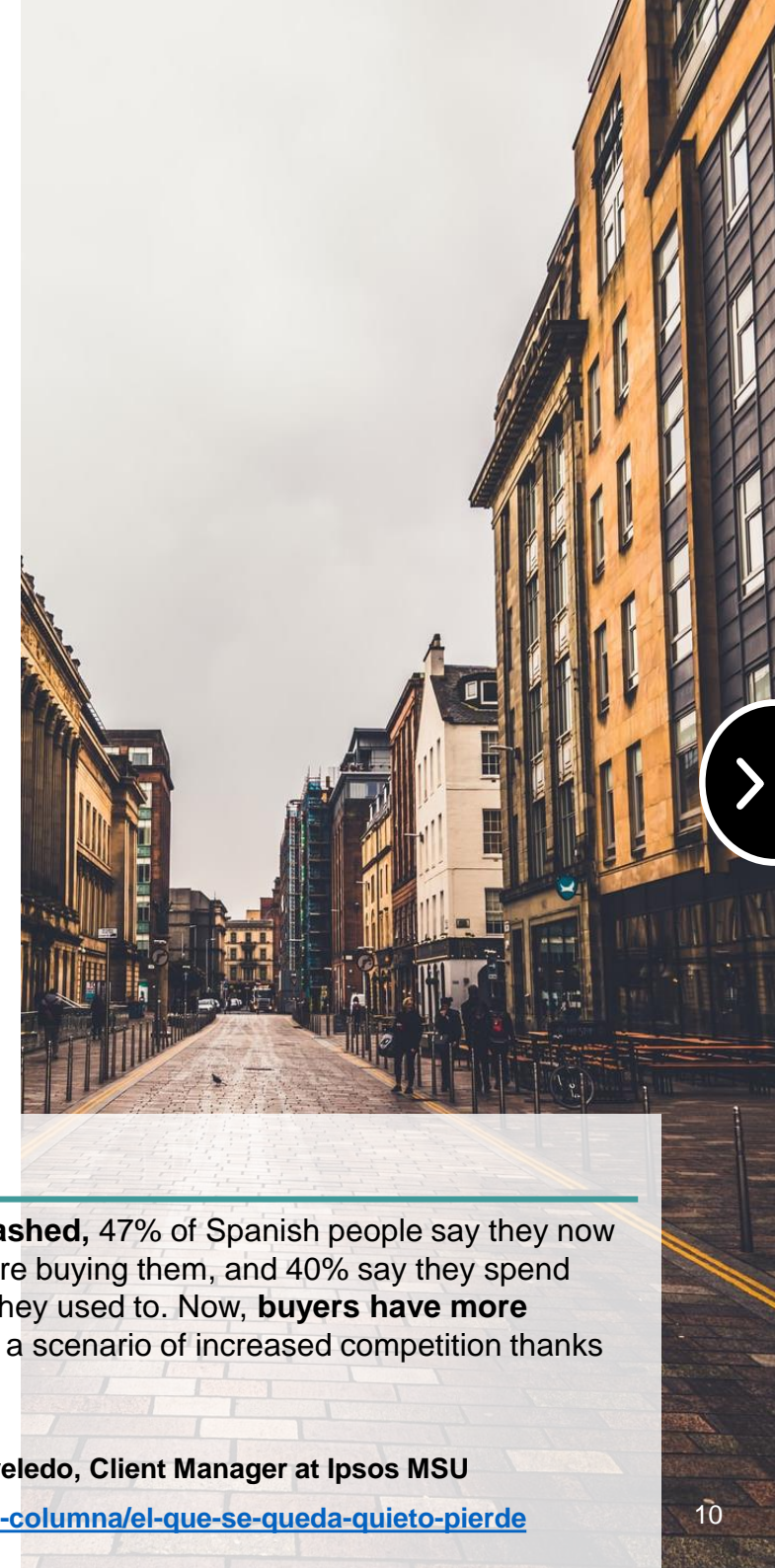


## Ipsos' point of view

According to our study **Ipsos eCommerce Unleashed**, 47% of Spanish people say they now spend more time looking for products online before buying them, and 40% say they spend more time researching other brands online than they used to. Now, **buyers have more experience in different channels** and also face a scenario of increased competition thanks to the development of digital native brands.

Source: MarketingDirecto.com: Article by Cecilia Aveledo, Client Manager at Ipsos MSU

<https://www.marketingdirecto.com/punto-de-vista/la-columna/el-que-se-queda-quieto-pierde>







## Ipsos' point of view

At a time of crisis, consumer attitudes and behaviour undergo major changes, and some of these **new attitudes and behaviours will be permanent**. From our research we found that consumers are more open to new ideas during a crisis, as their usual habits have been disrupted.

Source:

<https://www.ipsos.com/es-es/innovacion-en-tiempos-de-crisis-investigacion-durante-el-covid-19>

# Macro trends to be taken into account

## Where you play ...

### Last Mile

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Immediacy: I want it all and I want it now.

Whoever is best at solving last mile logistics has the key to success.

Price is no longer the variable, time is.

### Wow Effect

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Physical retailers must surprise; exciting things have to happen in the shops for the shopping experience to be wow.

The surprise comes from:

- Product innovation
- And to turn your salespeople into "personal shoppers", delivering a personalised experience (and not dealing with administration matters).

*"If we don't, the physical shops will become outlets".*

### Keep it Simple

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We can't force companies to put complex layers and layers on top of what has been built in the past.

Usually the new is simpler and more efficient (innovation, logistics, digital ...).

Be bold – make courageous decisions!



# And to conclude, a gift from Ipsos:

In times of social distance we need to be more united than ever. It is time to be responsible, to collaborate, to be generous. That is why we are making all our studies on the coronavirus available to you.

Some examples of our content:



All studies on Covid-19:  
[Ipsos Spain Covid-19.](#)

Keep up to date by visiting our Ipsos Knowledge Centre:  
[Ipsos latest feed.](#)

*"There is no such thing as a silent expert"*  
Jean-March Lech  
Co-founder of Ipsos



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