Customers in Hong Kong Go Back to Offline Stores after the Pandemic: An Empirical Study with Four Campaigns Provided Based on The North Face

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Abstract: The last few years have seen a special era of the pandemic that leads to blocking and segregation at each corner of the society worldwide. The situation driven by the pandemic is no longer severe as the pandemic fades away, with a trend observed in shopping ways. Hong Kong is a typical area with strict policies implemented during the pandemic, yet citizens in Hong Kong prefer offline shopping, compared with online shopping, after the pandemic since the beginning of 2023. Based on The North Face, a brand popular in Hong Kong, the current study collected the questionnaire data from hundreds of participants and put forward four campaigns. In light of the possible transfer of recovery from the pandemic, it is anticipated that in addition to The North Face, other offline stores may also benefit from this study.

Keywords: e-commerce, integrated marketing, social media, The North Face

1. Introduction

With the popularity of the Internet and the development of e-commerce, the online retail industry is rapidly growing [1]. The retail industry has shifted from offline consumption in physical shops to online e-consumption, as seen especially in the duration of the coronavirus pandemic (COVID-19). The pandemic has led to blocking and segregation worldwide, particularly in mainland China and Hong Kong. The pandemic posed a substantial challenge to traditional retail, with many shops under pressure to survive [2].

Compared with offline shopping, online shopping is advantageous since it avoids crowds and ignores geographic distance between customers and stores. This makes it easier and quicker for customers to willingly purchase different types of items or items that are rarely found in offline shops. Under this special situation of pandemic and advocacies of the government, residents in Hong Kong tended to go out less frequently than before so as to reduce the risk of infection. As a result, many consumers chose to purchase goods online, including daily necessities and food.

Nevertheless, while online shopping brings much convenience to the community, it reduces the actual shopping experience because customers are not able to directly touch the product to judge its quality and appearance. As the pandemic gradually fades away, this paper aims to explore and illustrate how offline shopping can be a better experience than online shopping based on questionnaire data collected from hundreds of residents in Hong Kong, with four campaigns designed accordingly

for the consideration of offline stores.

In the middle of the pandemic, brick-and-mortar stores declined economically. To adapt to the epidemic, a great number of brick-and-mortar stores began to add or enhance online retail channels. This trend of convergence accelerated the combination of shopping both online and offline, allowing consumers to buy goods from their homes while still being able to enjoy the services and experiences of brick-and-mortar stores.

In this paper, a commercial apparel brand, The North Face, was chosen as an example. The North Face is a famous American outdoor leisure company, founded in 1966. The North Face has developed into a globally renowned brand, and has also become a typical brand in the outdoor apparel industry in Hong Kong. "Never stop exploring" is the brand philosophy. The company's products are designed to meet people's needs of outdoor activities, including camping, hiking, mountaineering, or any other outdoor activities. In order to build its brand image and promotion, The North Face is well-known for sponsoring expeditions and professional athletes who push the boundaries of exploration and adventure [3].

One notable program is The North Face Explore Fund, which aims to support creative and visionary individuals to promote outdoor sports and adventure initiatives. Some of the funded activities and projects consist of the Arctic Expedition and the Polar Conservation Program. Established on this campaign, the present study further expands on the brand concept by designing four campaigns to help The North Face maintain the brand's core value of exploration, with reference to the brand's image, philosophy, and social market position. It is expected that The North Face will not only bring financial benefits but also increase the value of the brand after completing the four phases of the marketing strategy.

2. Method

2.1. Participants

The questionnaire of this study was designed to explore the opinion survey of Hong Kong adults towards branded stores during the pandemic period. The questionnaire was designed based on [4]. Subjects completed the questionnaire by clicking on the link to access the online platform. A variety of question types were used in this questionnaire, including single-choice, multiple-choice, and scale questions to draw a holistic picture for the comparison of shopping online and offline impacted by the pandemic. In total, 152 samples (Females: 73) were collected for this study using snowball sampling method. Their ages distributed between 18-54 years old, with 79 individuals in the 18-24 age group, 55 individuals in the 25-34 age group, 15 individuals in the 35-44 age group, and 3 individuals in the 45-54 age group. Of the subjects, 135 had a bachelor's degree or higher, and 17 had a secondary school education or lower. A five-part questionnaire was designed according to the objectives of the study.

2.2. Materials

The first part focuses on Hong Kong adults' perceptions of online versus offline shops during the pandemic. An example question is shown: *What kind of clothing purchasing method would you favor after the epidemic?* Three choices were given: a) *In-store try-on purchase*, b) *buy online and pick up online*, and c) b*uy online and pick up offline*. The second part mainly explores the attitudes of adults in Hong Kong towards the brand of The North Face. An example question is shown: *When you are purchasing The North Face clothing, how would you rank the following factors if they would influence your decision?* The factors are *Novelty of style*, *Positive image*, *Comfortable to wear*, and *All of the above*.

