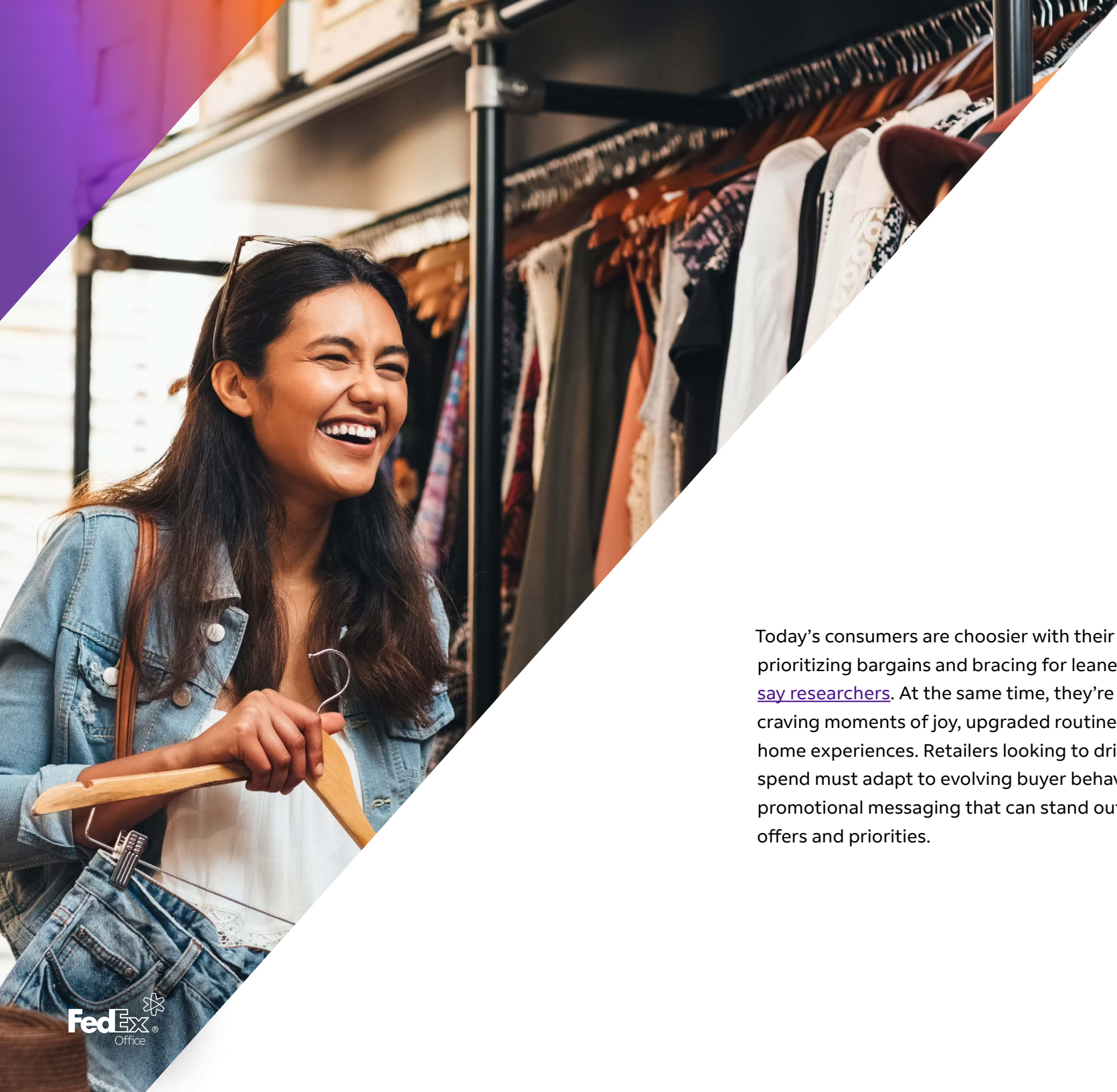




Tight on Cash but Itching to Spend

Swaying Budget-Conscious Consumers

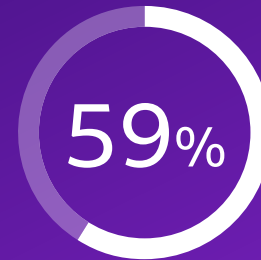




Today's consumers are choosier with their dollars, prioritizing bargains and bracing for leaner months ahead, [say researchers](#). At the same time, they're itching to spend, craving moments of joy, upgraded routines and out-of-home experiences. Retailers looking to drive consumer spend must adapt to evolving buyer behaviors and create promotional messaging that can stand out from competing offers and priorities.

