

LONG PANDEMIC AND LOCAL COMMERCE: EXPERT ROUNDUP

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Street Fight's core focus is localized commerce and marketing: how brick-and-mortar businesses use technology to connect with customers. This month, we're covering the continued impact of the pandemic on that space. To that end, three martech and retail tech leaders from VDX.tv, CatapultX, and VAI expound on the pandemic and local commerce in this expert roundup.

Justin Worster, Vertical Lead, Restaurants, and Senior Performance Strategy Manager, VDX.tv

The restaurant industry in 2022 continues to be impacted by shifts in dining preferences and behavior, but some pandemic consumer habits are here to stay. For example, online ordering has remained strong as a majority of consumers have maintained their takeout habits. Compared to 2019, online order volumes are up 70%.

Our data shows that the

demographic with the highest lift for online ordering during lunch hours are under 40, bring in median household incomes, and work in a service industry. The consumers that fall within this demographic fully embrace e-commerce and are adapters of all things digital. The online ordering audience is a sizable group that restaurant advertisers cannot afford to ignore, and digital advertising is one of the best ways to reach them.

Numerous restaurants have recognized the value of the repeat customer and are seizing the opportunity to invest in customer loyalty by developing loyalty programs and/or mobile apps that keep consumers faithfully placing takeout orders. According to the Paytronix Annual Loyalty Report 2021, there has been a 6% increase in spend per check among loyalty vs. non-loyalty guests, and loyalty programs have been shown to consistently boost visits by 18-30% per enrolled

member. Yum! Brands reports a similar trend, with Taco Bell's Rewards Program leading to an increase in overall spend of 35% for active customers vs. their pre-loyalty purchase behavior.

Zack Rosenberg, CEO, CatapultX

When people think of mom-and-pop shops, they usually think of simplicity. Maybe of small towns and being served with a smile? But, the mom-and-pop shops of today have adapted and changed with the times, whether it's through social media or a new way of looking at things. They have to in order to stay afloat.

What people often forget is how impactful SMB advertising can be. Did you know that 60-65% of all of the revenue generated by Facebook and Google comes from small businesses? That's hundreds of billions of dollars a year!

What local business consumers may not be thinking about is how

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artificial intelligence is already helping local businesses serve their audience. And it's not just the tech-savvy businesses but regular small businesses, too. Here are some examples of how AI is affecting local commerce.

Social Media Management

More and more, people are using social media to find out about local businesses. This means that, if you own a local business, creating content that AI algorithms will pick up is paramount.

Customer Service

Some local businesses are using chatbots powered by AI to provide customer service. This can free up employees' time so that they can focus on other tasks.

Video Advertising

AI is helping small business advertisers to better target local consumers. Advertisers can now use AI to identify the best time to show ads as well as to personalize ad content.

Over 80% of internet traffic is

against video content, but only 25% of advertisers can afford to create video assets. This means the disparity between the haves and have-nots grows as new video formats such as CTV grow in popularity. AI can help anyone with a logo, some copy, and a link to become a video advertiser.

Joe O'Hea, Sales and Account Manager, VAI

The pandemic sparked a realization in many businesses, big or small, that the only way to keep up with the demand of today's e-commerce and supply chain landscape is by implementing modern technology. Fast delivery, curbside pickup, and mobile shopping have transformed consumers' expectations, forcing businesses to adopt tools with e-commerce functions like ERP and IoT to streamline supply chain operations.

Now, as the pandemic begins to wane, the need for these technologies and transformation continues to hold true. More manufacturers are making the

switch to cloud-based, integrated ERP, with predictive analytics and AI, to gain clear visibility into warehouse production and distribution lines. As a result, products are shipped to distributors faster and are received by consumers in a more timely and efficient fashion, ultimately resulting in stronger customer loyalty and higher profits.

In addition, large retailers are coming up with innovative technologies and techniques to speed along the commerce process like Amazon's "Just Walk Out" technology. The pandemic accelerated consumers' online shopping habits and as a result, more retailers are turning to technologies to streamline quicker, more efficient shopping experiences. Moving forward, we can expect to see more advancements to the technologies that really took off during the pandemic, including improvements to contactless payments and curbside pickup to better the overall customer experience.

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