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COVID-19
Shopping Insights III

Americans are ready for the new reality of retail

COVID-19 shopping insights III:
Americans are ready for the new reality of retail

The COVID-19 pandemic continues to affect how and where American consumers are shopping, what they're buying, and how much they're spending. But as more and more states ease up on restrictions and roll out plans for reopening non-essential businesses, consumers are gearing up for the new reality of retail.

To keep a pulse on consumer behavior as the pandemic continues to unfold, Shopkick has analyzed US shopping habits over the past several weeks to help brands and retailers prepare for America's return to retail.

In a series of surveys over the past several weeks, Shopkick has analyzed trends in US shopping habits. Our latest findings are promising, showing that general concern around the pandemic is on the decline, shopping frequency is increasing, and consumers are looking forward to the reopening of non-essential retailers.

The data referenced throughout Shopkick's ongoing COVID-19 series was collected within the following timeframes:

- March 16 - 18, 2020: Series I (click to download infographic)
- April 16 - 19, 2020: Series II (click to download study)
- May 27 - June 2, 2020: Series III (currently reading)

As the COVID-19 pandemic began to sweep the nation, Shopkick uncovered how consumer sentiment and shopping behavior began to shift with a baseline user survey run March 16 – 18, 2020. At this early stage, 76% of consumers were already adjusting their shopping habits due to concerns about the pandemic.

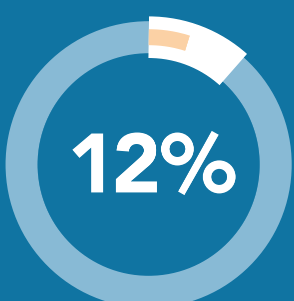
One month later, based on data collected from April 16 - April 19, this number jumped to 82% as the pandemic intensified and restrictions tightened. 45% of consumers said their concerns intensified over the prior 3 weeks.

The promising findings from the latest survey, conducted from May 27 - June 2, indicate that concern around the COVID-19 pandemic and its effect on consumer shopping habits is subsiding.

Now, the majority of consumers (73%) feel equal or less concern than they did last month. Additionally, while last month 82% of consumers responded that the pandemic was affecting how they shop, that percentage has now fallen to 70%.

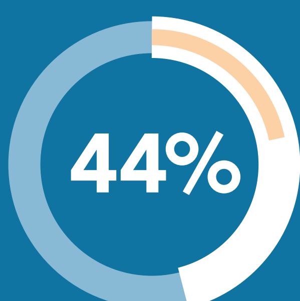
Just 27% of consumers say they are more concerned than they were a month ago, compared to 45% last month.

With overall concern on the decline,
95% of consumers say that a member of their household is visiting the store at least once a week, and 52% of households have a member visiting the store more than once a week



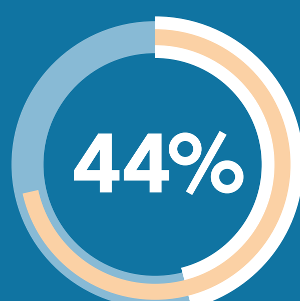
12% of consumers are visiting stores more often than a month ago

(compared to 5% last month)