Budget concerns drive 2023 consumer behaviors

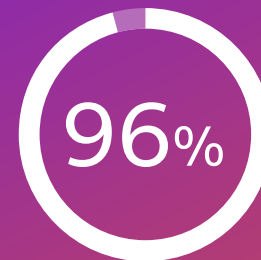
This year, retailers can expect an uptick in cautious spending. [According to Attest](#), a market analysis and consumer profiling platform, 58.9% of U.S. consumers are spending cautiously this year, with Boomers twice as likely to tighten purse strings as Gen Z. PwC's numbers are more alarming: [According to the research firm](#), 50% of consumers are extremely or very concerned about their financial situation, and 96% intend to adopt cost-saving behaviors over the next few months.



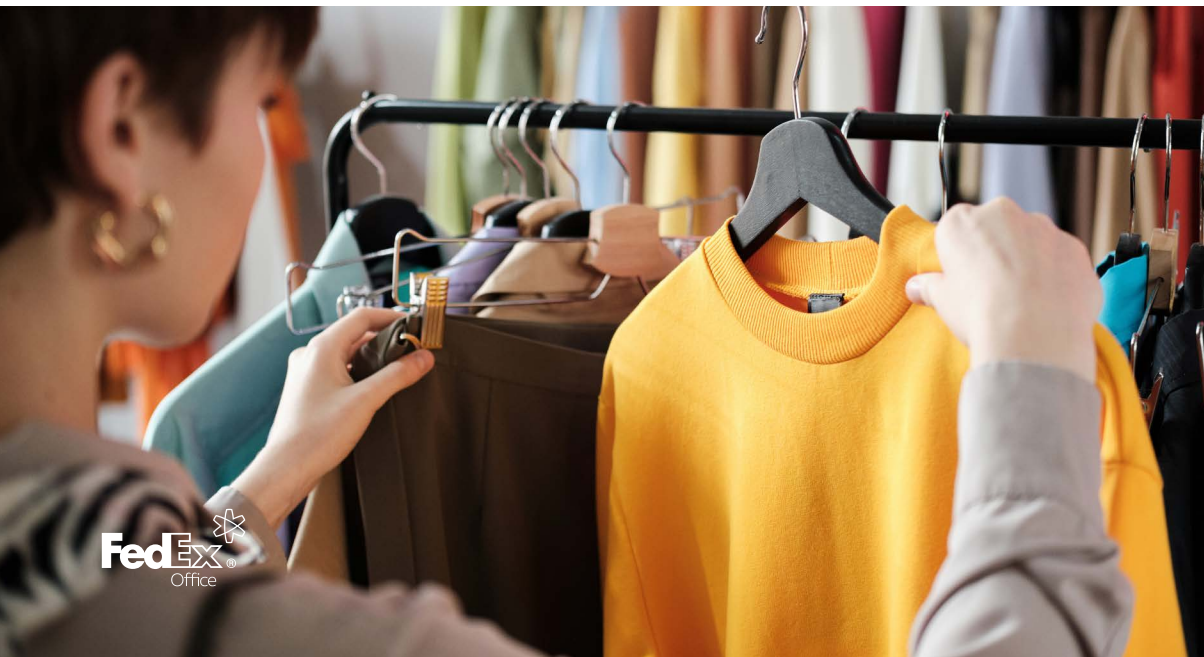
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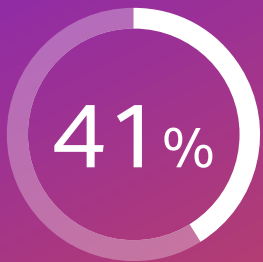




of Shopify merchants report shrinking cart sizes



of Shopify merchants are seeing lower site traffic and conversions



of surveyed shoppers said they bought more store brands last year



For many retailers, this is nothing new. [Among Shopify merchants](#), 35% report shrinking cart sizes and 50% are seeing lower site traffic and conversions. At the same time, 41% of surveyed shoppers said they bought more store brands last year, with value and price as leading motivators, [Grocery Dive reported](#).

