

COVID-19

SERIES

Week Two – Changing Shopping Habits

October 13, 2020

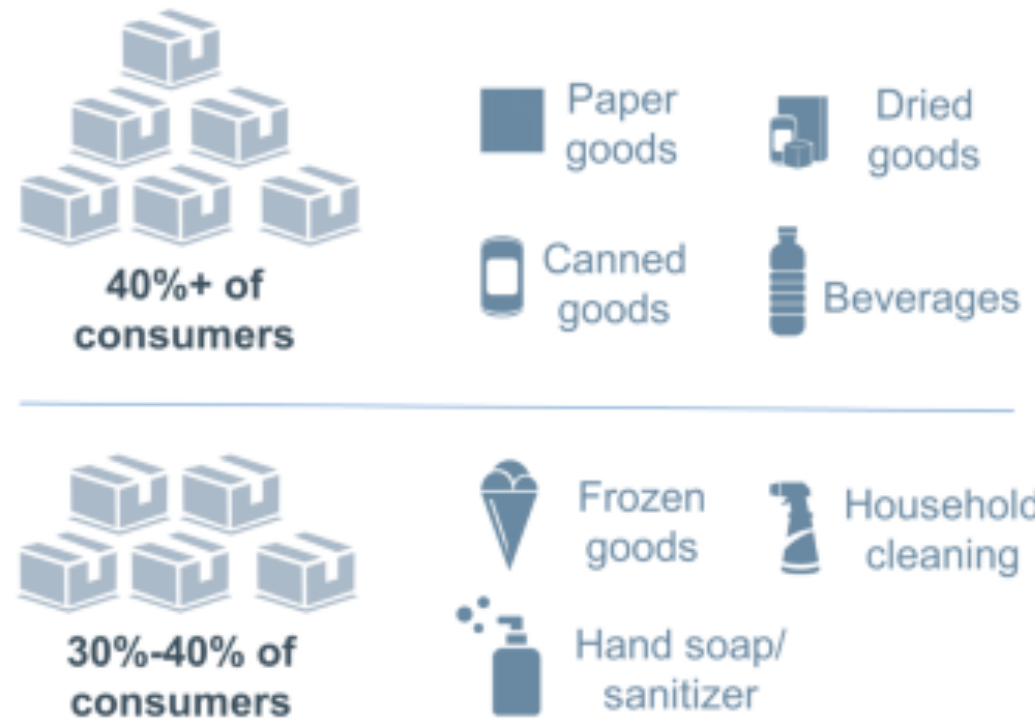


Consumers' relationship with shopping has changed

The old model of weekly grocery trips with fill-ins during the week is gone, at least for now. Consumers fear they may get sick in stores and are concerned the store won't have the item they went in to get, leaving them little incentive to shop.



U.S. consumers' most prevalent "stock up" items purchased (N=2,608)



Concerns over hygiene has led 72% of consumers to decrease grocery shopping frequency, and when they do shop, 50% are trying to reduce the time they spend in the store.

This in-and-out mentality reduces browsing and impulse buys.

At peak crisis, 65% of consumers experienced product shortages at their preferred store, and 49% still experienced product shortages well into June.

While some tried another store, 50% who weren't able to find an item gave up on buying it, often buying a new brand simply because it was available where they were shopping.

