Changes in Consumer Habits:

Looking back on the last 12 months of retail

INTOUCH INSIGHT

Who we are

At **Intouch Insight**, we provide experiential and operational expertise to businesses around the world. We specialize in supporting multi-location businesses as they deliver on their brand promise. Leveraging our automated customer experience platform, brands are able to produce the high-value actions that **earn customers for life**.

Learn more:

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www.intouchinsight.com

Disclaimer: The views expressed in this study are representative of the survey data collected. Please continue to follow the advice of medical professionals and your regional government officials for recommendations around health and safety protocol.

Introduction & Update

It has been just over a year since the first lock-down measures were experienced due to the Covid-19 pandemic. Business across all sectors have been affected, but the retail industry was on the front lines of change.

To understand how consumer expectations were changing, we leveraged our customer experience intelligence platform, LiaCX®, and survey capabilities to gather feedback through two surveys conducted in **May 2020** and then again in **October 2020**.

In order to continue understanding the long-term effects and trends on the retail sector, we launched our **3rd survey, reaching over 1200 survey respondents**

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In order to better understand how things have changed and continue to deliver useful insights to businesses, we explored some new areas around customer experience and feedback.

What's covered in the report:

- What consumers expect from businesses,
- How their habits are solidifying,
- Where businesses can focus their efforts to drive the greatest impact.

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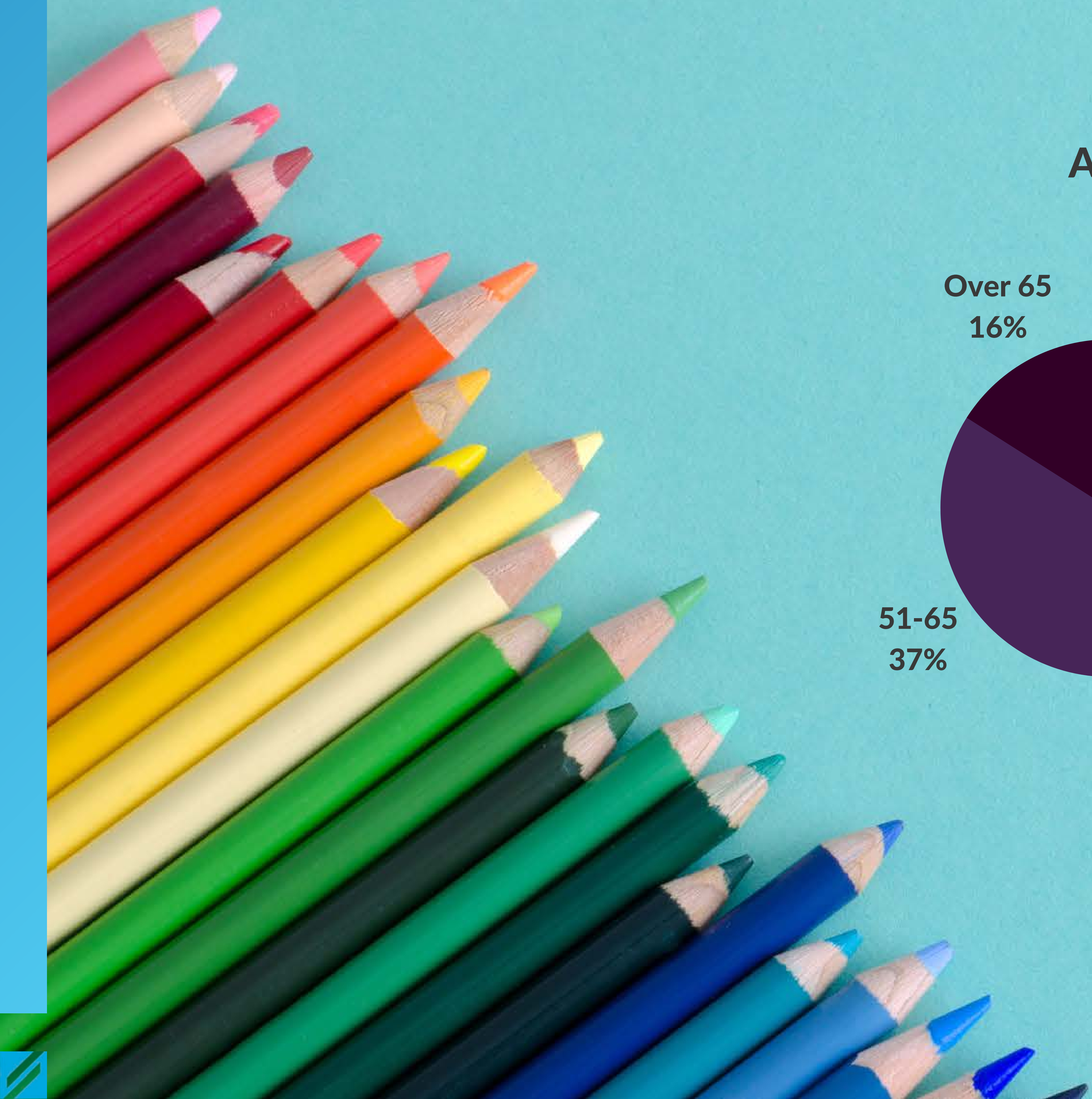
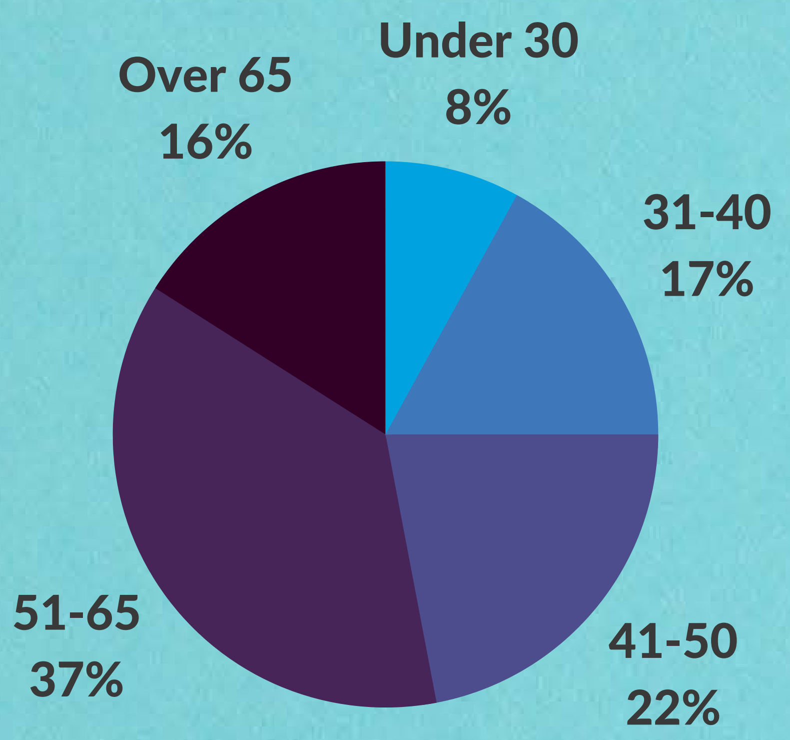
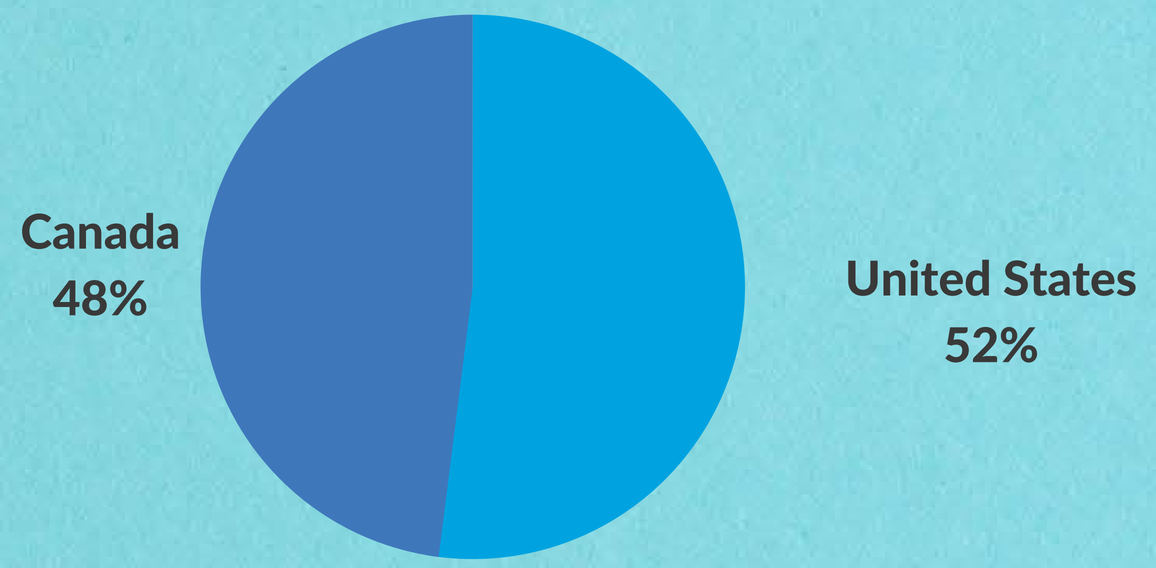


Survey Demographics

AGE



LOCATION



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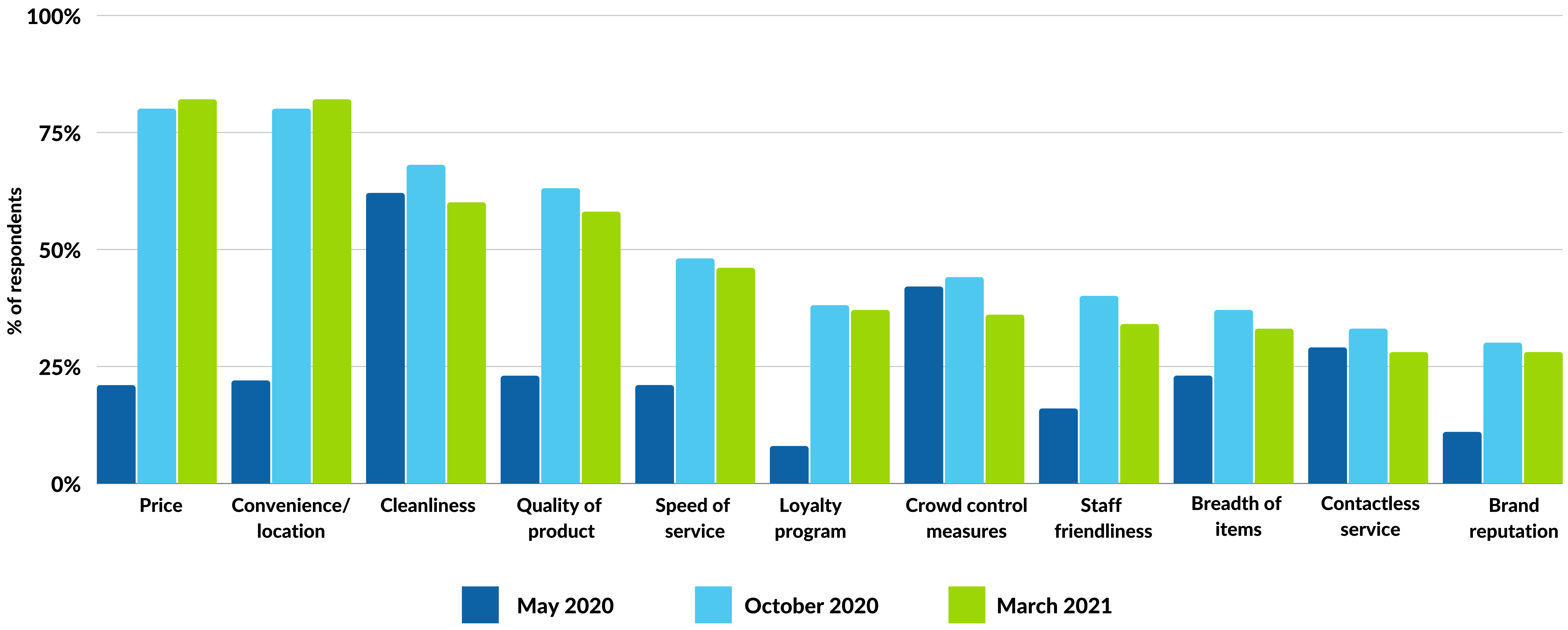
Initial findings

In May 2020, when asked what aspects were considered extremely important when deciding to visit a store, **cleanliness**, **crowd-control measures** and **contactless service** topped the list.

October 2020 results suggested a return to some pre-pandemic consumer behaviors, with **convenience and location**, **price,** and **cleanliness** rounding out the top 3.

This trend continues in the latest survey results, where we see the **same three aspects topping the list**, with price taking the top spot.

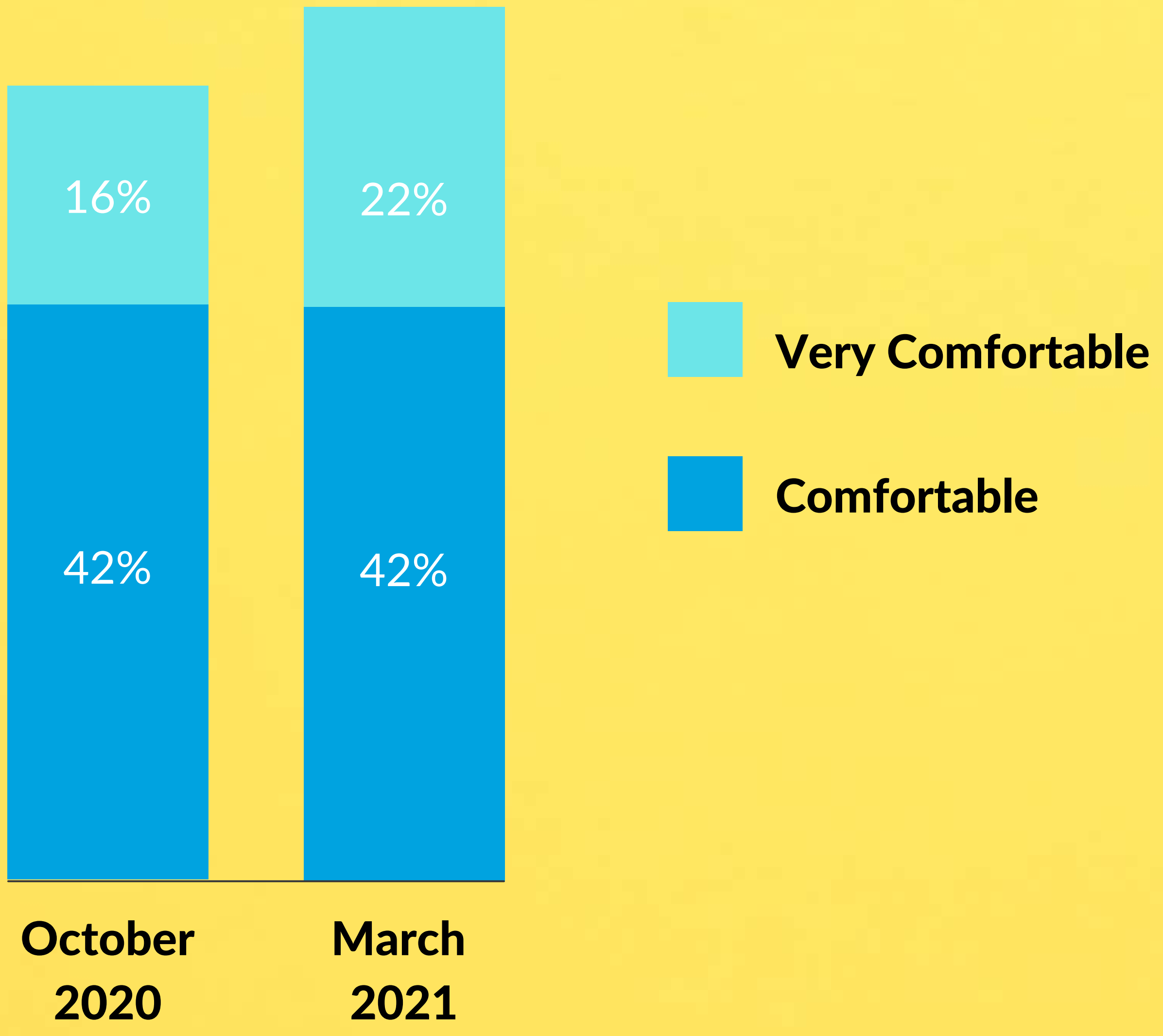
Which of the following aspects do you consider **extremely important** when making a decision to visit a store?