44% of consumers are visiting stores about as often as a month ago

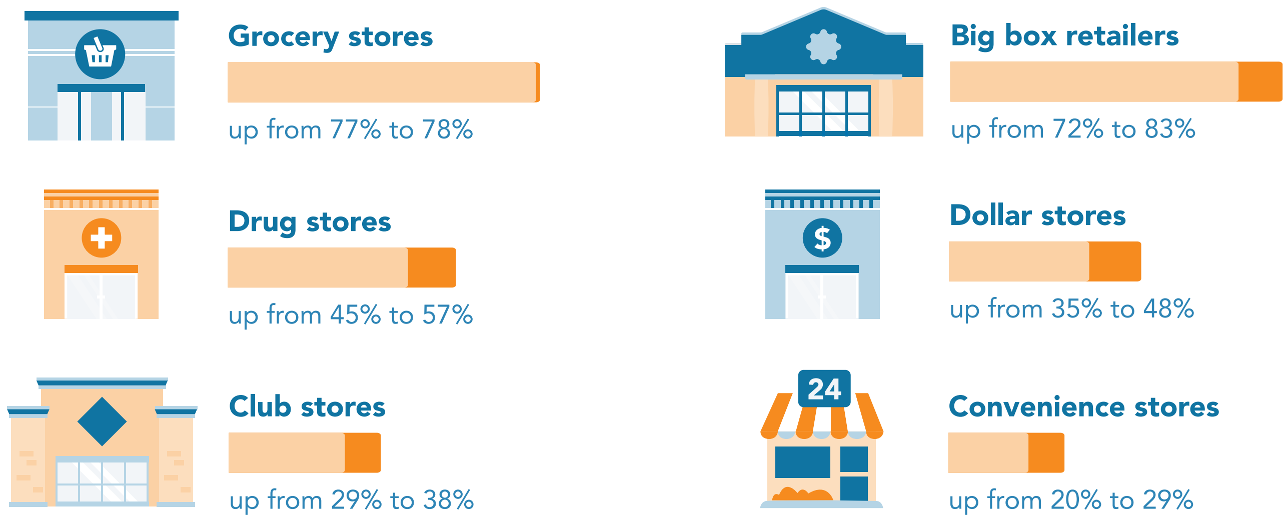
(compared to 21% last month)



44% of consumers are visiting stores less often than a month ago

(compared to 73% last month)

While the percentage of consumers visiting grocery stores has remained consistent month over month (from 77% last month to 78% this month) more consumers are visiting other essential retailers now, including:



Most consumers (88%) are still taking precautions while shopping in-store, a slight drop from a month prior (91%), yet a slight increase from the earliest weeks of the pandemic (85%). Our findings show that more consumers are wearing face masks (up from 78% to 90%), likely due to the fact that many essential retailers have now made facial coverings a requirement for entry. However, fewer consumers are wearing protective gloves (down from 42% to 29%.)

43% of consumers are spending the same amount of money per trip as they were last month. 30% of consumers are spending more (down 7%), while 27% are spending less (consistent with one month prior.) Consumers continue to spend the most in the food and beverage category, and even with overall concern around the pandemic slowing, more consumers than any prior period are stocking up on essential items (53% up from 48% last month, and 47% in the earliest weeks of the pandemic.)

Consequently, 95% of consumers continue to notice that certain brands and items have sold out over the past month. However, it appears that many essential items are now much more in stock than they were in the earliest weeks of the pandemic.

Which items did you notice were sold out in the past month?

Toilet paper
Down from
97% to 81%

Disinfectants
Down from
97% to 81%

Bottled water
Down from
68% to 32%

Canned goods
Down from
54% to 31%

Medical items
Down from
64% to 54%

As demand remains high for these items, **76% of consumers have noticed price increases on the essentials**, a significant increase from just 56% last month.

As consumers gradually get back to their typical essential-shopping habits, many non-essential retailers are still wondering when consumers will feel comfortable returning to their stores.

70% of consumers live in areas where non-essential retailers have reopened

However, 68% have not visited yet. This is due to the fact that:

57% Simply haven't felt the need to visit a non-essential retailer yet

38% Are concerned that other shoppers will not take safety precautions

27% Are concerned that retailers will be too crowded

22% Are concerned that retailers will not enforce safety precautions

22% Have been making non-essential purchases online instead

16% Are concerned there will be long lines to enter, or restrictions on the number of shoppers allowed in a store at once

5% Other

Of those who have not yet visited the non-essential retailers that have opened in their area:

15% Will likely visit within the next week

11% Will likely visit in 1 week

17% Will likely visit in 2 weeks

12% Will likely visit in 3 weeks

45% Will likely wait over 1 month to visit

Those that have visited retailers that have reopened in their area have visited:

52%
Apparel, shoe & accessory stores

40%
Home improvement stores

31%
Beauty & grooming stores

25%
Home decor stores

21%
Entertainment & hobby stores

18%
Pet stores

11%
Sporting goods stores

9%
Electronics stores

7%
Wellness & fitness stores

Regardless of whether or not they have visited, **67% of those in areas where non-essential businesses have opened say that they will make a majority of their non-essential purchases in-store, rather than online.**

30% of consumers live in areas where non-essential retailers have not reopened

Of these remaining consumers:

24%
Will likely visit within the first week of reopening

18%
Will likely visit 1 week after reopening

18%
Will likely visit two weeks after reopening

12%
Will likely visit 3 weeks after reopening

45%
Will likely visit over 1 month after reopening

When these retailers re-open, consumers expect to visit:

55%
Apparel, shoe & accessory stores

47%
Beauty & grooming stores

25%
Entertainment & hobby stores

23%
Home improvement stores

22%
Home decor stores

14%
Electronics stores

13%
Pet stores

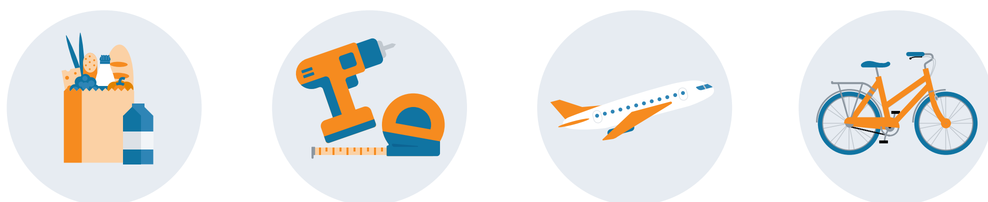
11%
Wellness & fitness stores

8%
Sporting goods stores

Similarly, 68% of these consumers plan to make a majority of their non-essential purchases in-store rather than online once these businesses reopen.

Although most consumers (63%) have made a majority of their purchases in-store over the last month, 48% say that they are shopping online more frequently than they were a month prior (up from 34% last month, and 24% two months ago). Of those shopping online more frequently, 78% will continue to do so in the future (up from 74% last month, and 60% two months ago).

Despite many consumers shopping online more frequently, 65% still plan to make the majority of their summer purchases in-store, and will spend most of their budget on:

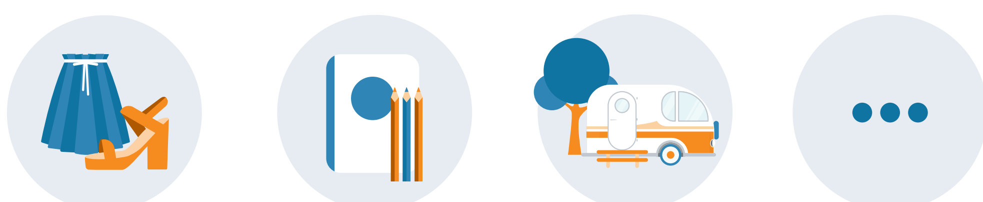


41% Groceries

27% Home improvement projects

10% Vacations

7% Recreation & outdoor activities



6% Clothing & apparel

4% Back to school preparation

1% Summer camps

5% Other

Consequently, consumers plan to spend the majority of their summer budgets at grocery stores (44%) and home improvement stores (31%).

While it is reassuring that most Americans are eager to return to in-store shopping this summer, retailers and businesses need to be aware of customers' heightened expectations of the in-store experience and safety measures. As non-essential businesses gradually open across the country, Shopkick will continue to analyze consumer behaviors to help brands and retailers make informed decisions.

For more insights from Shopkick on COVID-19, and to discuss how these insights can help brands and retailers as the pandemic evolves, email us at partners@shopkick.com