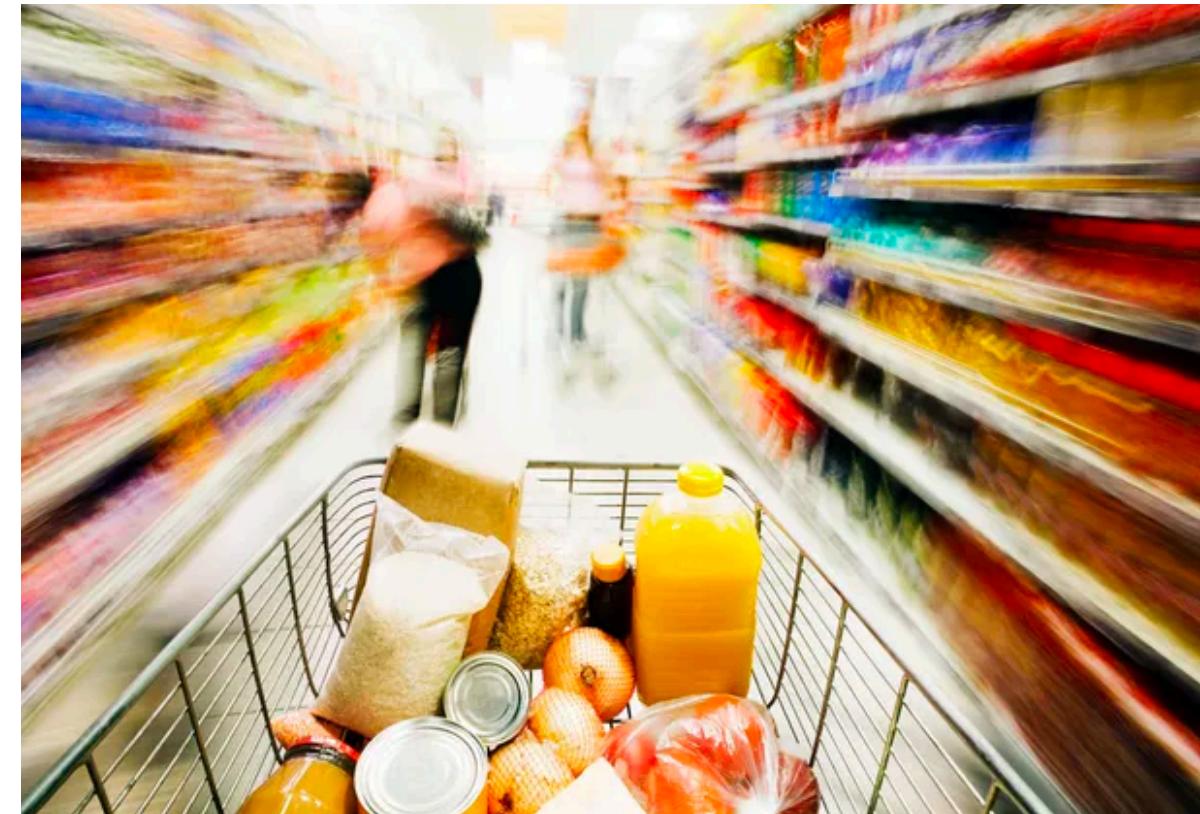
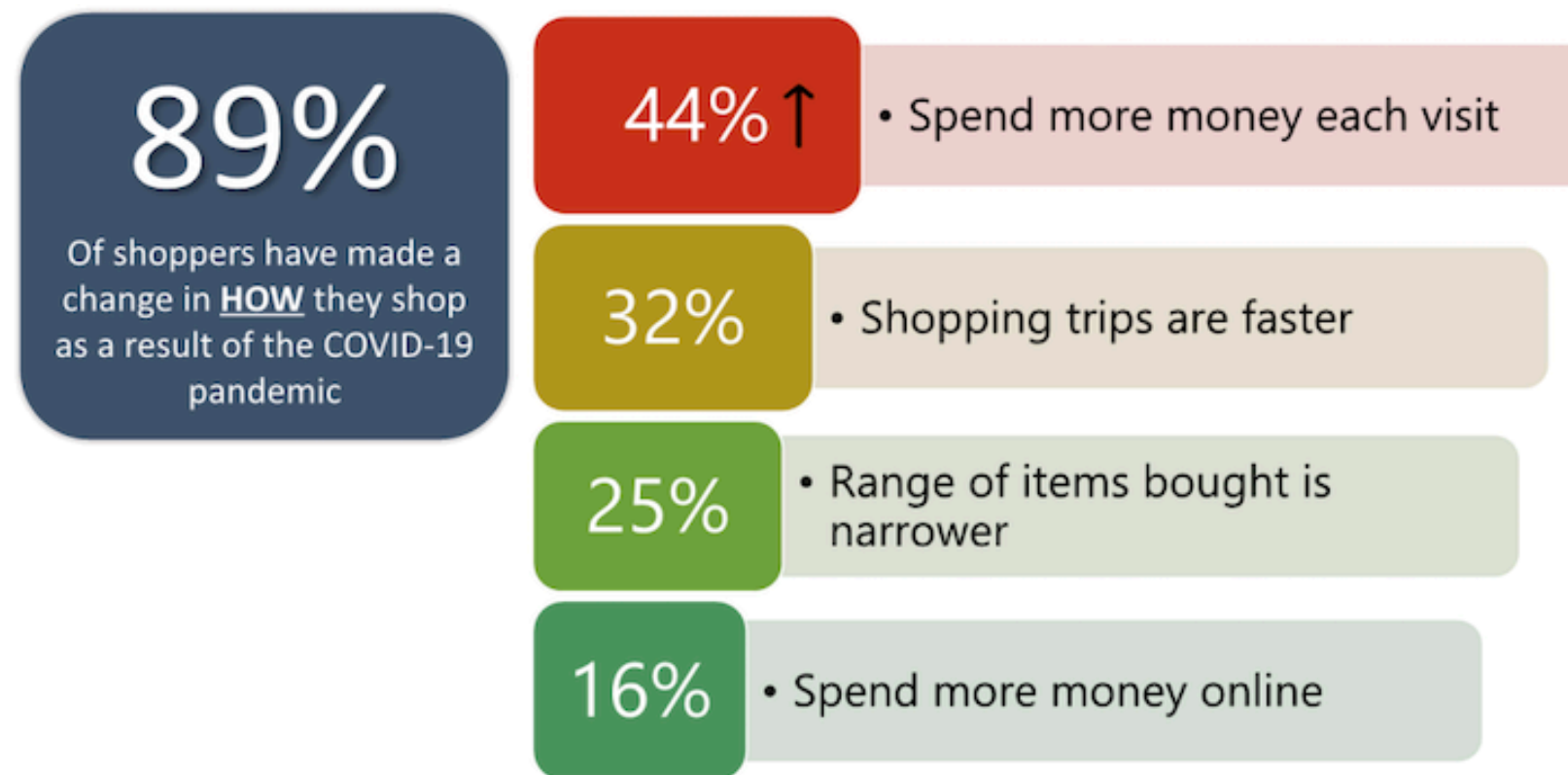
Center-store trips increased **2X** as much as total store shopping in March, driving roughly 22% center-store growth in that time.