The third part mainly wants to estimate how adults in Hong Kong perceive Non-Fungible Token

(NFT). A question would be as below: *Do you agree that NFT will become the mainstream in the future?* The possible answers are *Strongly disagree*, *Disagree*, *Neither agree nor disagree*, *Agree*, and *Strongly agree*. The fourth part examines the attitudes of adults in Hong Kong towards online fashion shows. For example, participants would be asked: *Have you ever been exposed to online fashion shows?* The *Yes* and *No* answers were provided. The last part collects participants' demographics, such as their age and occupations.

3. Results

3.1. Questionnaire data

In this questionnaire, the perception of adults in Hong Kong towards online versus offline shops during the pandemic was explored. This study found that most respondents preferred to try on clothes in physical shops to make purchases, while a small portion of 18.4% preferred the convenience of online shopping. When purchasing The North Face apparel, the majority of respondents cited comfort as their primary consideration, with younger consumers focusing on novelty and fashionable styles, while older consumers are more concerned with comfort and quality. White-collar workers, people working in the fashion or art industry, and students prioritized location, brand awareness, and shop décor when choosing a store to shop in. 70% had never purchased NFT before, but 64 respondents had a positive attitude towards NFT and believed that it would become the mainstream in the future.

Some of the questionnaire data showed that the key factors influencing the decision to buy NFTs were the "collector's value of NFTs" and the "investment value of NFTs". Despite the growing popularity of the NFT market, a large proportion of people had not yet purchased an NFT, but the survey results suggested that more people would consider purchasing an NFT in the future. In addition, most people have neither exposed to offline fashion shows nor online fashion shows, but the respondents still showed considerable interest in it. For example, students and those who work in the fashion or art industry were more willing to be exposed to fashion shows and want their image to be displayed.

3.2. Four campaigns

According to the questionnaire, the study found that adults in Hong Kong were optimistic about offline shopping. Most of the respondents are receptive to the integration of brands and technology for innovation; therefore, The North Face is chosen as a case study for market analysis and marketing campaign design.

This study planned a 12-month marketing campaign for The North Face, divided into four phases, each focusing on a technology theme. The North Face is constantly looking for more possibilities and tries to merge technology and fashion together. Based on the research results, the study found that most participants believed that future trends are moving towards Web 3.0. The respondents are interested in and looking forward to high technology. Therefore, the main objective of the campaigns was to promote The North Face's values of "Never Stop Exploring" and the brand's love of innovation. Each phase of the marketing was designed to be coherent in this study.

Campaign 1: The first phase will begin in January with virtual fitting room technology, potentially creating a welcoming, safe, and inviting environment. This encourages consumers to enter the physical stores. Virtual fitting room technology allows consumers to try on clothing in a virtual environment, reducing the need for actual fitting and thus increasing convenience. Display cases will be set up near the shopping areas, so that consumers can immediately purchase their favorite products. In addition, user accounts will be created to collect data on consumer use of virtual fitting room technology. This can help shops better understand consumer needs and offer better products and services. During this phase, outdoor advertising will also be placed in major business districts to

emphasize the innovation of the virtual fitting room technology and the importance of buying new clothes for festivals, such as for Chinese New Year celebrated in Hong Kong. Events in physical shops will showcase the virtual fitting mirror technology and encourage customers to try it on for themselves by providing a comfortable fitting area, with staff being available to provide demonstrations and answer questions. For media planning, The North Face's media platforms were utilized to promote the event. Local media can also be invited to attend and try out the virtual fitting mirrors. The campaign promotion focused on creating an event in the world of technology and encouraging customers to share their experiences with the virtual fitting mirror on social media. These strategies were designed to showcase innovative technology, increase customer access to physical shops, and provide a unique shopping experience to increase sales and customer satisfaction.

Campaign 2: The second phase begins in March with the launch of The North Face's NFT campaign, which aims to showcase the brand's commitment to innovation and technology. They will create 99 unique The North Face NFTs, each with a unique design and limited-edition number, where customers can collaborate with designers to create personalized garments. There will also be the launch of The North Face's online platform where customers can purchase and trade NFTs in a secure and user-friendly environment. Through email marketing and social media advertising, they will promote the NFT campaign to their target customer base and plan to announce The North Face's entry into the NFT industry at a press conference. The campaign is designed to deliver new experiences, strengthen brand-consumer engagement, and increase brand loyalty.

Campaign 3: In July there is the third phase where The North Face hosts a free online fashion show to showcase and launch new winter products. They will select model images from the public and ask users via email for permission to use their likeness rights and to appear in the fashion show. The reason for using email to contact customers instead of text messages and phone calls is that on one hand, it will increase customer engagement and the success of the campaign, and on the other hand, it will make the campaign feel more formal and official. And there will also be communication with customers about the image they will appear on the catwalk, and each look will be voted on and chosen internally by the fashion design team. The results of the questionnaire showed that the respondents who wanted to attend and watch the online fashion show were relatively young, the same age group as Instagram and YouTube's target audience [5]. Therefore, promotion and live streaming on Instagram and YouTube will be more effective than live streaming on other media. The goal of this campaign is to attract a younger group of audience and increase brand exposure on social media.