It's not what retailers like to hear. The good news is, aside from pricing, purchasing decisions are also influenced by plenty more considerations and desires. Also worth noting, the challenge you face in swaying cost-conscious shoppers is a challenge for your competitors, too. And that challenge can be made into a competitive opportunity if you know how to frame offerings in ways that alleviate cost concerns while elevating experiences that consumers will gladly pay for — and come back for more.



Appealing to budget-conscious shoppers

Aside from pricing, what else do consumers prioritize and will gladly trade their dollars for? Plenty, as it turns out.

Next, are seven suggested approaches for framing your messages to help boost the perceived value of your products and services, and how consumers experience them. Our intent is to raise that perceived value above pricing considerations and nudge shoppers to buy.

Focus on value (not price) messaging

Unsurprisingly, value holds big appeal for frugal shoppers, especially for those aged 40 and older, [writes Attest](#). Note that “value” doesn’t necessarily mean lower-priced. Quality and durability, for instance, can help us perceive a high-dollar item as a high-savings investment. “While price is the primary motivator for 2023, quality should not be overlooked as consumers look to buy fewer things and keep them longer,” [Attest explains](#).

What pains or expenses can customers avoid as a result of purchasing your products? Are those benefits clear in your messaging? Added perks or freebies, special access, preferred service or post-purchase support are other ways retailers can increase value without slashing prices.

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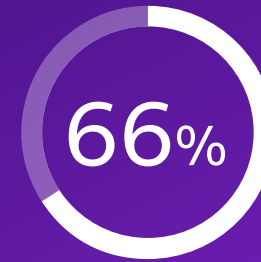
-Attest

Elevate sustainability as a value

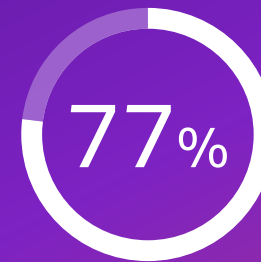
Though savings take precedence, the cost of living is creating a new sustainable behavior: Consumers are switching to energy-saving products, eating at home, reducing appliance use and limiting travel. [Euromonitor International states](#) that green activities like repairing, secondhand shopping, trading and renting are some of the new “eco” economic motivations that stem from a growing desire to live more responsibly.

[According to Capgemini](#), “green is the new black” for consumer products and retail. After surveying 7,500 consumers and 750 organizations on how sustainability influences purchasing patterns, [Capgemini reports](#) 66% of consumers choose to purchase products or services based on their environmental friendliness. Among surveyed organizations, 77% said sustainability approaches increase customer loyalty, and 63% reported a revenue uptick as a result. “There is a significant opportunity to gain market share given this growing action/intention of consumers to switch based on sustainability,” [the report reads](#).

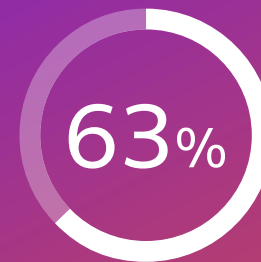
Although sustainable behaviors are on the rise, consumption patterns are less about acquisition and more about reduction, [Euromonitor points out](#). In all, retailers have an opportunity to reach eco-minded consumers by conveying how their products align cost savings with sustainability.