Interestingly, 37% of consumers in August said they were still stocking up on certain foods.

Source: Mintel COVID-19 Reports
<https://www.numerator.com/resources/blog/update-impact-coronavirus-covid-19-consumer-behavior-us-11>
<https://www.foodmanufacturing.com/consumer-trends/blog/21133823/how-covid19-has-impacted-consumer-food-habits>
<https://www.iriworldwide.com/IRI/media/Library/COVID-19-Center-Store-Thought-Leadership-6-26-2020.pdf>
<https://www.supermarketnews.com/center-store/how-coronavirus-crisis-changing-grocery-shopping>
<https://www.supermarketnews.com/consumer-trends/it-s-new-scene-grocery-shopping-pandemic-changes-behaviors>

Consumers are changing what and how they're buying

A search for control has led to consumers to plan their purchases more intently, trying to get everything in one trip and seeking out bargains to ensure they have what they need for the upcoming week and are safe from uncertainty.



Basket size is up 31%. Consolidated trips and increased home cooking has made huge shopping runs the norm.

78% of those who stocked up early in the pandemic claimed it made them feel safer. Those consumers have now shifted from a “grab anything” mindset to creating safety and stability through planning and being more intentional about what to buy.

Fill-in trips have declined as shoppers avoid extra time at the store that they believe could put them at risk.

