



zoovü

The COVID-19 Consumer

How consumer behavior shifted amid the pandemic and
why you need to adjust your digital strategy

Over the course of 60 days, the adoption and usage of ecommerce reached 2025 projections as governments across the globe instructed shops to close and citizens to stay home. Consumers quickly turned to digital channels to fulfill their purchasing needs in numbers likened to as if Black Friday and Cyber Monday lasted for weeks on end. As world leaders begin to consider how we “phase back” it would be naive to not examine the drastic impact this period has had on consumer behavior with ecommerce.

This report focuses on the 3 phases of COVID-19’s impact across various segments of the economy as outlined by Gartner, we pinpoint the overarching effects on consumer behavior from how they shopped to what they bought, how businesses reacted to ensure consumers could adequately shop online, and lastly, what trends for both consumers and businesses will remain in a new normal.

Phase 1

React & Respond: Started in late February with most consumers adjusting their shopping behavior in significant numbers by mid-March.

Phase 2

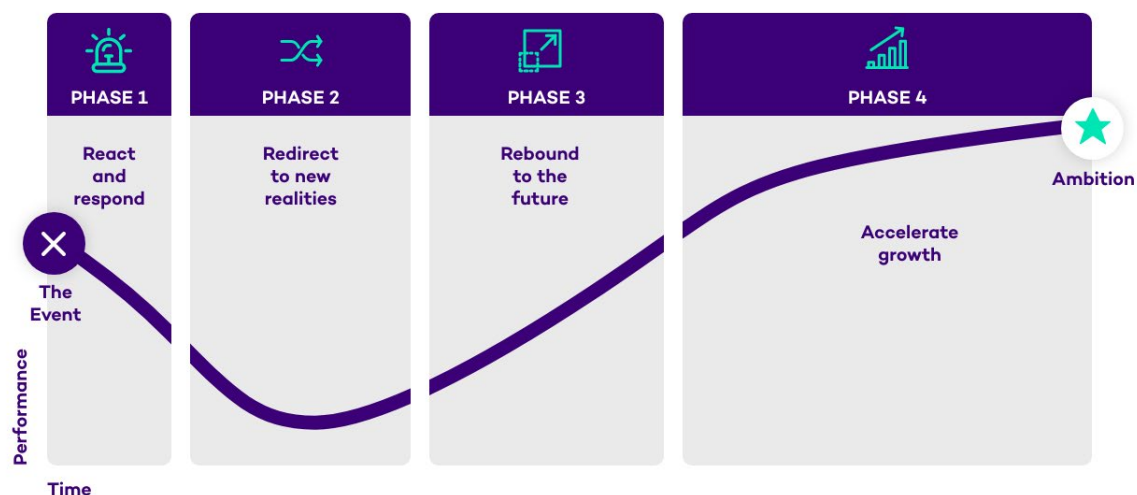
Redirect to New Realities: After the first few weeks to a month of home isolation, consumers prepare to be at home for a long time. They purchase “new essentials” and adapt to new channels and ways of purchasing online.

Phase 3

Rebound to the Future: Both consumers and businesses have made drastic changes to how they live and conduct business, there will be a long-lasting impact on both as economies look to open up again.

Phase 4

How to ensure your customers always find what they need during and after COVID-19



PHASE 1

React & Respond



Topline trend

Online grocery shopping & purchasing of essentials surges and sees 4x growth in the first 3 weeks of March 2020. 90% of consumers changed their shopping behavior, resulting in a surge of new shoppers turning to ecommerce for the first time to fulfill their purchasing needs.

How major ecommerce businesses reacted

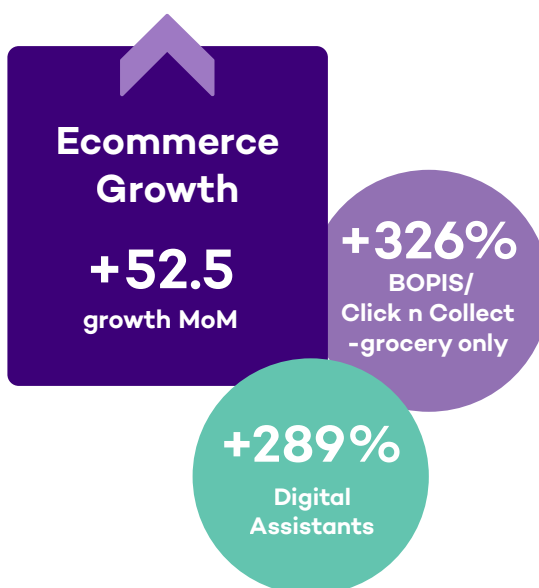


Amazon halts adding non-essential products to warehouses until late April 2020



Both Amazon & Walmart announce plans to hire over 100,000 workers to support the surge in demand.