Note: results from May 2020 survey were taken from two questions,: What aspects do you consider EXTREMELY IMPORTANT when making the decision to visit a store? and What aspects do you consider EXTREMELY IMPORTANT when makaing a decision to purchase in-store?

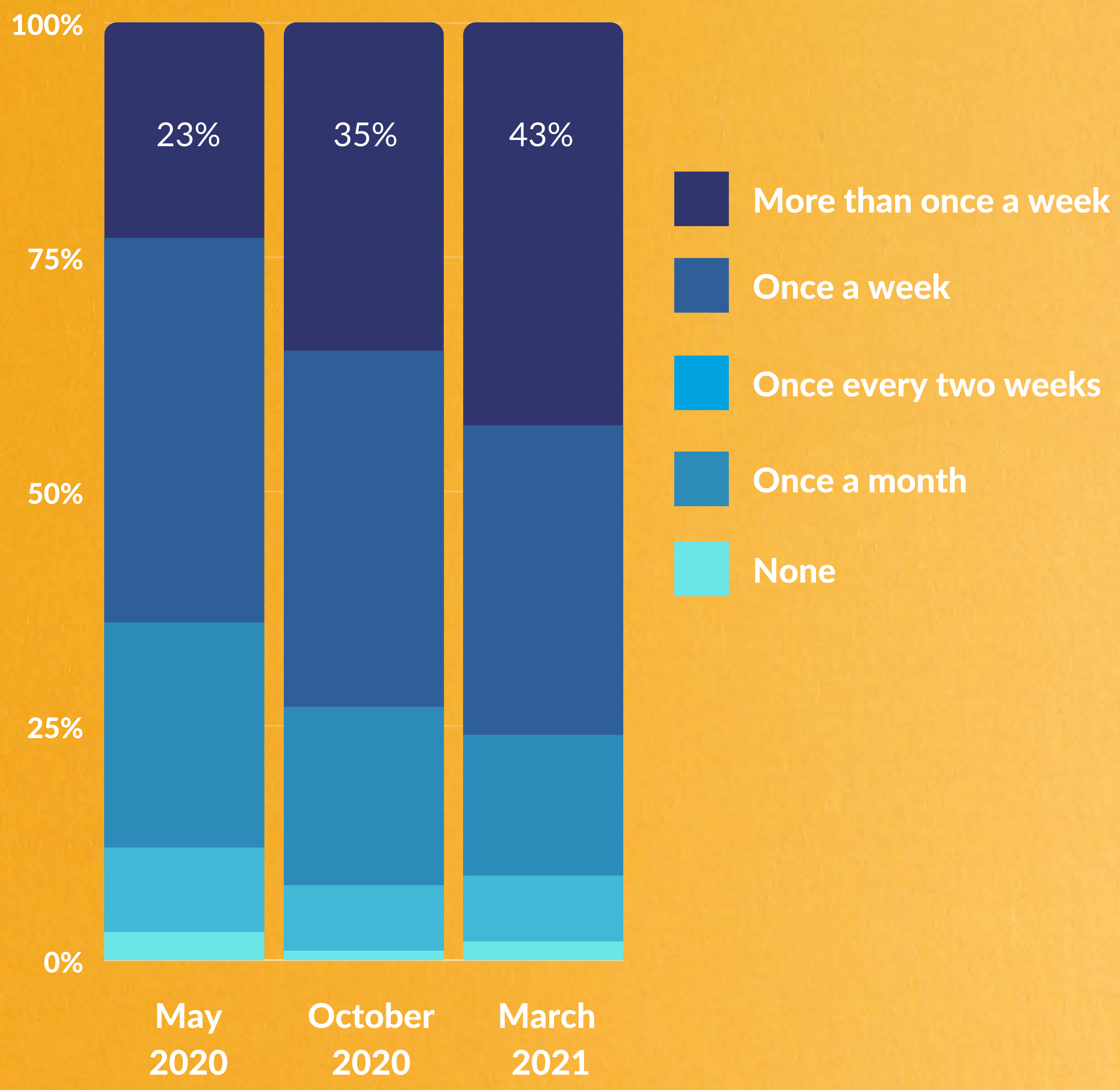
This trend is further reinforced by a 6% increase in the number of people reporting that they feel **comfortable or very comfortable** entering a physical store, since last fall.

Percentage of respondents who reported feeling comfortable or very comfortable entering a physical store.



And, the number of people reporting that they have made a purchase in store **more than once a week** has continued to increase over the last year.

Percentage of respondents reporting the frequency of purchases made in-store



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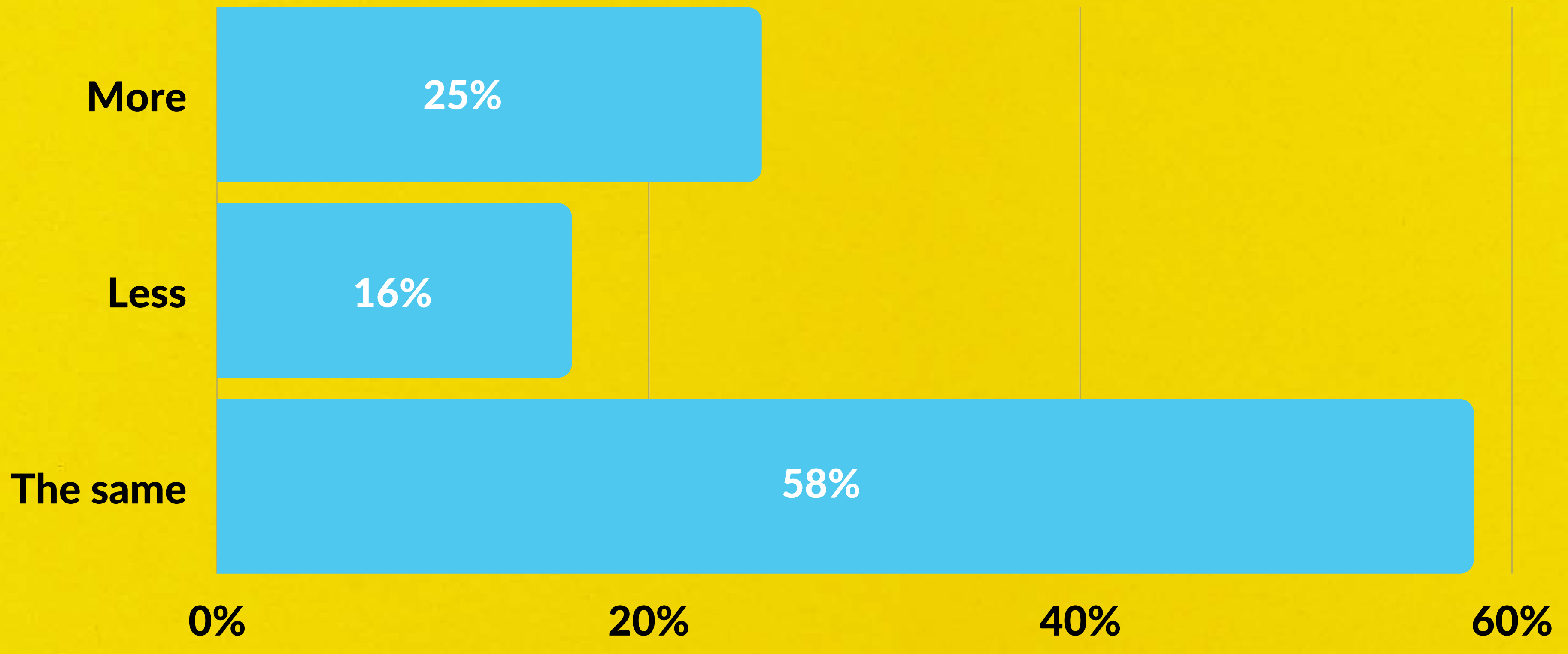
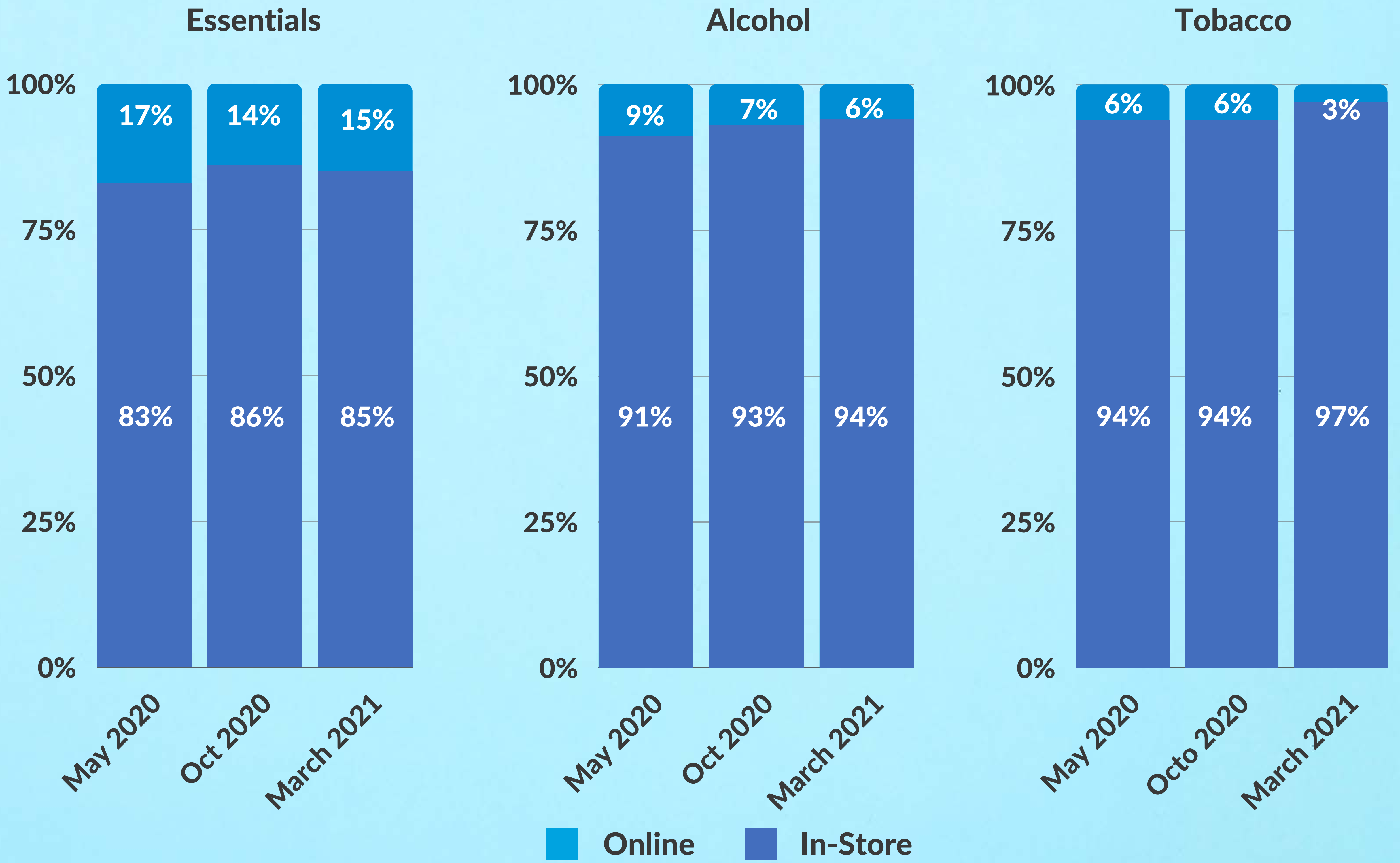
Interestingly, in this latest survey, **25% of respondents** say that they **buy local** more than before the pandemic.



And **essential goods, alcohol and tobacco** continue to be purchased predominantly in-store.



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Key findings

The retail landscape has been forever changed. With ever-evolving rules and regulations, businesses have innovated and consumers have taken advantage of new ways of engaging with the businesses they love.

In this study, we will provide insights into the long-lasting effects of those changes, and how businesses can meet and exceed their customer expectations moving forward.

If this is as far as you go in the study, here's what you absolutely need to know:

- **Key Finding #1: Comfort and safety have become established expectations**
  - Although price and convenience are back to being king, consumers still expect businesses to deliver safe and secure shopping environments.
  - Limiting number of customers, making disinfectant wipes / hand sanitizer available, and ensuring customers wear face masks are the top three drivers of comfort for shoppers in-store.
  - Consumers have changed their shopping habits in terms of when they go to a store and how long they spend there.

- **Key Finding #2: Enhancing online capabilities is a must for all businesses - not just e-commerce sites**
  - Respondents continue to report an increase in the number of online purchases made over the last year.
  - Ordering online for delivery is consistently the more popular choice for order fulfillment in all categories, except prepared food.
  - Continued growth is seen in the adoption of alternatives like curbside pickup and delivery with high stickiness for new services.