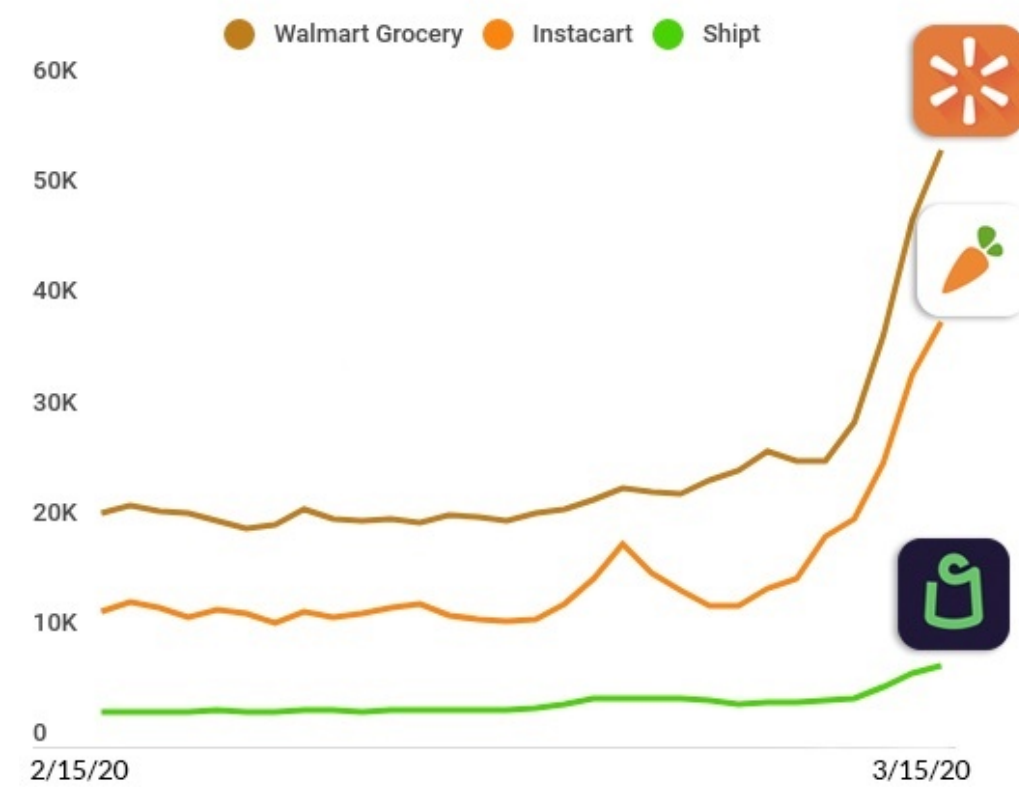
The pressure to get everything in one trip has left 56% of consumers feeling anxious about not getting the items they need on a grocery run. This is driven by their fears of forgetting an item and retailer out-of-stocks.

Financial uncertainty has started to reduce spending on groceries. Consumers are accomplishing this by eating what is on hand, which reduces purchase frequency, and many are prioritizing lower priced items, trading down to private label, and searching for bargains.

For many, the best solution is to go online

Assuming comparable costs, consumers overwhelmingly prefer shopping online with home delivery as their first choice, and drive by or curbside pickup as their second choice for obtaining their purchased groceries.

Daily downloads of grocery delivery apps, U.S.



Thirty-nine million U.S. households (31%) used an online grocery delivery or pickup service in the past month.

26% of online grocery shoppers in a recent survey (10.3MM households) said they were using a specific online grocery service for the first time.

The rate jumps to 39% for shoppers age 60 and older, showing that this trend isn't exclusive to digital natives.

Convenience wins. Regardless of why they started purchasing online, 97% of respondents ordering groceries online plan to continue doing so in the future due to the convenience of the service.

Consumers like seeing the inventory at each store as they shop, so they immediately know what's available and can make alternative choices about what to buy.

E-commerce carts contain fewer discretionary items.

While online, consumers focus their shopping time on their shopping list, and browsing for groceries online has not caught on – unsurprising since the keyword-based shopping experience is fundamentally different from what consumers experience walking a physical store.

TAKEAWAYS

Brand first: COVID-19 has solidified online shopping as a new standard, and as a result, consumers expect brands to be highly shoppable and interactive in e-commerce. To reach consumers shopping for groceries online, the brand must have a consistent presence along the digital path to purchase.

Rethink trial: The ease of grocery purchasing online leads to a lack of exploration and non-essential purchases, which challenges brands trying to get in the basket. Brands must innovate how they create initial trial of new items, and illustrate how they can become part of the regular rotation of meals.

Salience: When shopping via e-commerce, consumers are focused on getting what they need. It is imperative for brands to meaningfully reach consumers with relevant media and engaging creative prior to the shop, to increase the likelihood of being top-of-mind when consumers type a product into the shopping site.



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