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Offer helpful content

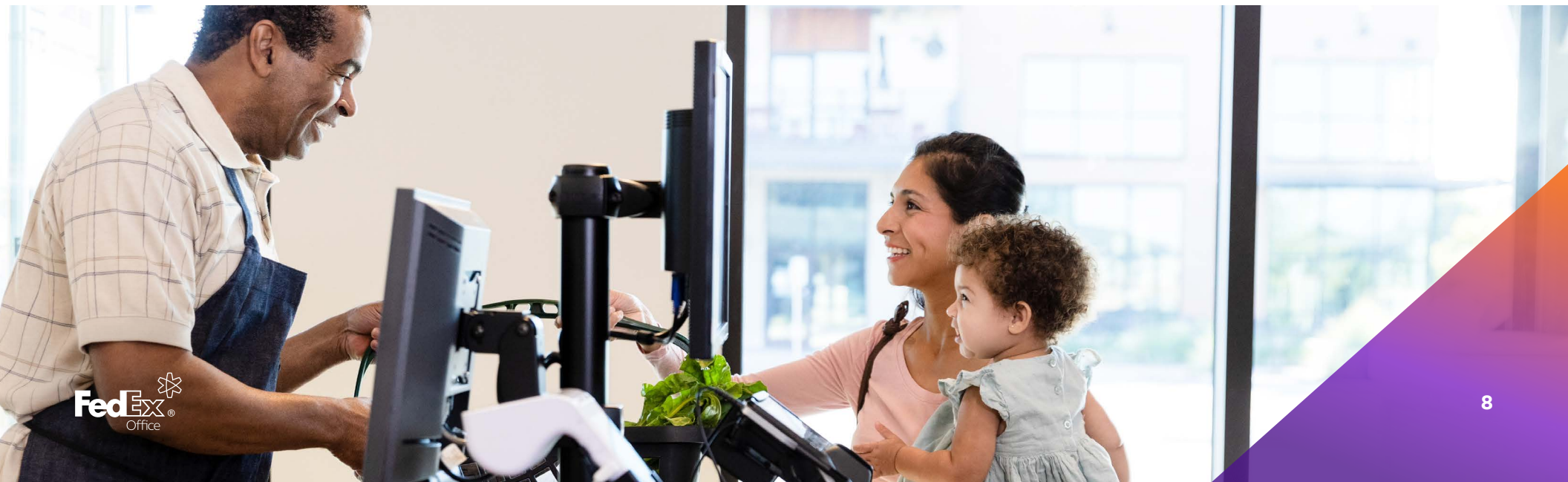
If you think back to branded content you found compelling enough to save, share, re-read, mull over or discuss with peers, it's likely because that content solved a problem for you. Perhaps it was fixing a home appliance, alleviating a health condition, shaving time off your routine, or using household items to create something new. Using marketing content to help consumers solve problems is common sense, sure, but not always common practice.

As consumers grow more skeptical of marketing messages, [Google analysts](#) predict the future of advertising is simply... helpful content. Using marketing content to help consumers solve problems is common sense but not always common practice.

Help consumers find joy

While price tags matter, time, health and bliss are equally important to shoppers. “Consumers are giving themselves permission to live a little. They’re not abandoning financial responsibility, but they are taking a short-term buying approach with discretionary items. Sparking joy can be a purchase motivator,” [Euromonitor explains](#).

Retailers can help consumers experience joy by promoting smart splurges, affordable luxuries and creating campaigns that target special occasions. Emotional equity can carry the same weight as price, particularly for shoppers seeking instant gratification.



Help consumers upgrade or refresh their routines

On-the-go purchases and out-of-home experiences are bouncing back as consumers settle into new schedules, redefine their routines and seek to rediscover the world. “Products and services that boost confidence will prevail,” [Euromonitor writes](#): “Experiential retail could reinvigorate brand engagements, adventure and enthusiasm.”

Aside from exploring the world around them, [McKinsey points](#) to rising interest in health and wellness, with a growing number of consumers incorporating elements like fitness, nutrition, and sleep quality into their routines. Even wellness-related employee benefits are becoming more mainstream.

The takeaway for retailers is showing consumers how products fit into their routine. How can your offerings enhance, facilitate or inspire new habits for customers?

“Products and services that boost confidence will prevail

-Euromonitor International



8 out of 10 businesses surveyed by Shopify said they've increased or plan to increase product prices because of inflation.