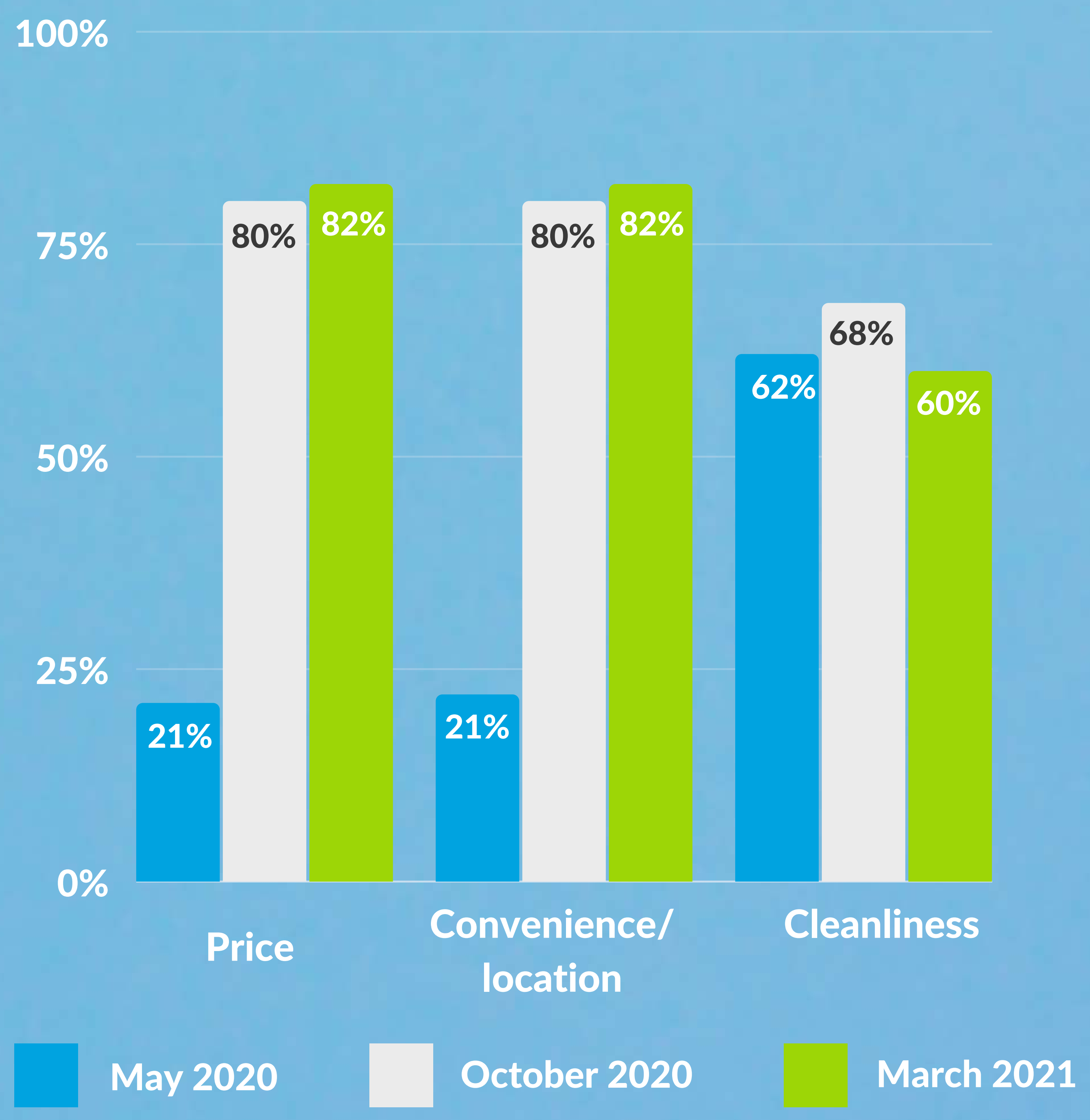
- **Key Finding #3: Businesses still have work to do when it comes to asking for feedback**
  - Respondents report that when asked for feedback, they do provide it the majority of the time.
  - The large majority of respondents who offer unsolicited feedback do so by posting online.
  - Surveys are the most frequently used mechanism to collect customers feedback.

Key finding #1

Comfort and safety have become established expectations

Similar to pre-Covid consumer behaviors, over this past year **price and convenience** have risen back to the top in terms of key aspects rated most important when making a decision to visit a store; but the **importance of cleanliness has remained steady**.

Percentage of respondents reporting aspects they consider most important when making the decision to visit a store



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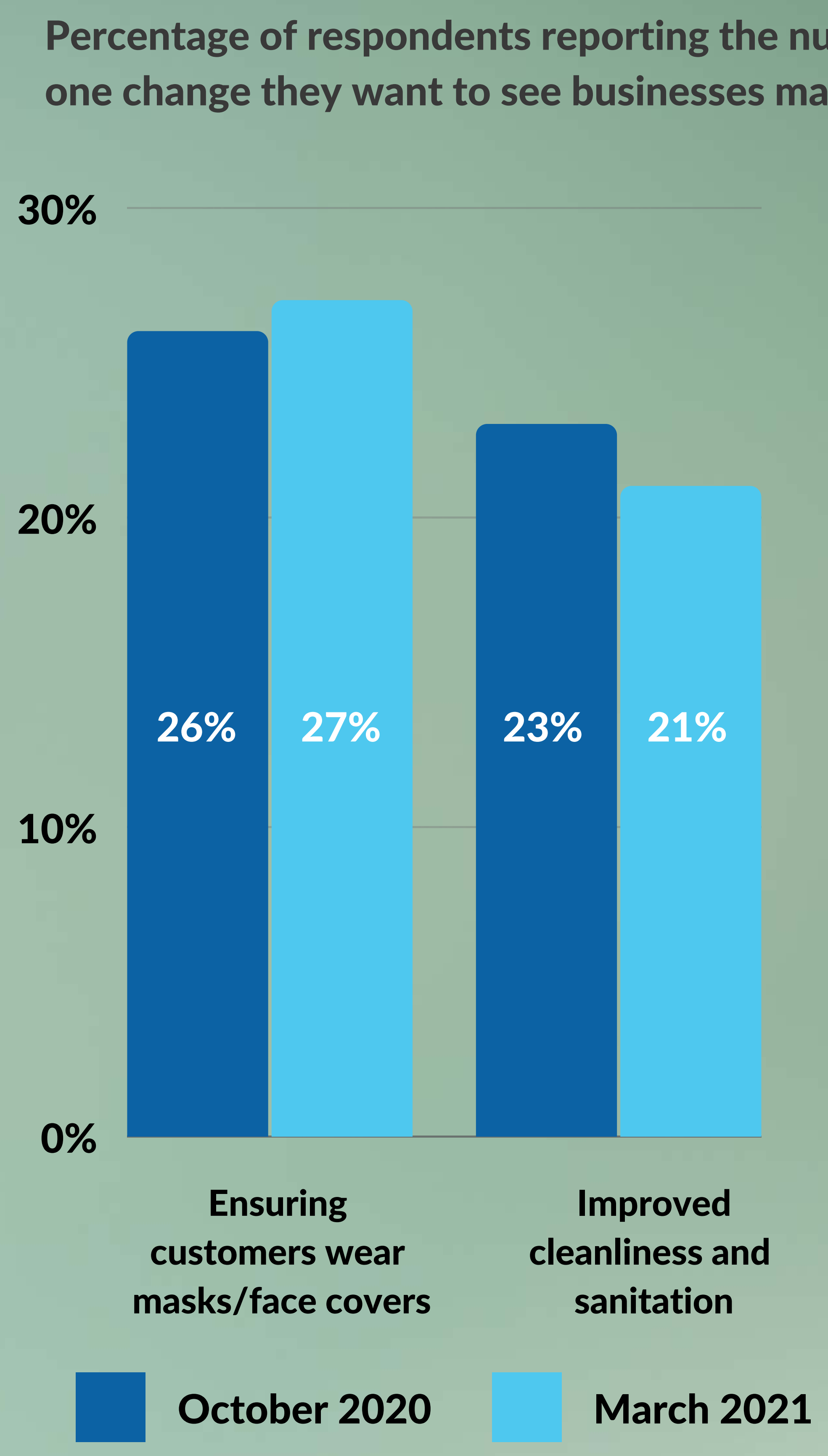
There have been minimal changes in the results from our two latest surveys to the question: **What is the number one change you want to see businesses make?**

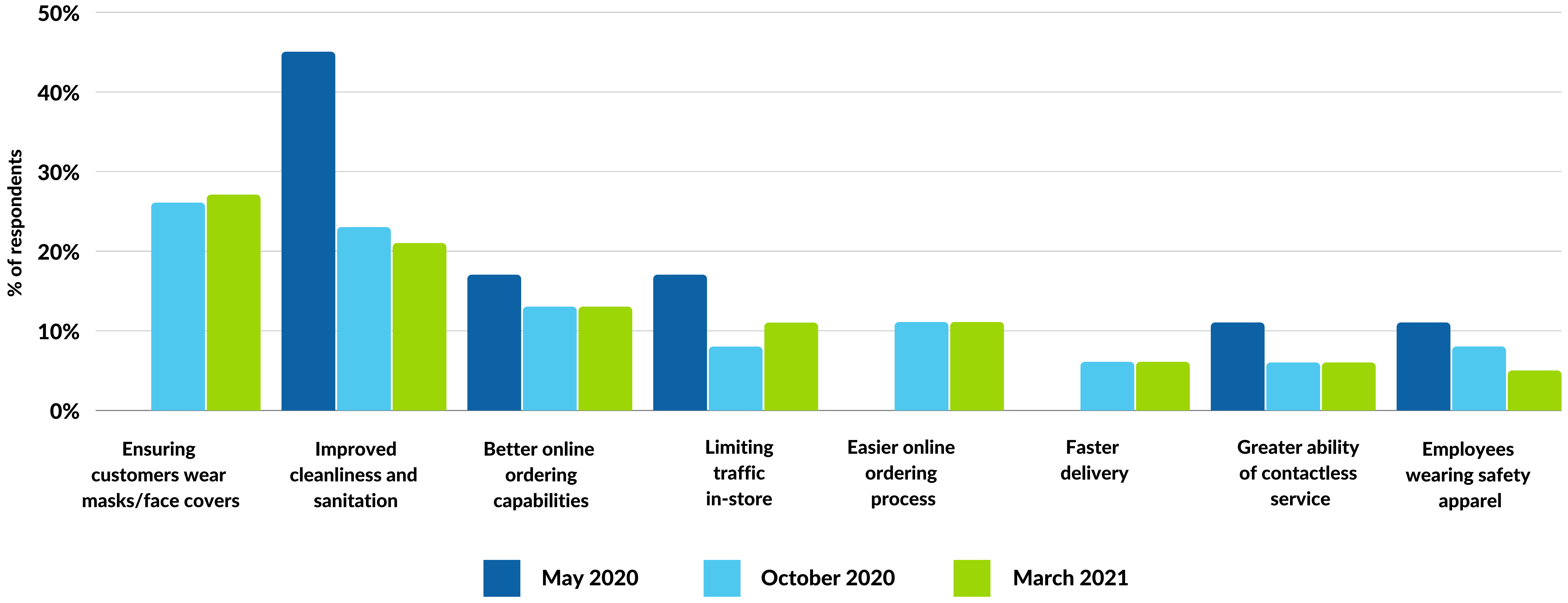
Ensuring customers wear masks and improved cleanliness remain at the top of the list.

This reinforces consumers continued attention to safety and cleanliness practices.

See full results of this question on the next page.



What is the **number one change** you want to see businesses make?



Note: As businesses experienced rapid change early on in the pandemic, new items were added to this question between May and October 2020, therefore no data was collected in May 2020 for certain aspects displayed above.

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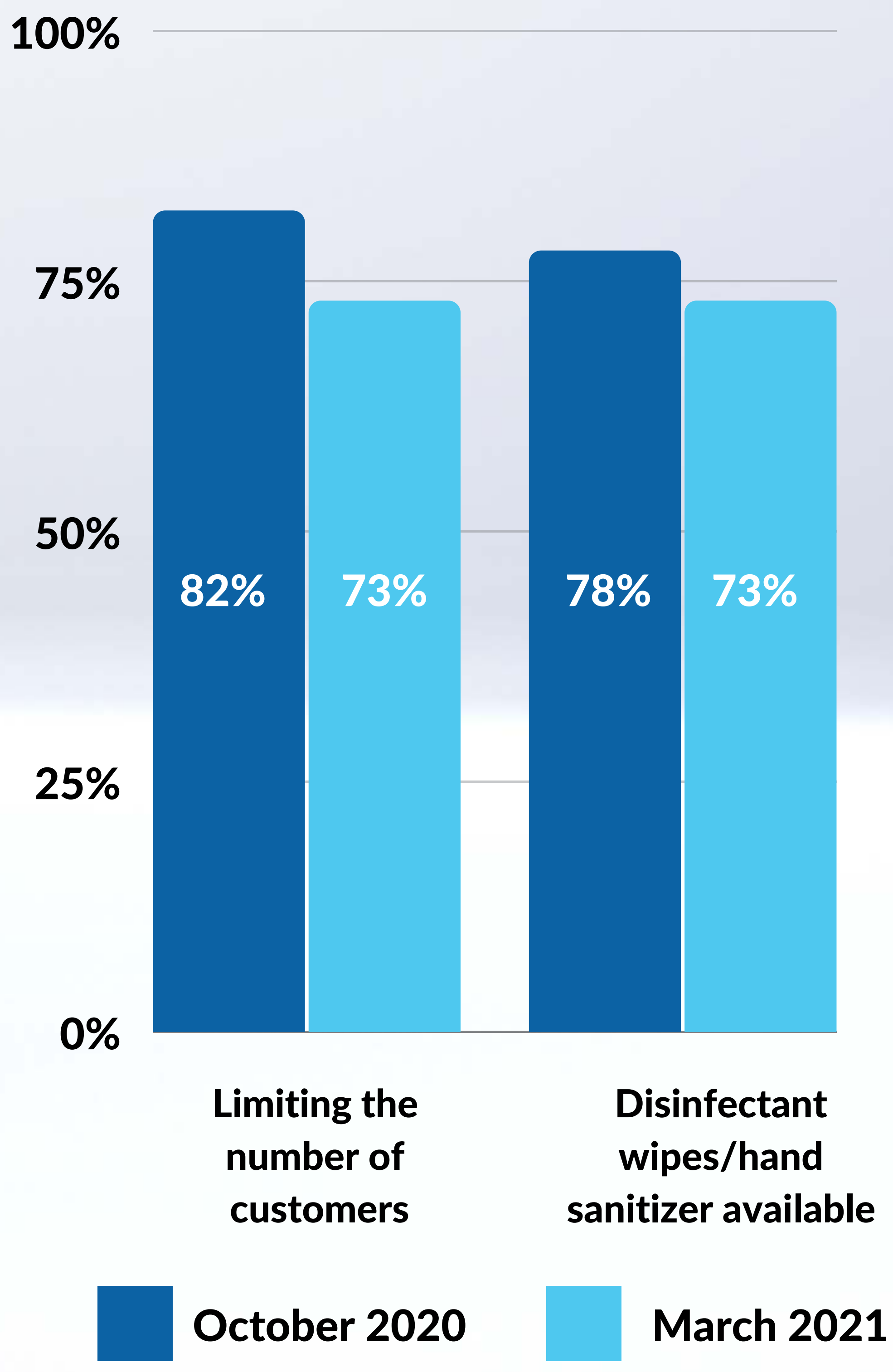
When asked, **What aspects make you feel most comfortable,** the same two answers rose to the top.