What methods did consumers use to purchase?



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57%

of consumers preferred shopping in-store to find the right product

82%

of consumers want brands & retailers to help them find products faster online

68%

of marketers know they should be doing more to guide consumers to products

LASTING BEHAVIORS

Customers

- Increased comfort with digital shopping: by mid-March, there were 8.8% more online shoppers
- Using apps for grocery shopping will be normalized due to convenience (apps like Shipt + Instacart grocery sales increased by 124% and 218%)



Businesses

- Learn having a functional ecommerce presence is imperative to their business' success
- Increased spend on digital customer service functionality that is available 24/7



PHASE 2

Redirect to new realities



Topline trend

Brand loyalty is dead, and consumers start to see what they need at home to manage their health, sanity, and boredom. Brands and retailers accelerate digital transformation initiatives to adjust to the new realities.

New realities in 3 numbers



Online shopping increased by 74% in April



Click & collect grows by 208% with retailers of all sizes and industry pivoting selling models



Shopify sees a 20% lift in new ecommerce sites

Rise of the brand manufacturer & second-tier omnichannel retailers



25% of consumers cannot find what they are looking for online amid COVID-19 and are purchasing from a more varied group of retailers



Consumers look to second-tier omnichannel retailers who are able to provide products in a timely manner

What methods did consumers use to purchase?

Ecommerce Growth

+74
growth MoM

+208%
BOPIS/
Click n Collect
-grocery only

+589%
Digital
Assistants

Zoovu x Researchscape Insights

56%

of consumers have abandoned a search because it was too difficult to find the right product

63%

of consumers feel overwhelmed when making a purchase decision online

59%

of marketers believe they can do a better job at reducing choice overload for their customers

LASTING BEHAVIORS

Customers

- Increased willingness to buy different brands because during the pandemic over 69% of consumers bought from brands or channels they usually would not.
- 40% of new shoppers are returning to an online store at least once within 30 days.



Businesses

- Brands & retailers will need AI solutions to scale up the level of personalization expected from consumers across channels. This requires access to real-time customer insights to understand what and why their customers purchase.
- Click and Collect is not a “nice to have” but a “must have” for any retailer or brand with an omni-channel presence.



PHASE 3

Rebound to the future



Topline trend

Consumers will expect all brands and retailers to have engaging and helpful ecommerce experiences with more options for collecting their purchase. Businesses must adapt their omnichannel experiences to be centered on assistance and education throughout the customer journey.

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80%

of consumers want brands to interact with them on a personal level

74%

of consumers would prefer a self-guided experience that understands their needs in real time based on their answers and makes a personalized recommendation for them.

52%

of marketers know they could do a better job at providing personalized offers & recommendations

Customers remember

What brands and retailers supported them effectively through their purchase journey

Consumers go where they can buy—brand manufacturers have their products

It's not about shipping price; it's when will I get it; they want it now

New opportunities for smaller players or upcoming retailers to provide what customers need



Prioritizing digital transformation and providing more varied contactless experiences



Curbside & click n collect is no longer for “essentials” all businesses must have the infrastructure and search experience on their ecommerce sites to guide consumers to what they need



Voice enabled in-store kiosks: concern for hygiene & hesitancy to go into big stores for an extended period of time necessitates more varied contactless experiences