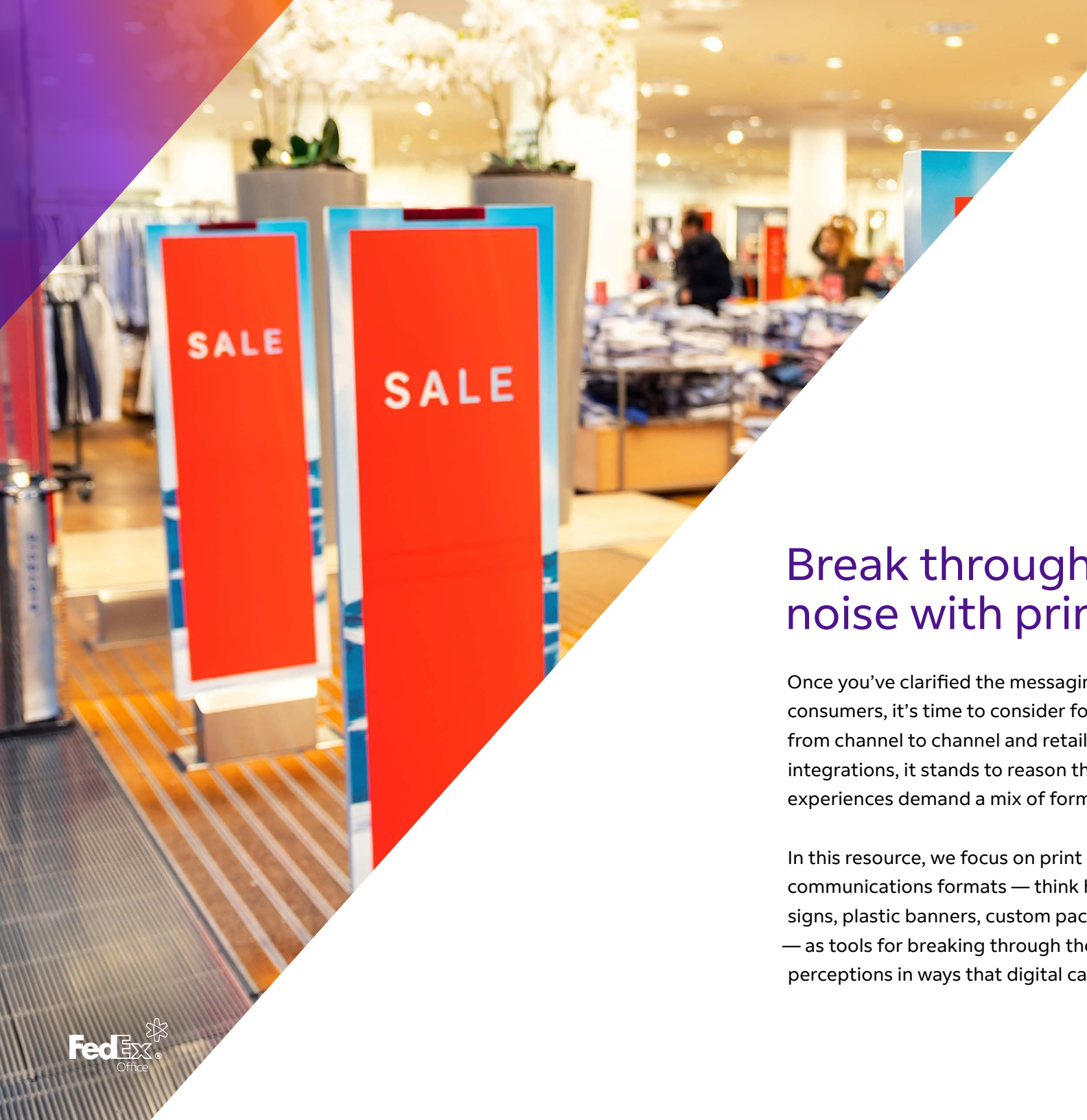
of shoppers will pay more for a product from trusted brands

Nurture trust

While some brands freeze prices to attract budget-strained consumers, others are raising prices periodically to keep ahead of inflation. In fact, more than eight out of 10 businesses [surveyed by Shopify](#) said they've increased or plan to increase product prices because of inflation. How do retailers manage to thrive while raising prices? Consumer trust makes it possible.

“Because nearly 90% of shoppers will pay more for a product from trusted brands, strong brands can raise prices with less risk of customer churn,” [Shopify explains](#). It's also cheaper to drive sales with existing customers than acquire new ones, so it makes good financial sense to reward loyal customers and incentivize new ones to stick around.

Aside from keeping promises and delivering smooth shopping experiences, retailers can fuel trust and loyalty with tactics like exclusive perks and access, discounted bundles, time-sensitive deals, special events, memberships and buy-now-pay-later promotions.