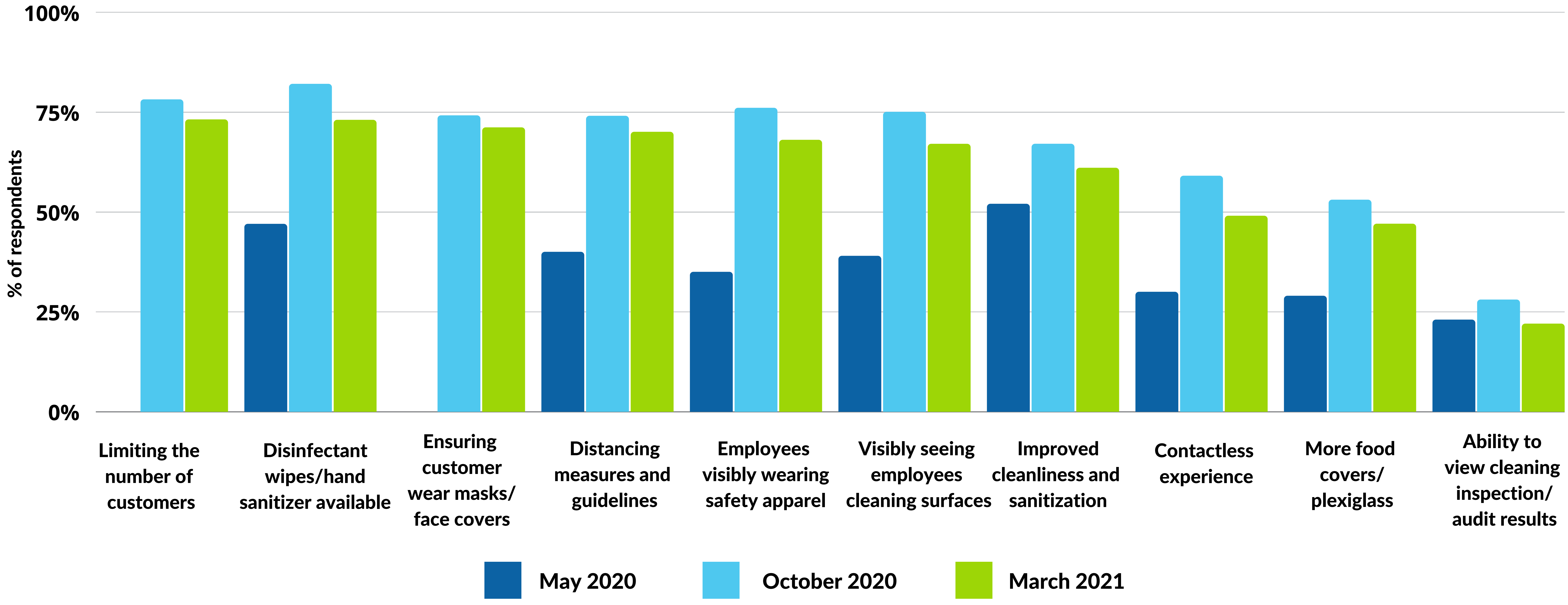
In the most recent survey, **limiting the number of customers in store** took first place as a key driver of comfort, and **availability of disinfectant wipes / hand sanitizer** came a very close second.

See full results of this question on the next page.

Percentage of respondents reporting aspects that make them feel the most comfortable when entering a store



Which of the following aspects would make you feel more comfortable when entering a physical store or restaurant?



Note: As businesses experienced rapid change early on in the pandemic, new items were added to this question between May and October 2020, therefore no data was collected in May 2020 for certain aspects displayed above.

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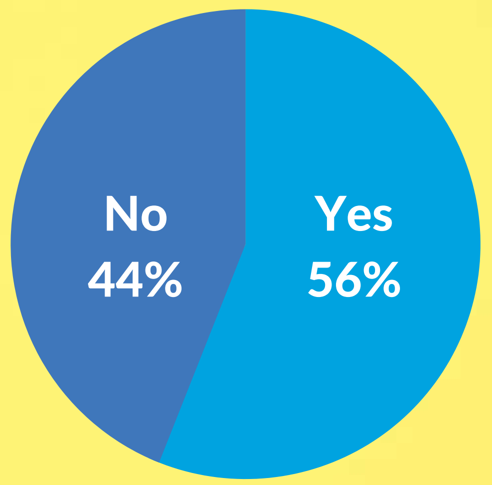
We have also seen shifts in shopping patterns reported by consumers:

- Over half of respondents reported **changing visiting hours** to stores due to the pandemic

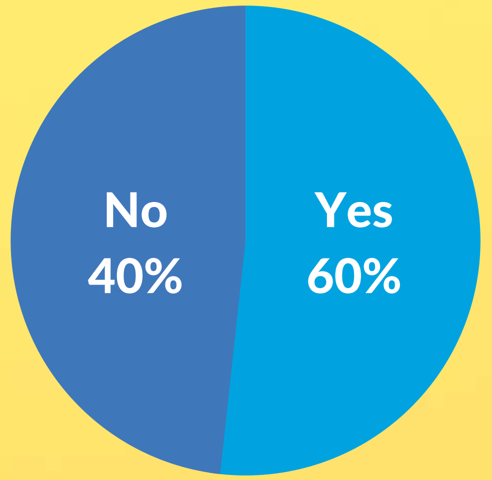
- 60% of respondents report **trying to spend less time completing an in-store purchase** than before the pandemic

NEW

Have you changed your visiting hours to stores to avoid traffic?



Do you try to complete your in-store shopping faster in order to spend less time in store now than you did before the pandemic?



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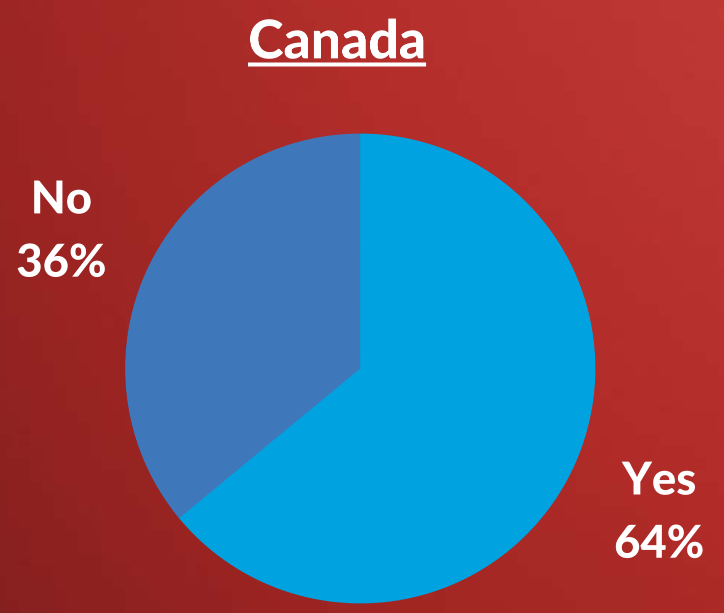
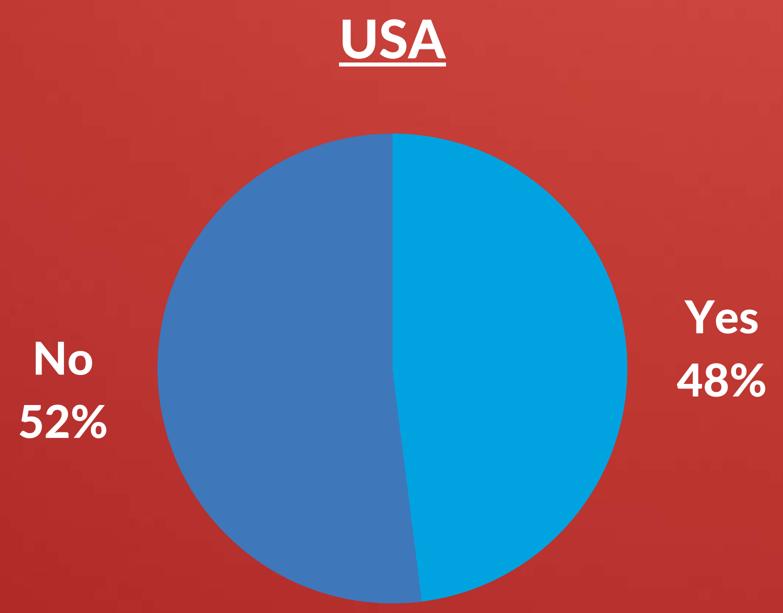
NEW

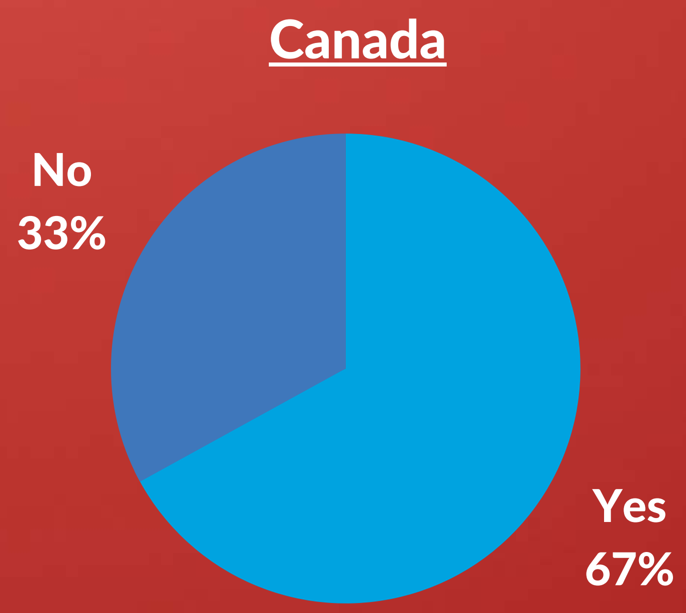
It’s worth noting that this trend is even further pronounced for Canadian respondents compared to American respondents.

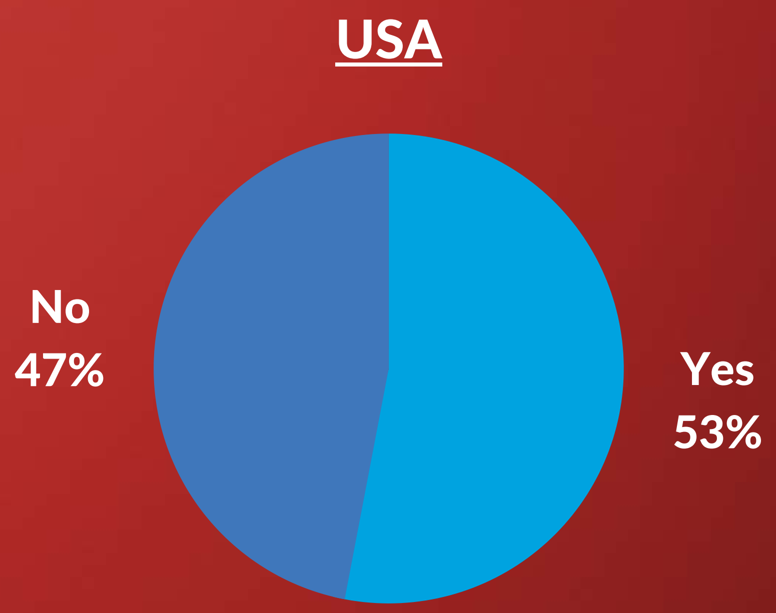
Have you changed your visiting hours to stores to avoid traffic?





Do you try to complete your in-store shopping faster in order to spend less time in store now than you did before the pandemic?