Campaign 4: The last phase of the campaign begins in October, with The North Face partnering with Disney to host a flash mob at the newly opened Frozen theme park called "Journey to the Polar Regions". The flash mob will run for a fortnight to promote the new winter products and located near the "Northern Mountains" (snow-capped mountains), which does not require an additional building if Disney has one available. Inside, a near sub-zero temperature environment will be designed to create a polar landscape where customers can experience The North Face's expert cold and wind protection technology. Customers are also able to take photos and enjoy an exciting journey through this polar world without worrying about effects of the low temperature. This campaign will further showcase the professionalism and innovation of The North Face brand, engaging customers and boosting sales. The campaign will work with The North Face and Disney's social media accounts to increase exposure by posting campaign announcements, IG stories, and retweeting users' stories. For customers who have registered with Tactic1, The North Face will notify them via email of their chance to win Disney tickets and offer exclusive Disney ticket discounts on The North Face's website to increase user loyalty to the brand. The innovative spirit and professional image of The North Face brand can be stressed. Meanwhile, The North Face also plans to highlight the brand by posting a series of meme stories on Instagram and providing links to the website to increase purchase opportunities. Overall, these two strategies will help The North Face to enhance its brand image and

sales in the market.

4.   Discussion

Based on our research and surveys, it is convinced that these four campaigns are highly likely to bring financial benefits as well as increase the value of the brand. Here we would like to discuss some potential risks concerning these four campaigns.

Potential Risk 1: Low Audience Engagement for Campaign 1

If participation in the first campaign may not be sufficient, the first recommendation is to extend the campaign's promotional period, e.g., by two weeks, to increase exposure. Promotion through advertising, social media, and other means can increase visibility and attract more participants. For example, creating adverts on Instagram and Facebook and targeting specific customers that we have designated can promote the event more effectively.

Potential Risk 2: Theft due to high foot traffic during events

As a first step, there can be the increased staffing levels by hiring additional employees during the event. Adding more employees on the sales floor can deter theft and help catch any potential thieves. Also, security cameras can be equipped in all areas of shops, which can monitor activities and prevent theft. Display signs can be presented to show that theft will not be tolerated and shoplifters will be prosecuted.

Potential Risk 3: Failure of the platform network on which NFT is purchased

The situation should be continually monitoring to determine when network outages are resolved. Once the network is back up and running, communications with customers can let them know that they can resume purchasing NFTs. If a network outage occurs, customers can be informed via social media, email, or other channels. If the outage prevents customers from purchasing NFTs, refunds can be offered as the compensation.

Potential Risk 4: Disney has no available buildings near "North Mountain" in Campaign 4

If Disney does not have an available building near "North Mountain" (Snowmass) for The North Face, then the budget can be increased to create a flash mob that doesn't go against Disney's style.

Potential Risk 5: Out of Stock Pop-up Products

Products not in stock at the pop-up can be purchased and registered on-site, and then they can be picked up at an offline shop or delivered to the customer's house. It can also increase traffic to offline shops.

Potential Risk 6: Disney's unwillingness to give exclusive deals

If Disney is unwilling to give The North Face an exclusive ticket discount, then The North Face will cover the full 300 discount per ticket, but the number of tickets is limited to 3,000.

It is understandable that COVID-19 impacts on the company's revenue and may therefore spend less money on the campaigns. However, according to the present investigation, it can be known who serve as potential consumers. The campaigns based on the questionnaire data seek to attract new customers to The North Face, and also, other stores after the pandemic in Hong Kong. These campaigns have the potential to increase consumer spending opportunities and profits. It is anticipated to observe a positive change in the company's revenue with the campaigns, which though can be a long-term goal.

5.   Conclusion

The pandemic shapes our ways of shopping and makes online shopping common. Because the pandemic is no longer severe, it is worthwhile to view back on offline shopping. Taking the popular brand of The North Face in Hong Kong as a case, this study collected questionnaire data and provided four campaign strategies. Importantly, the campaigns played an important role at different stages and

were able to deliver a lot of value with a small budget. It helped The North Face achieve increased footfall and sales in its offline shops after the pandemic, where the brand spirit of bravery and innovation was used to change traditions. The third phase took the strategy of an online fashion show, using the story of the explorers as a starting point by looking back at the history of the brand. Finally, a pop-up event was held to capitalize on the opening of Disney's new Disneyland. These activities not only brought economic value to The North Face brand but also helped to open up new sales areas and enhance the brand image. Of particular note, the second and third phases of the strategy can be continued in the future.

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