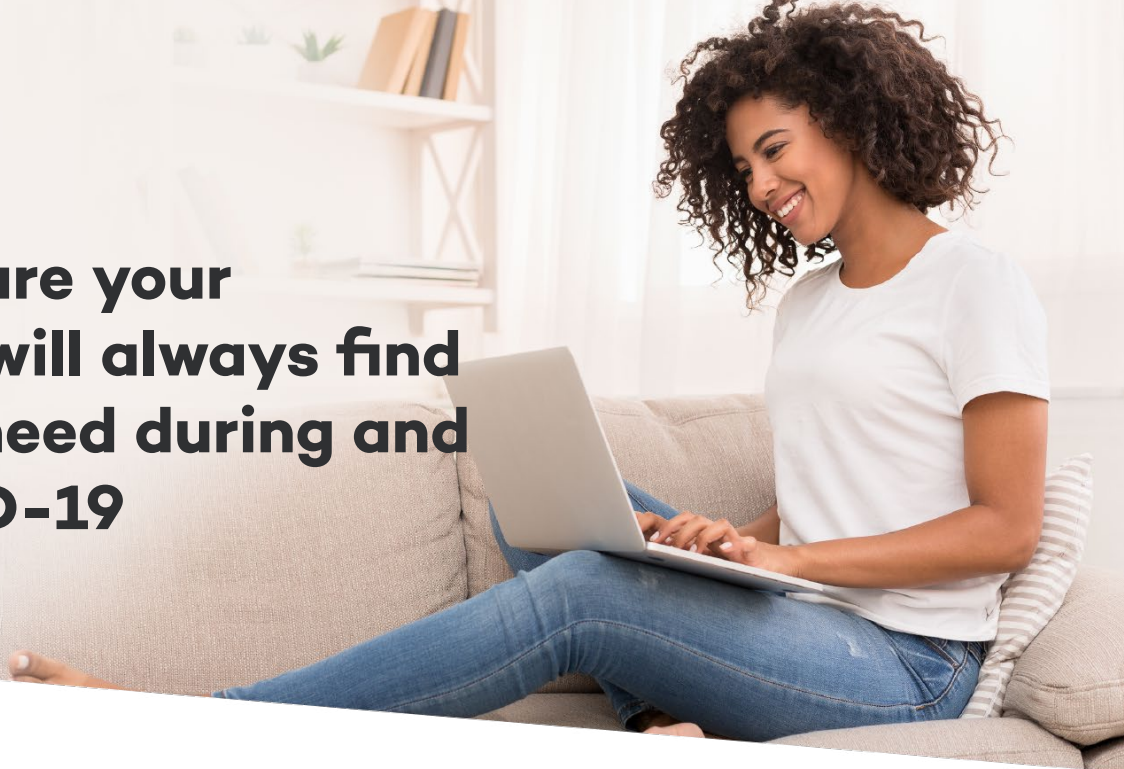
Self service: assisted online help with AI-powered paths to products or services

Learn more about the technologies needed to support retail amid COVID-19



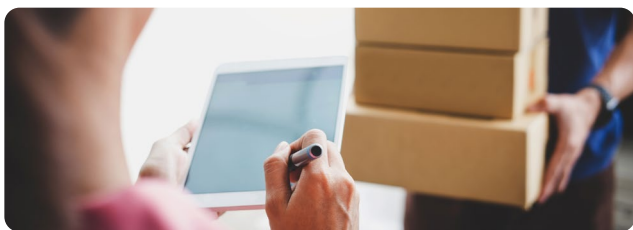
PHASE 4

How to ensure your customers will always find what they need during and after COVID-19



Topline trend

A true omnichannel experience centered on providing always available guidance and support to customers is essential to meet consumer habits and expectations.



What consumers will need from businesses

- Search experiences tailored and optimized for individual needs
- Ability to find the right products for them with ease whenever they shop
- Engaging and needs-based paths to purchase focused on product education and value across product catalogs to drive consumer confidence in purchases and throughout the product lifecycle usage



Learn how to extend to the customer lifecycle with post-purchase support

- Always available customer engagement and post-purchase assistance wherever consumers shop



Lessons for brands & retailers

- Consumers were already frustrated with the search experience prior to COVID-19: provide guidance and support with technology developed to identify needs and wants through engaging experiences.
- Evolving your ecommerce capabilities and functionalities is crucial to maintain the surge of new digital shoppers and to overcome future challenges.
- Adopt technology that learns what matters to your customers, and leverage those insights to make actionable decisions on product lines and marketing campaigns.

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84%

of consumers wish search identified their needs and narrowed down results to 5-10 choices

70%

of consumers are interested in using digital assistants to make purchasing online easier and more personalized for their individual needs

69%

of marketers see conversational engagement as very much or complete priority for them
..yet only 25% are looking to digital assistants to improve their customer experience

ABOUT



Zoovu is the ultimate AI-driven conversational search platform helping customers find the things they're looking for by having a conversation. We turn every search into a conversation that leads to an engaging and tailored shopping experience for the customer, the brand, and the retailer.

More than 2,500 brands and retailers use Zoovu to have conversations that convert including Amazon, Coty, Whirlpool, and Canon. Zoovu operates worldwide in 500+ product categories, across all languages.