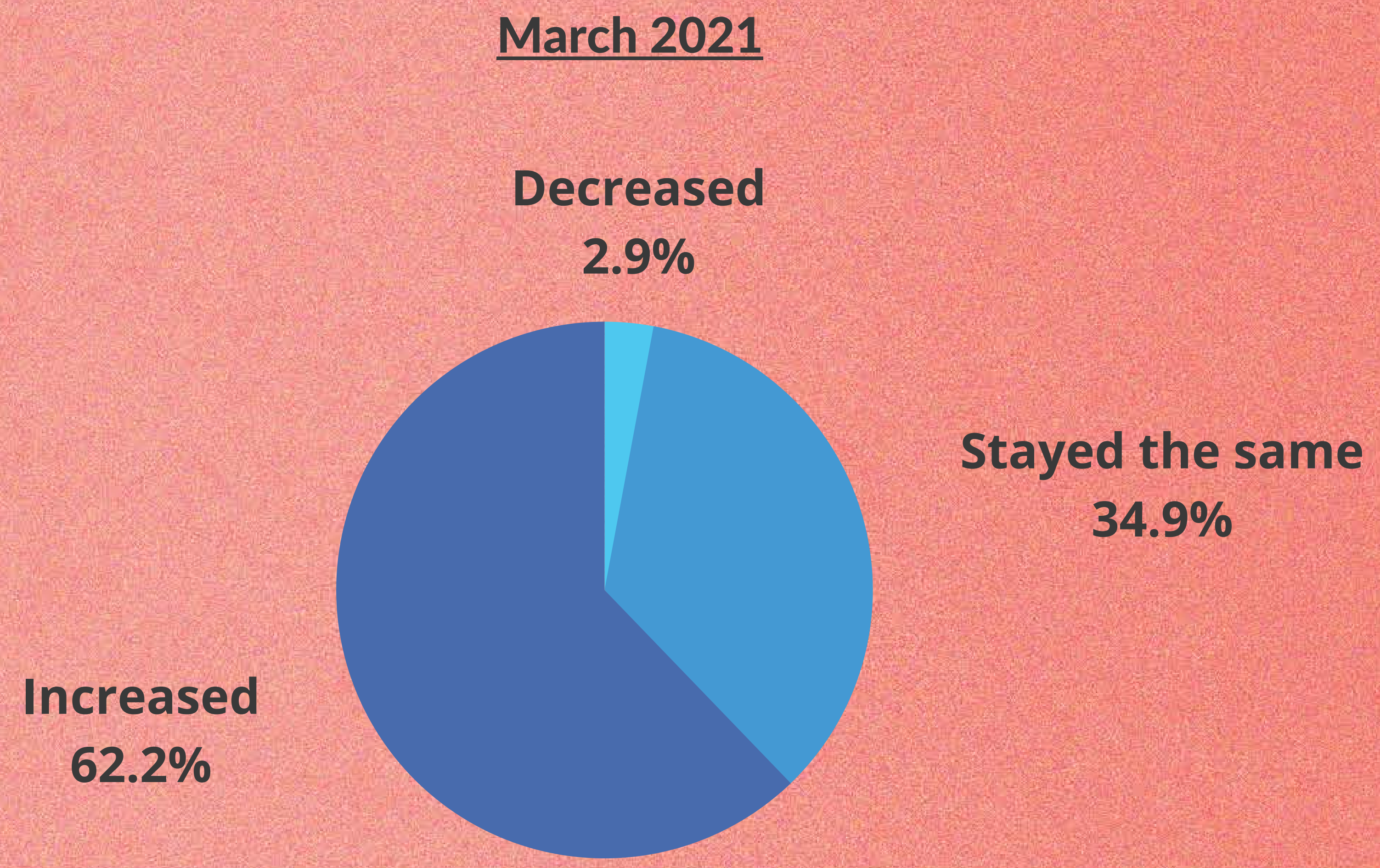


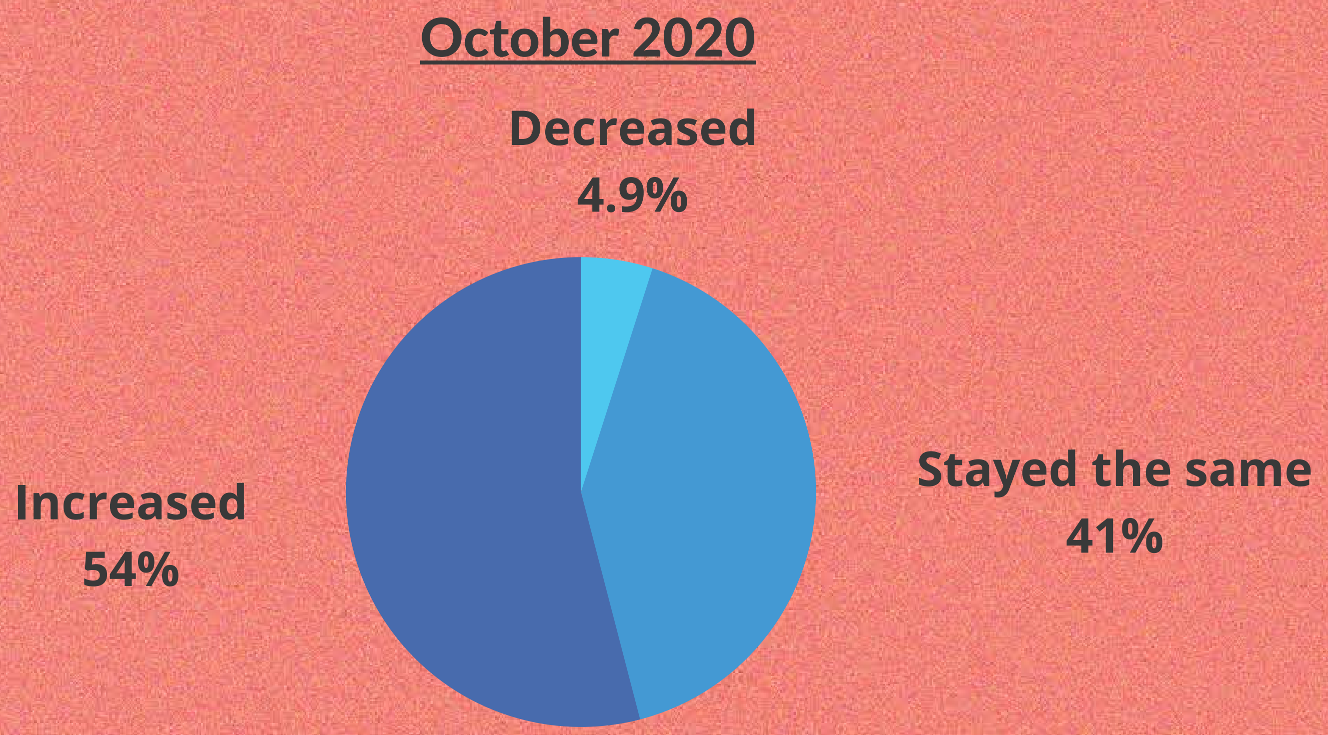
Key finding #2

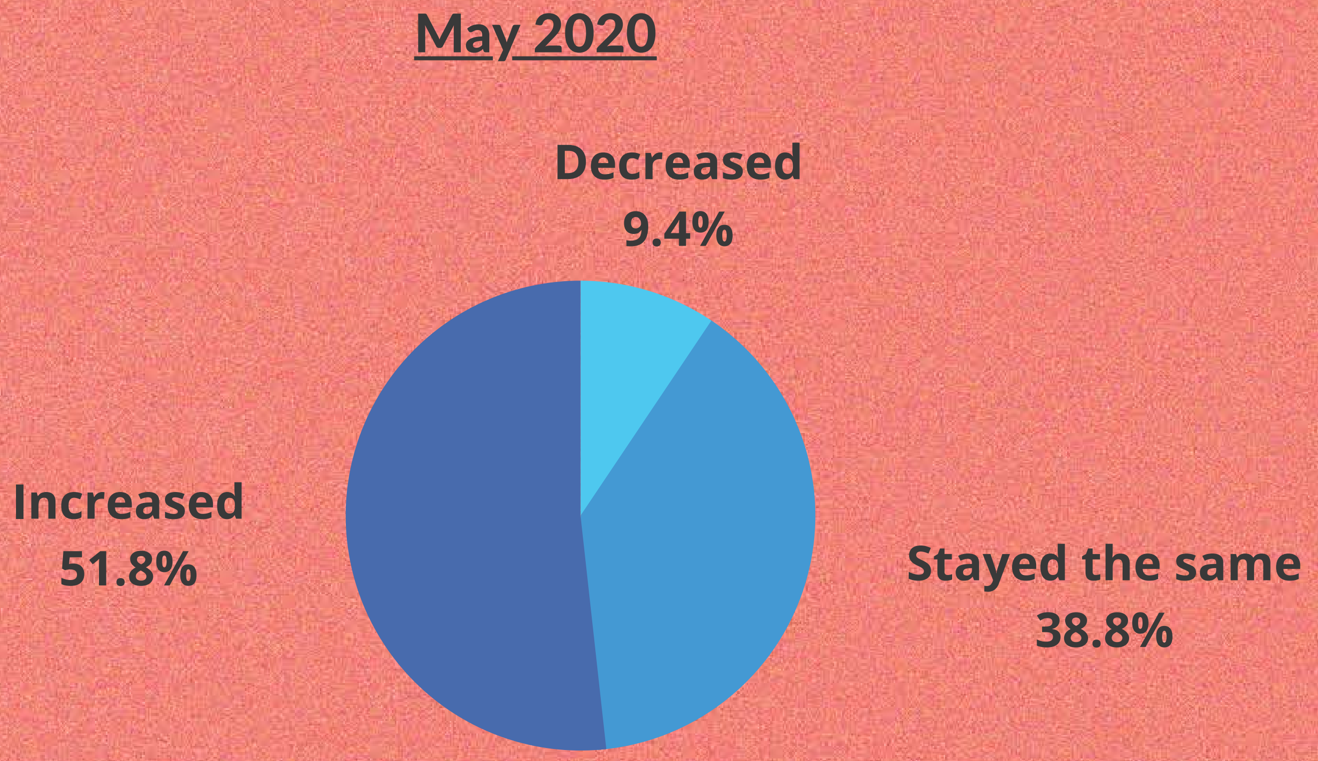
Enhancing online capabilities is a must for all businesses - not just e-commerce sites

62% of respondents report an increase in the number of online purchases made over the last year, compared to **54% last fall and 51% the previous spring**.

Has the number of online purchases you have made increased, decreased or stayed the same ?







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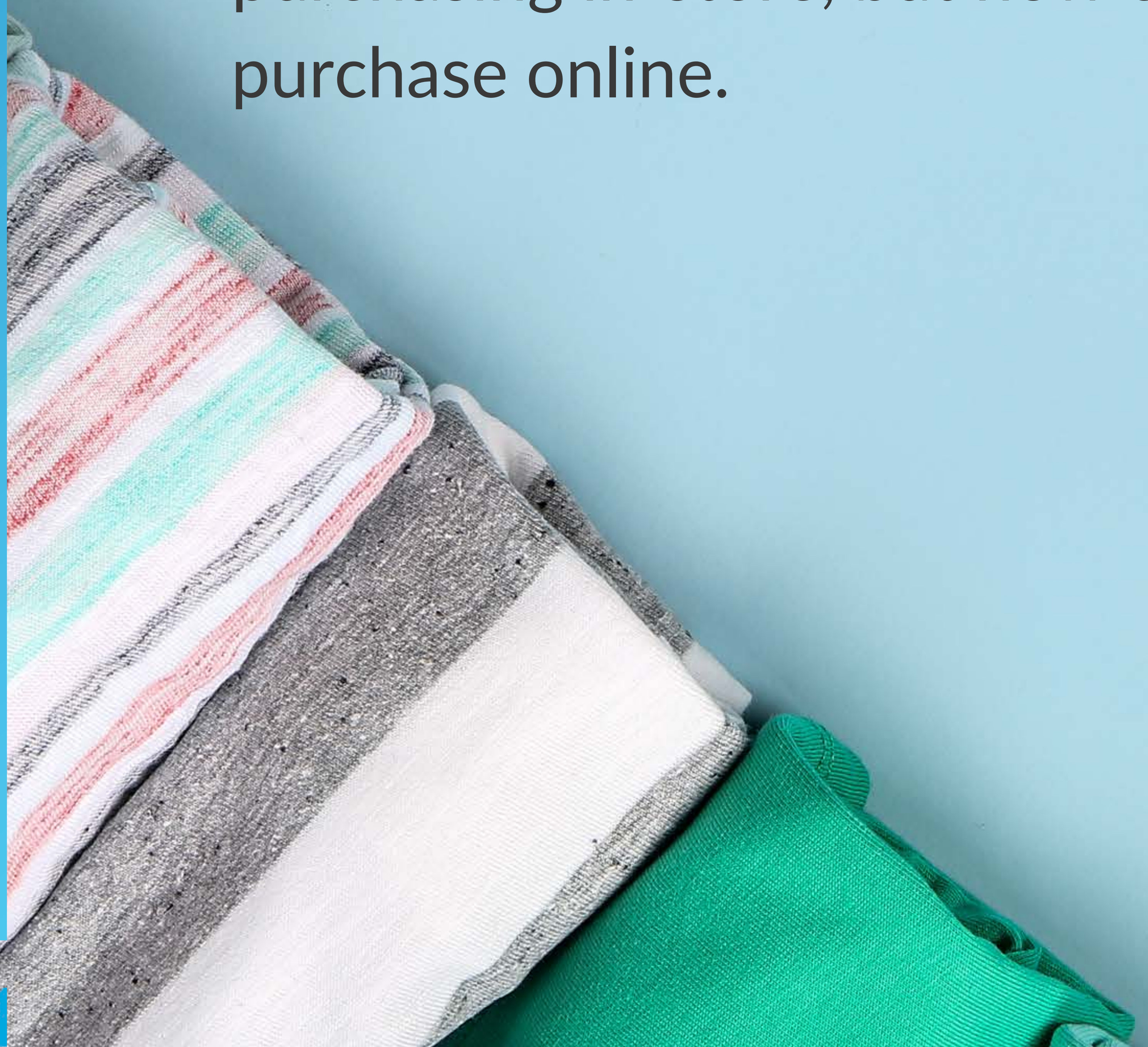
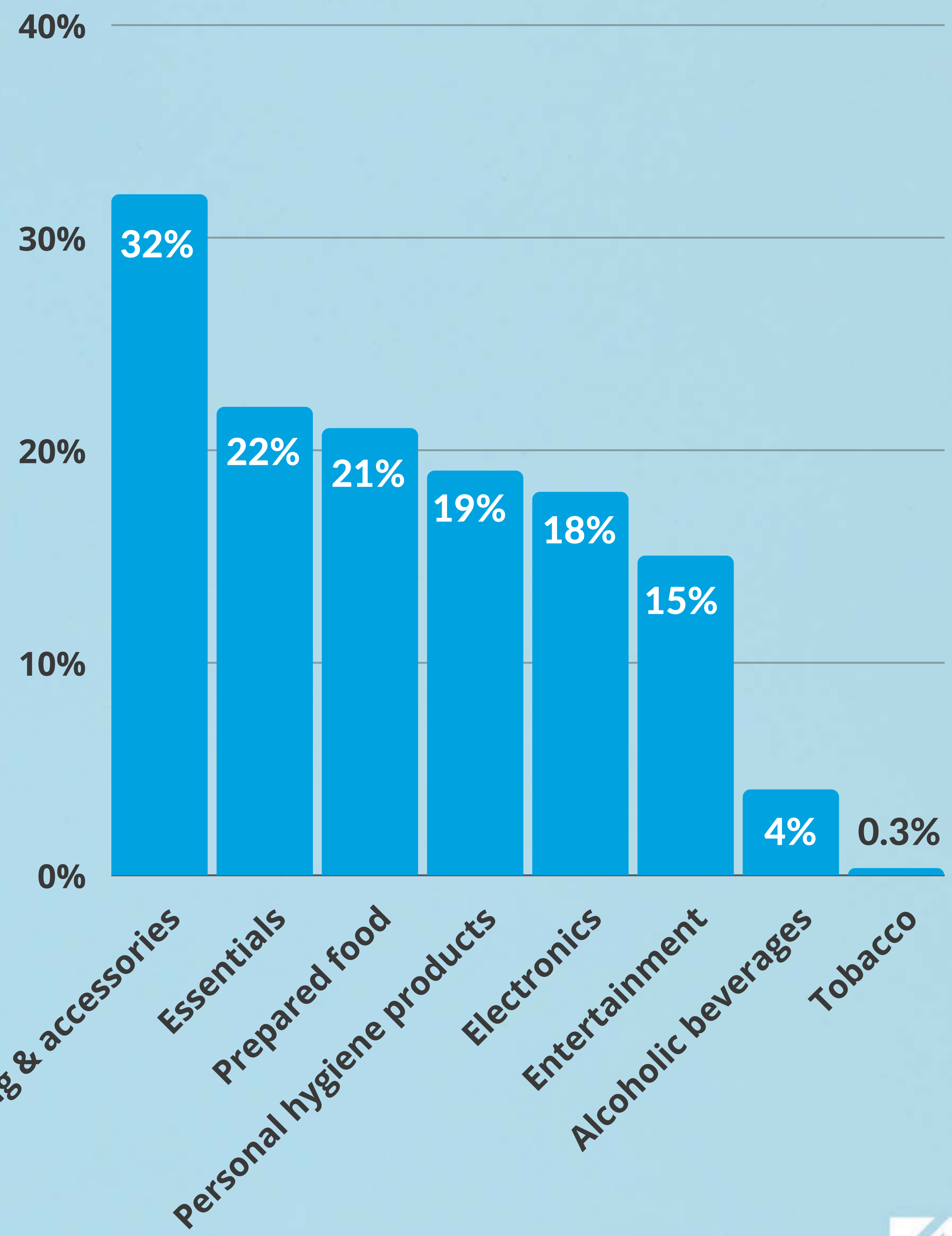
NEW

In terms of changes in buying habits, **clothing and accessories** are the items that respondents reported previously purchasing in-store, but now consistently purchase online.