Break through digital noise with print

Once you've clarified the messaging you want to deliver to consumers, it's time to consider formats. As shoppers jump from channel to channel and retailers adopt omnichannel integrations, it stands to reason that physical-meets-digital experiences demand a mix of formats, [McKinsey reports](#).

In this resource, we focus on print and physical communications formats — think handouts, catalogs, metal signs, plastic banners, custom packaging, murals and more — as tools for breaking through the digital noise and shifting perceptions in ways that digital can't.

That's a big claim, and one that's well documented. Studies in the past two decades indicate people often understand and remember text on print surfaces better than on screens. That's even true for digital natives. Though we love our electronics, they're more distracting and cognitively taxing to human brains than print.

Further evidence from experiments, polls and consumer reports indicates modern screens fail to recreate certain tactile experiences of reading on paper, which people miss. Screens also prevent readers from navigating long texts in an intuitive and satisfying way, draining mental resources.

Print may also boost appeal. One study by the U.S. Postal Service with Temple University reports that participants have a stronger emotional response to physical ads, spend more time with them and remember them more quickly and confidently. Additionally, physical ads trigger activity in the area of the brain responsible for value and desirability for featured products and services.

To be clear, we're not suggesting ditching digital communications for print. As physical and digital shopping experiences blend, it's important to mix mediums because each satisfies a different customer need. At the same time, the documented advantages of print and physical formats — enhance rapport, recall and appeal — aren't elements retailers can afford to omit from their marketing mix.

People often understand and remember text on print surfaces better than on screens

Magnifying internal capabilities

Mastering the creation and distribution of marketing materials can be a lot to ask for retailers low on resources and headcount — especially when you need to reinvent messaging, campaigns and store displays on a recurring basis. It's why many retail leaders lean on external experts to magnify internal capabilities without overloading staff.

Jason Radford, a regional account manager with FedEx Office®, is an advisor to many retail leaders looking to facilitate and expedite print projects at the speed the market demands. Many retailers have a set schedule for getting graphics into stores, he explains. One, in particular, had a five-week standard timeline, until the CEO asked to get a new promotion into stores by the end of the week. Panicked, the retail marketing team came to FedEx Office, doubting the CEO's request was even possible. “Within four days, we delivered promo kits to 1,000 stores before the weekend started,” Radford shares. The experience completely changed how the team operated and how quickly they provided materials to stores from then on.



Radford credits that outcome to FedEx Office's national footprint and local presence, with more than 2,000 locations and manufacturing sites closest to where products need to be delivered. "It really changes the game when it comes to how fast, how well and where materials are produced," Radford explains.

Quality control is another "biggie" for retail leaders who often learn the hard way that using unsophisticated or disconnected print providers can breed inconsistencies in quality and output. With its national network and daily color calibrations, FedEx Office provides a layer of protection against quality slips, errors or branding mismatches that can occur when retail marketers engage disparate providers.

Expertise, too, can make or break a budget or hinder marketing goals. Retailers working with FedEx Office can benefit from a dedicated expert for guidance on methods and materials they may not know about. "Often, they come to us with a framework of what they want to accomplish, seeking counsel on how to best tackle it. 'How can we magnetize our signage? How do we transport it with minimal damage? What's our most durable or sustainable option for X?' — for example. We'll point them to a solution that meets all their criteria," Radford explains.

“ It really changes the game when it comes to how fast, how well and where materials are produced.

-Jason Radford,
Regional Account Manager,
FedEx Office

Turning uncertainty into opportunity

Consumers are the lifeblood of retail, and when their behaviors shift, so should retail approaches. As we step into “The Great Uncertainty,” as [McKinsey](#) calls it, the research firm’s advice for navigating inflationary times boils down to this: Know your customers, make bold moves, enable rapid decision-making and adapt operations.

In 2023 and beyond, there’s hope and opportunity for retailers committed to understanding the nuanced sentiments of consumers and balancing internal efficiencies with intentional growth activities.

One example is rising experimentation with backlit fabric signage. “Graphics really pop on backlit fabric, and it has a natural ability to reflect light. Fabric is easy to manage and transport. You also don’t have to worry about people banging on it or corners getting damaged. We’re seeing a lot of retailers leaning into this new technology,” Radford shares.

Finally, many retailers are surprised to learn there’s no minimum order threshold with FedEx Office — they can order a single unit of whatever they need. “It’s a quick and easy way to test us and experience what a relationship with FedEx Office might be like,” Radford concludes.