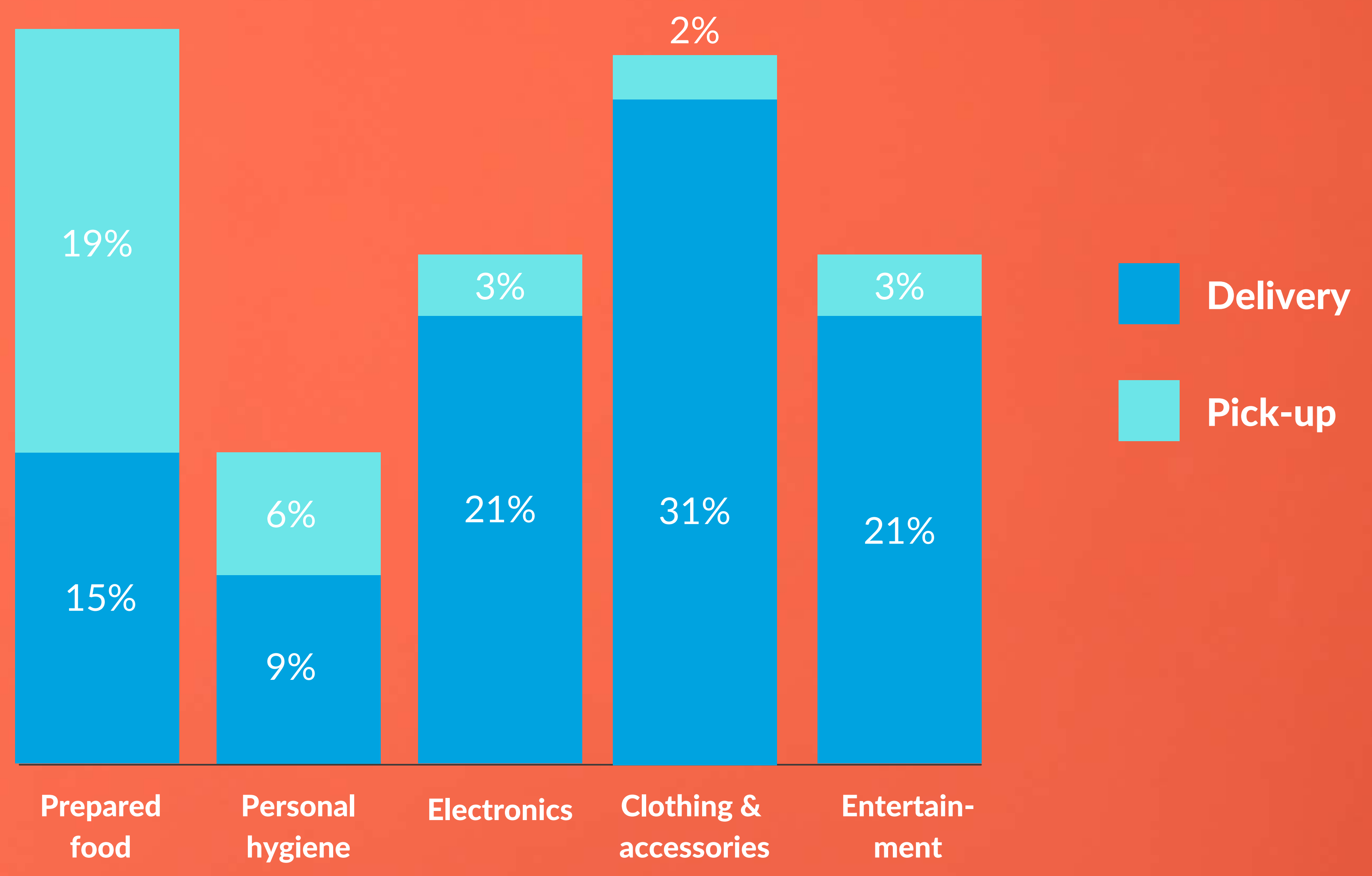
Percentage of respondents reporting specific product types that used to be purchase in store, but now consistently purchase online



NEW

For purchases made online, all product categories saw a greater number of respondents opting to make purchases **online for delivery over pick-up**, except in the prepared food category.

Percentage of respondents reporting making purchases online for delivery vs pick-up



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NEW

If you think you don't need to worry about your digital properties because you are a **brick and mortar business**, think again!

48% of respondents report spending more time researching purchases online prior to making an in-store purchase, compared to before the pandemic.

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NEW

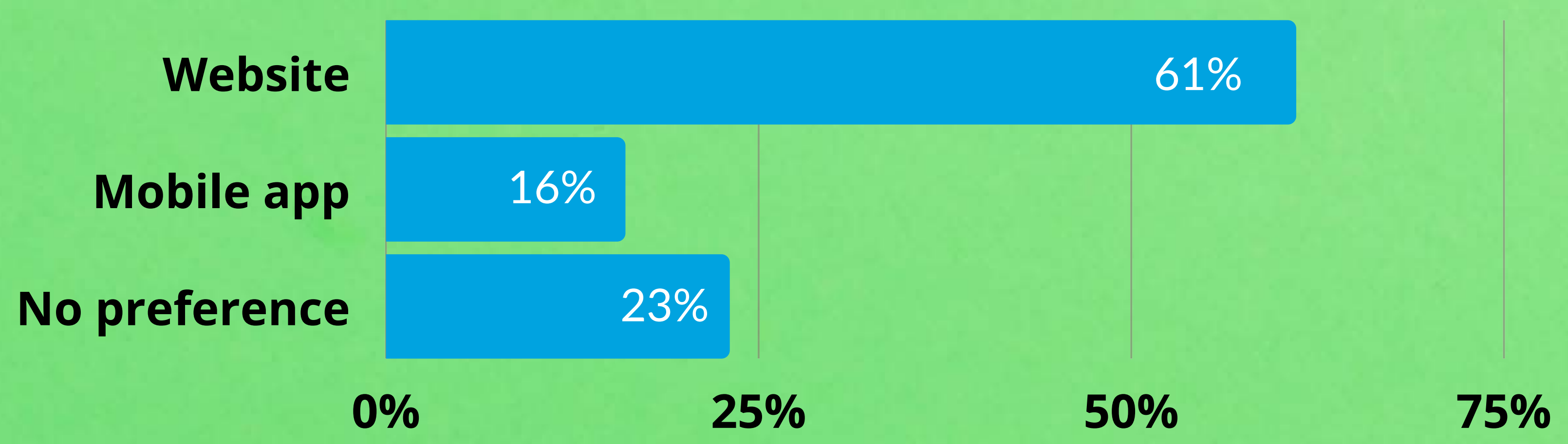
And 70% of those surveyed conduct that research in order to **minimize visits to multiple stores**.

NEW

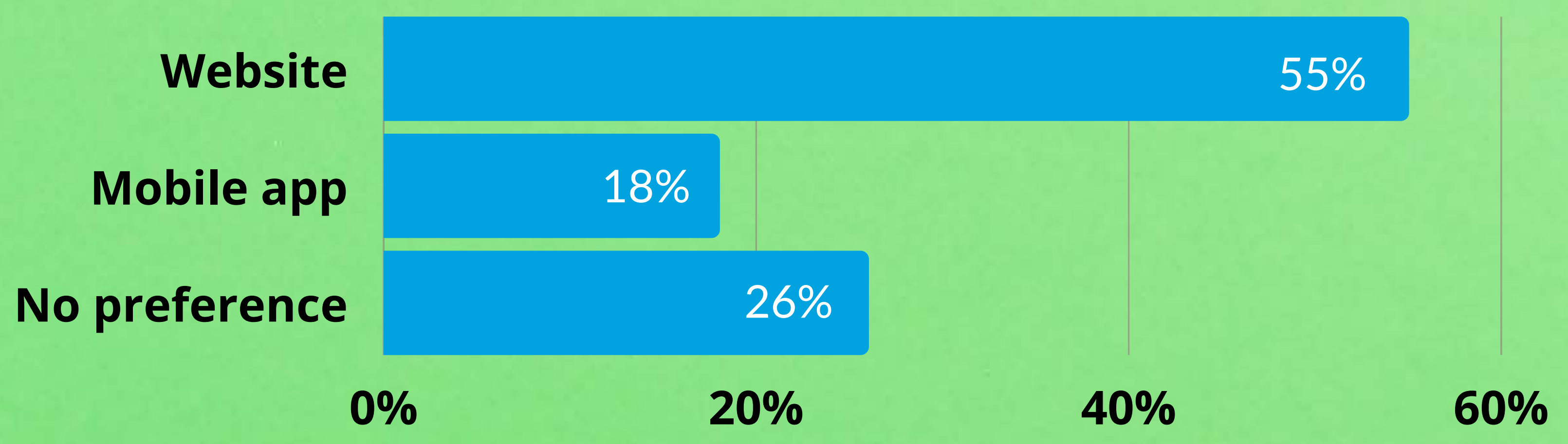
When considering building a mobile app for your business, think about the resources required to build and maintain that application over time.

The majority of respondents reported a **preference towards shopping online on a website** vs a mobile application both for browsing for products and completing a purchase.

Percentage of respondents reporting their device preference when browsing for products



Percentage of respondents reporting their device preference when completing a purchase



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When broken down by age, key differences in the results shed a light on the **importance of understanding your core demographics**.

If your **customer base skews older** and resources are tight, focus on offering a highly responsive website experience, rather than spreading your team thin across two digital properties.

Percentage of respondents reporting their device preference when browsing for products

Age	Preference	%
Less than 20	Website	60%
	Mobile app	40%
21-30	Website	51%
	Mobile app	20%
	No preference	29%
31-40	Website	47%
	Mobile app	22%
	No preference	31%
41-50	Website	53%
	Mobile app	15%
	No preference	31%
51-65	Website	67%
	Mobile app	11%
	No preference	22%
Over 65	Website	81%
	Mobile app	8%
	No preference	11%

Percentage of respondents reporting their device preference when completing a purchase

Age	Preference	%
Less than 20	Website	40%
	Mobile app	60%
21-30	Website	47%
	Mobile app	18%
	No preference	35%
31-40	Website	47%
	Mobile app	29%
	No preference	24%
41-50	Website	49%
	Mobile app	18%
	No preference	33%
51-65	Website	60%
	Mobile app	14%
	No preference	26%
Over 65	Website	73%
	Mobile app	10%
	No preference	17%

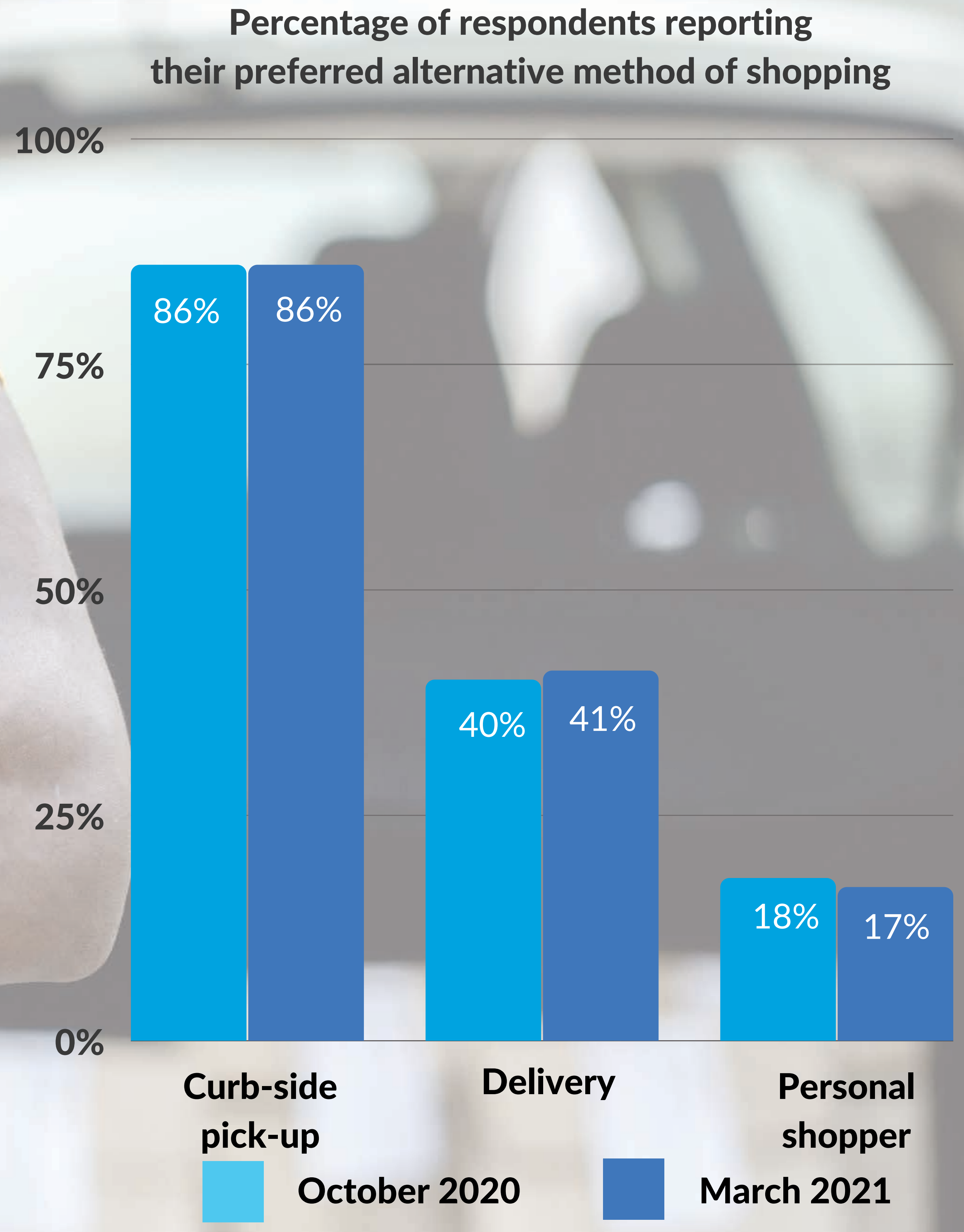
Grocery Stores

Overall, the number of respondents who say they have taken advantage of alternative services offered by **grocery stores, like curb-side pick-up or delivery is up 5% since last fall, from 39% to 44%.**

Grocery Stores

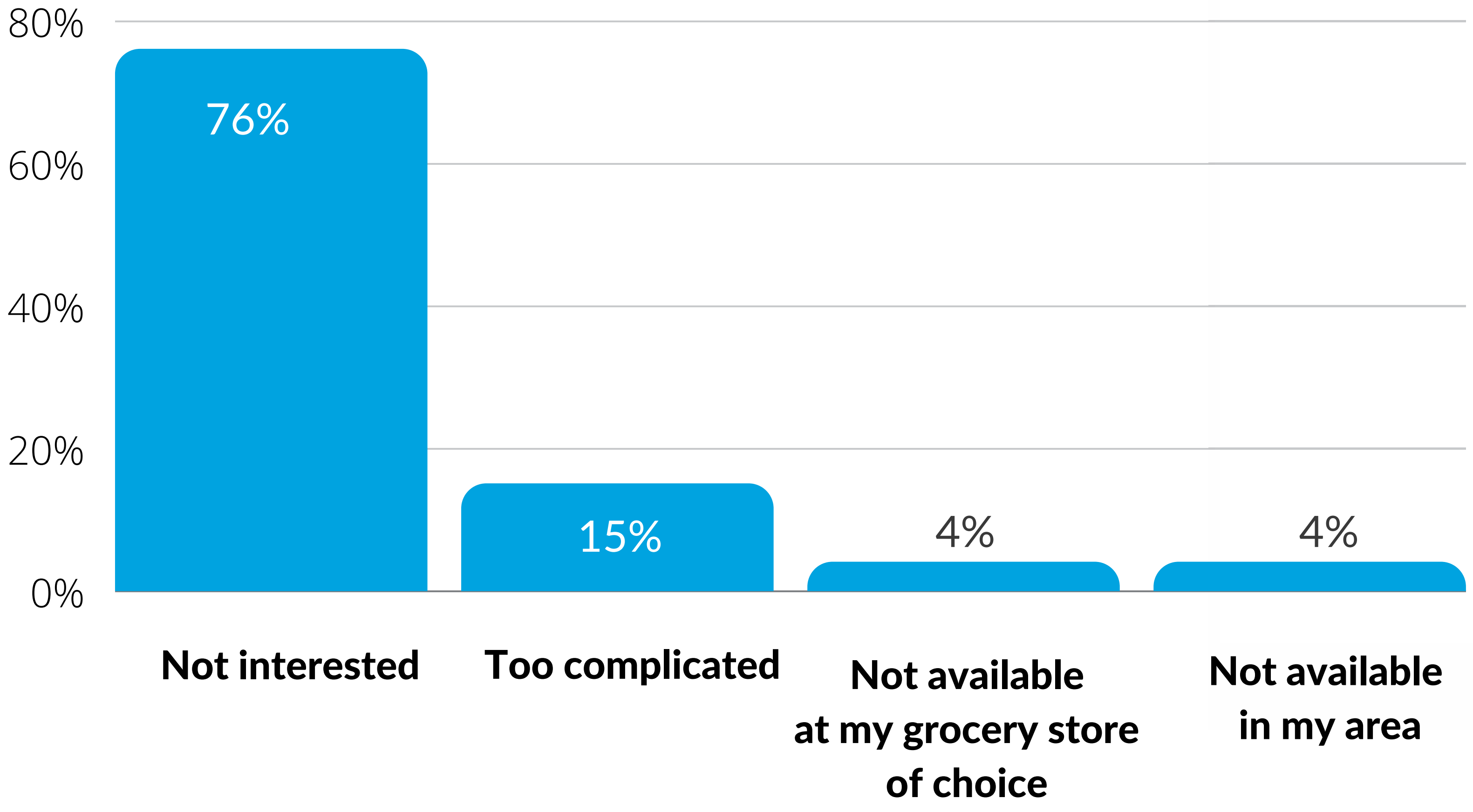
Of those who have used these services, **80% say they will continue using them in the future**, exactly the same in October 2020.

Curb-side pick-up continues to lead in terms of uptake of these alternative services, as seen here.



Grocery Stores

Of the 56% of respondents who report not taking advantage of the alternative methods, 77% explained that they are simply not interested, followed by 15% reporting it's too complicated.



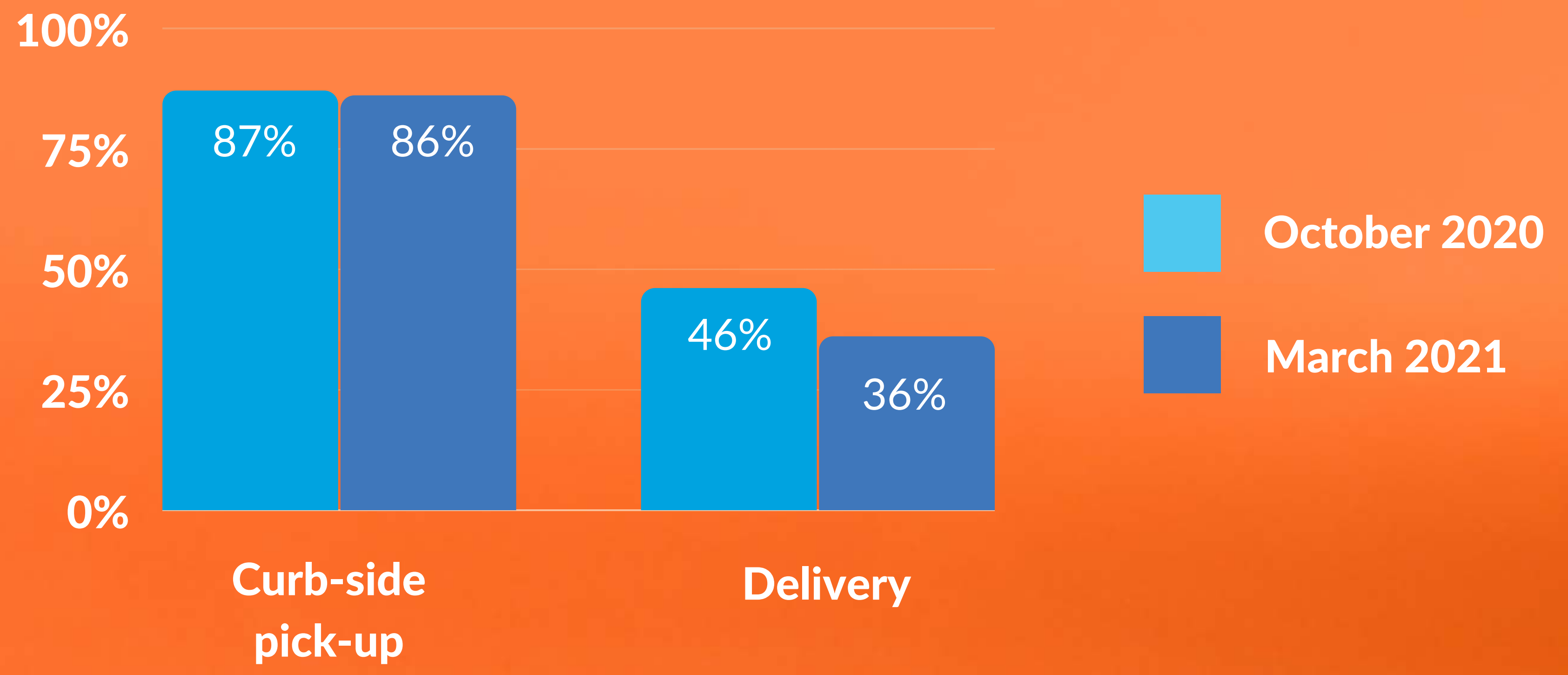
Convenience Stores

Overall, the number of respondents who say that have taken advantage of **last mile services, like curb-side pick-up or delivery**, offered by convenience stores is up 5% since last fall, from 19% to 24%.

Convenience Stores

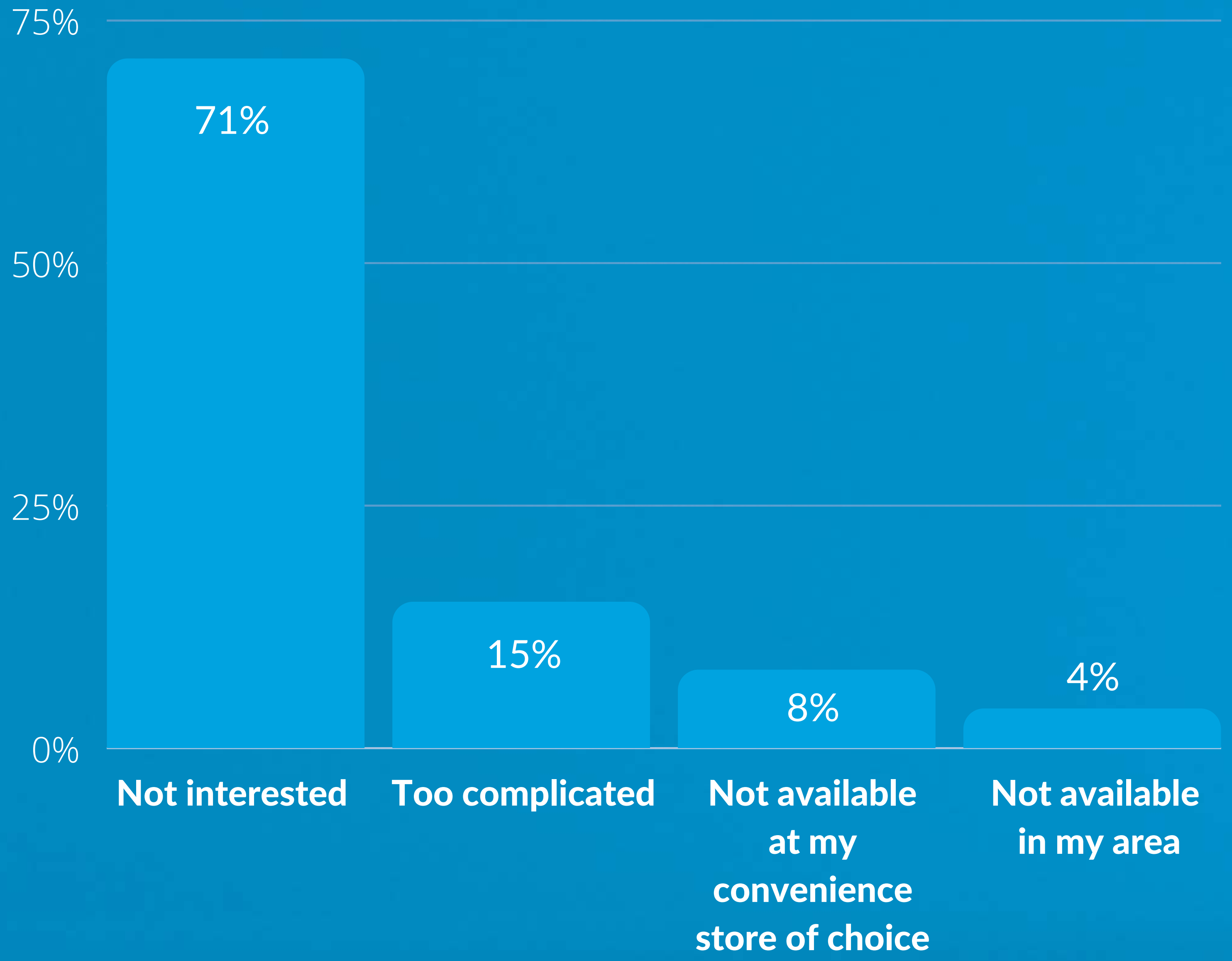
85% of those early adopters reported that they will continue to use those services, compared to 86% last fall, and **curb-side pick-up continues to lead in terms of uptake of these alternative services, as seen here.**

Percentage of respondents reporting their preferred alternative method of shopping



Convenience Stores

Of the 76% of respondents who report not taking advantage of the alternative methods, 71% explained that they are simply not interested, followed by 15% reporting it's too complicated.



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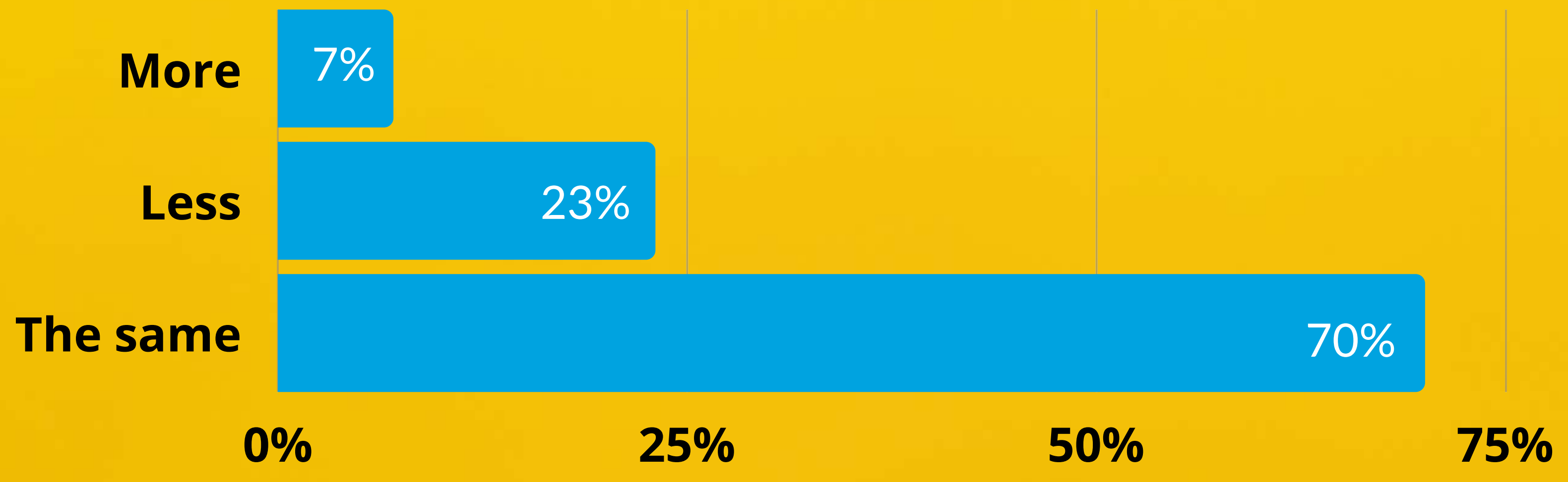
Convenience Stores

For people purchasing age restricted products, like alcohol, tobacco or lottery products, **only 7% of respondents report being asked for ID more frequently than before the pandemic.**

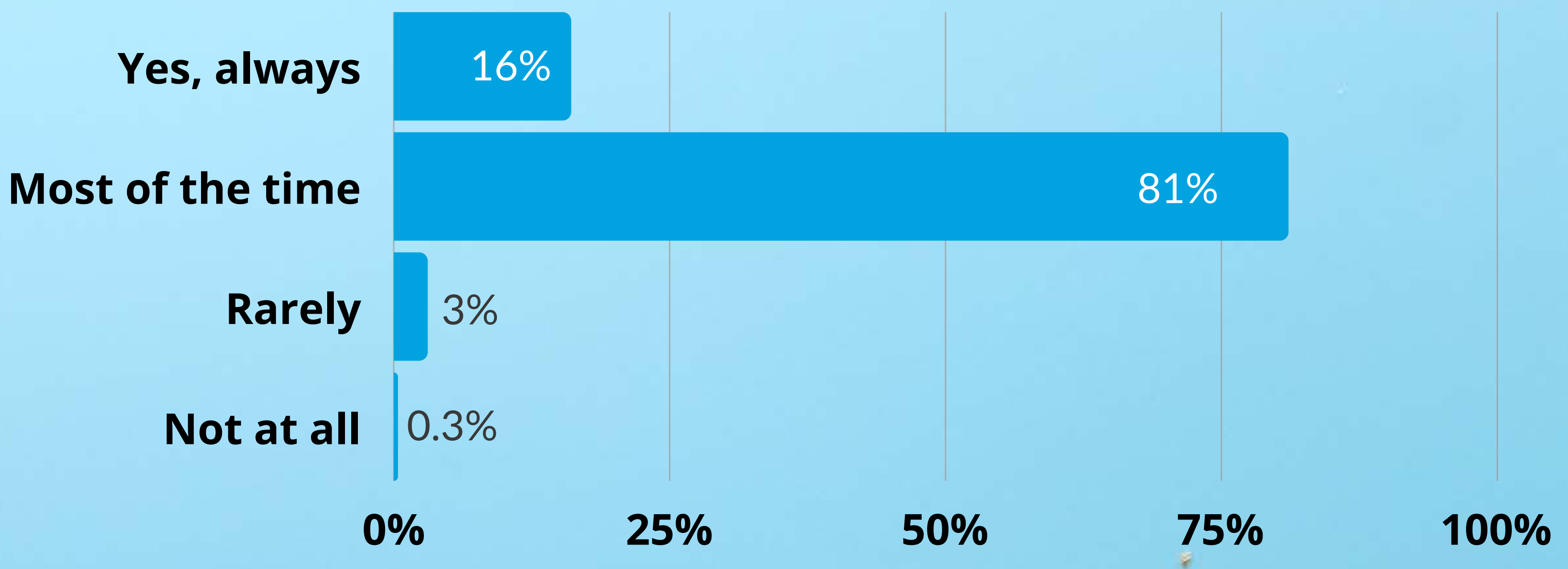
Percentage of respondents reporting if they experienced a change in how frequently they were asked for ID



NEW

97% of respondents reporting being satisfied with online purchase experiences **most of the time or all the time**.