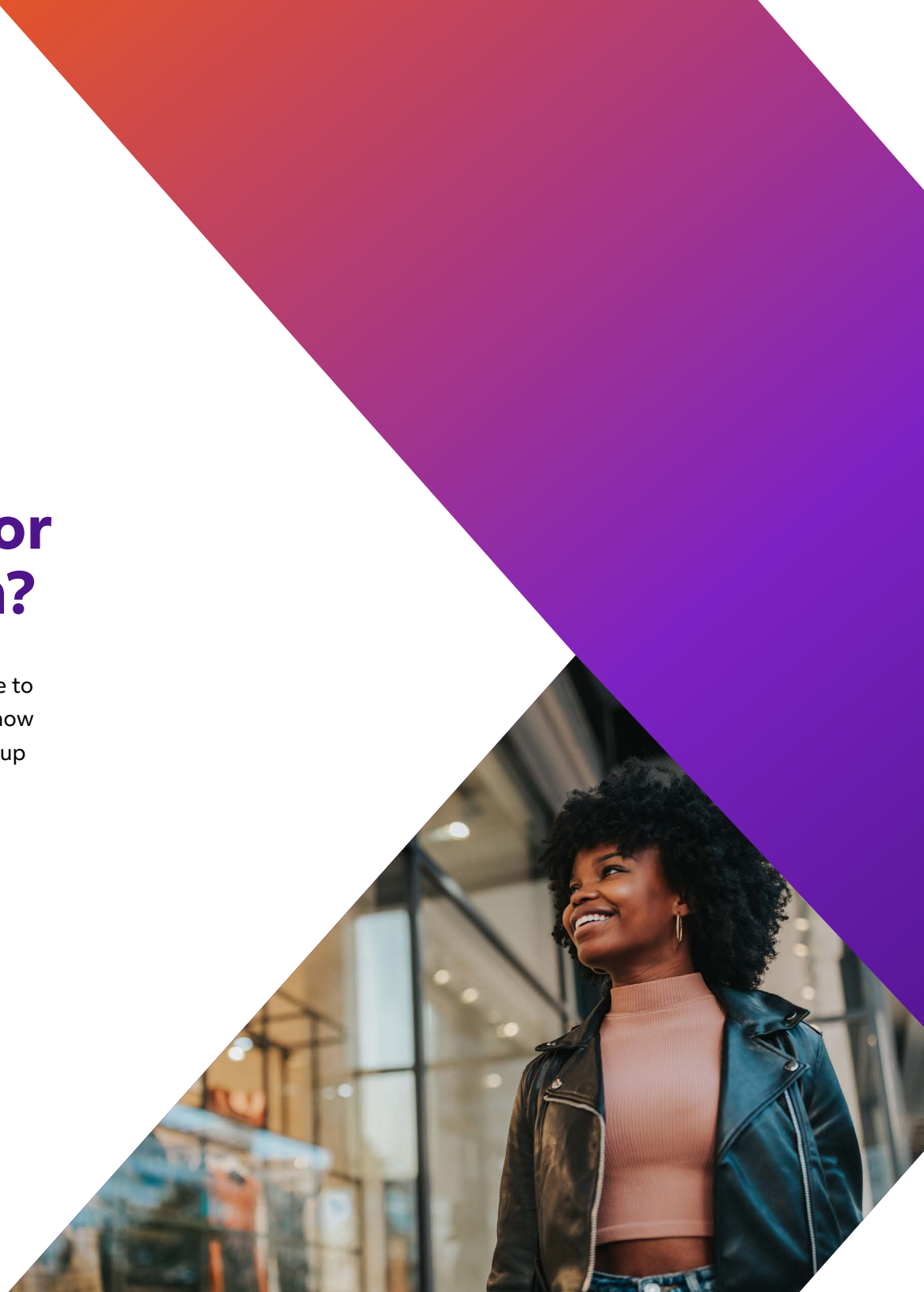


What's possible for your organization?

Learn why fellow retail leaders choose FedEx Office to facilitate and expedite print communications and how you can leverage FedEx Office capabilities to level-up your marketing performance.

Request your complimentary consultation today.

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