Percentage of respondents reporting their satisfaction when buying from online retailers



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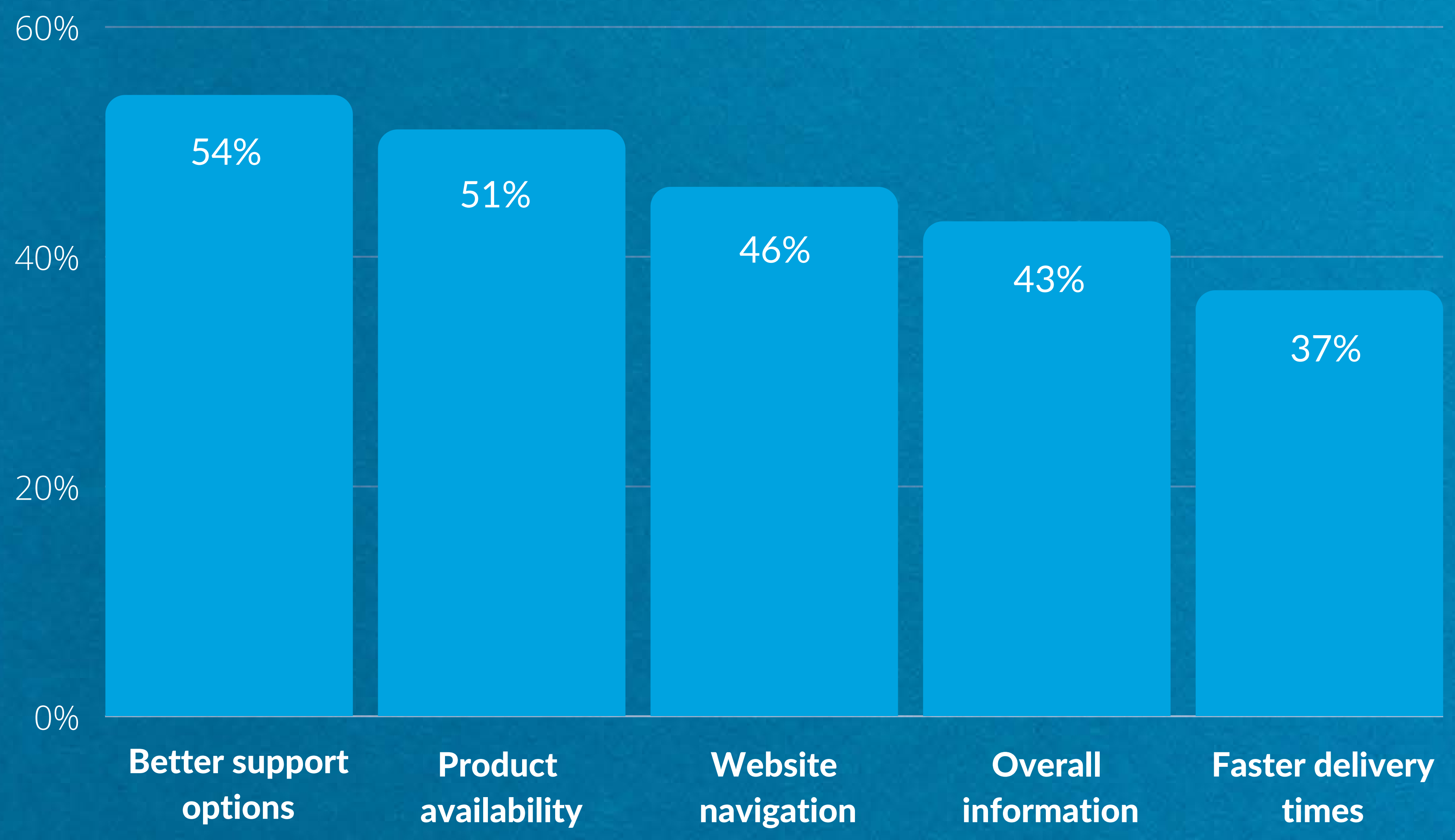
NEW

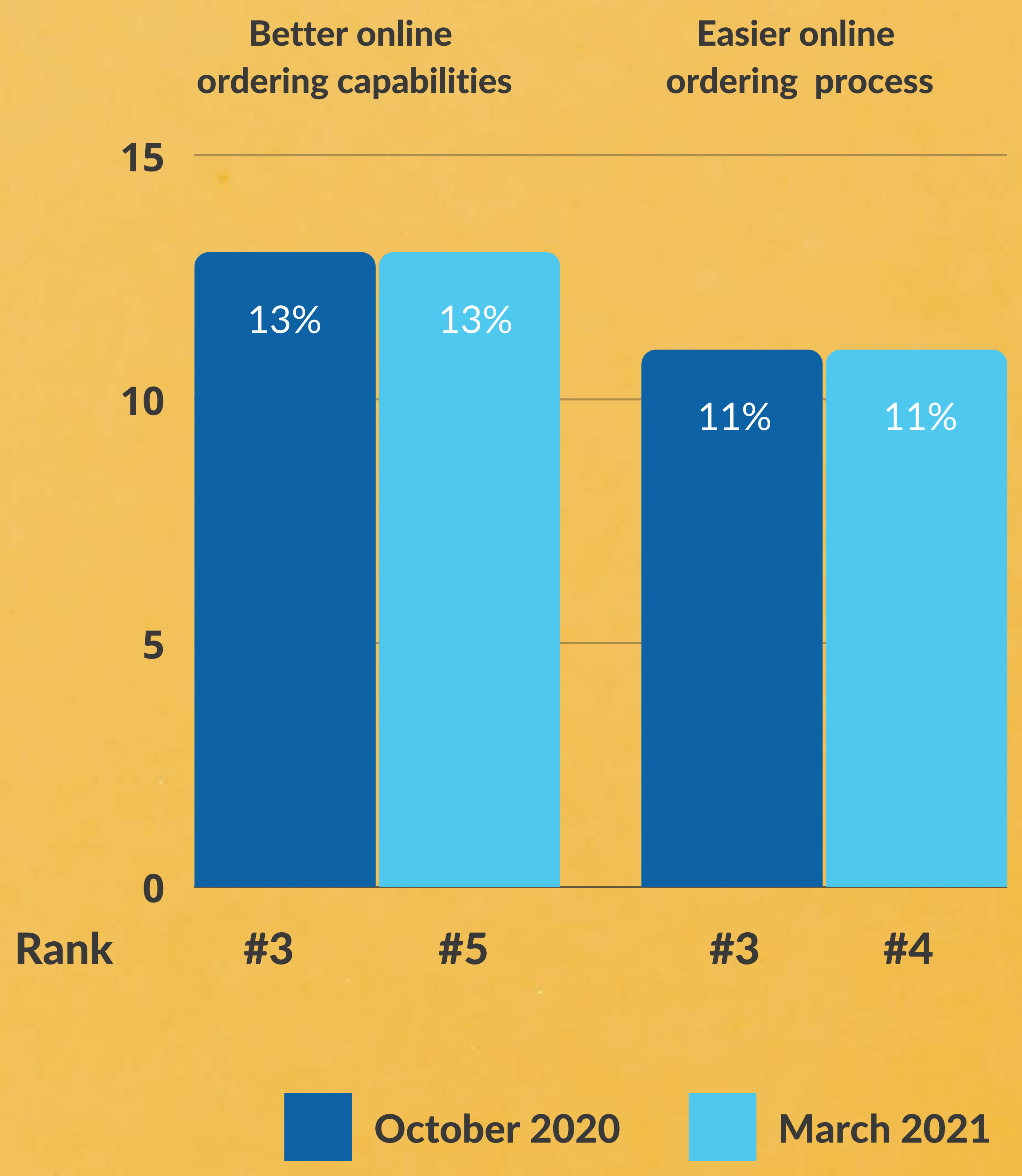
When asked what could have made the experience better, 54% of respondents reported better support options, followed by product availability at 51%.



Even though the majority of respondents reported being satisfied with their overall online purchase experience, don’t lose sight of the fact that, when asked about **the number one change respondents would like businesses to make**,

- **better online ordering capabilities and**
- **easier online ordering process**

were ranked in the top 5 in the two more recent surveys.



Key finding #3

Businesses still have work to do when it comes to asking for feedback

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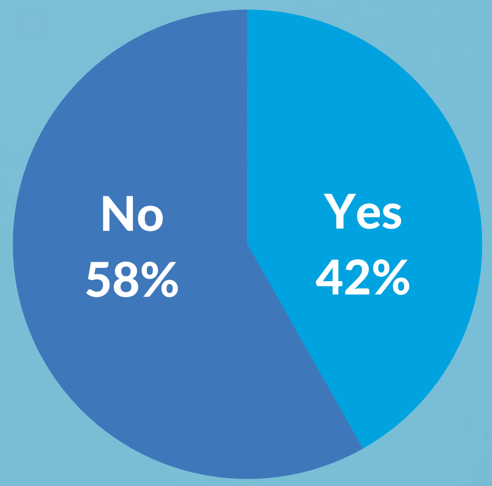
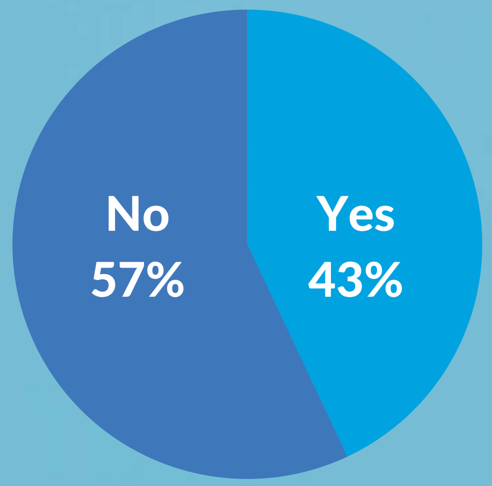
When it comes to consistently asking customers for feedback, **businesses still have work to do**.

Percentage of respondents reporting they had been asked to provide feedback on a recent experience

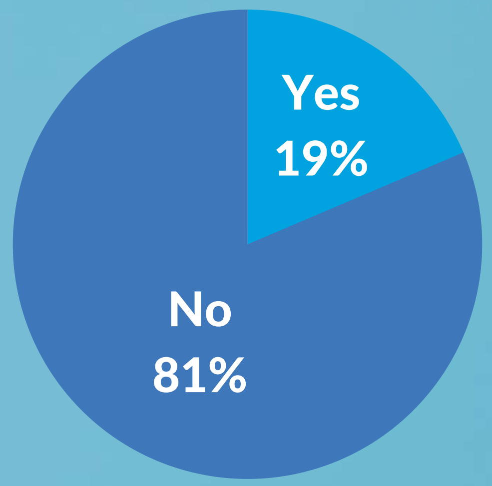
In-store purchase / service interaction



Online purchase / service interaction



Phone purchase / service interaction



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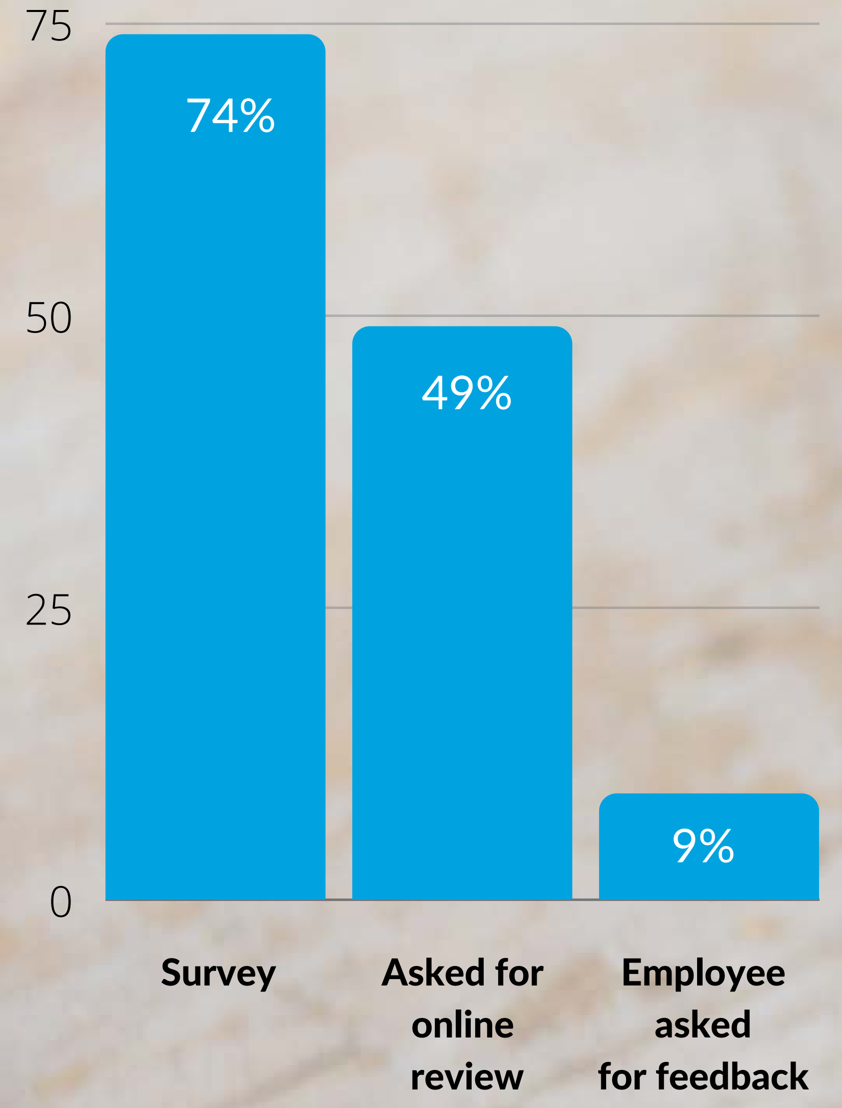
Surveys lead the pack in terms of the most frequently used method to solicit feedback.

Percentage of respondents reporting how the business they interacted with asked for feedback

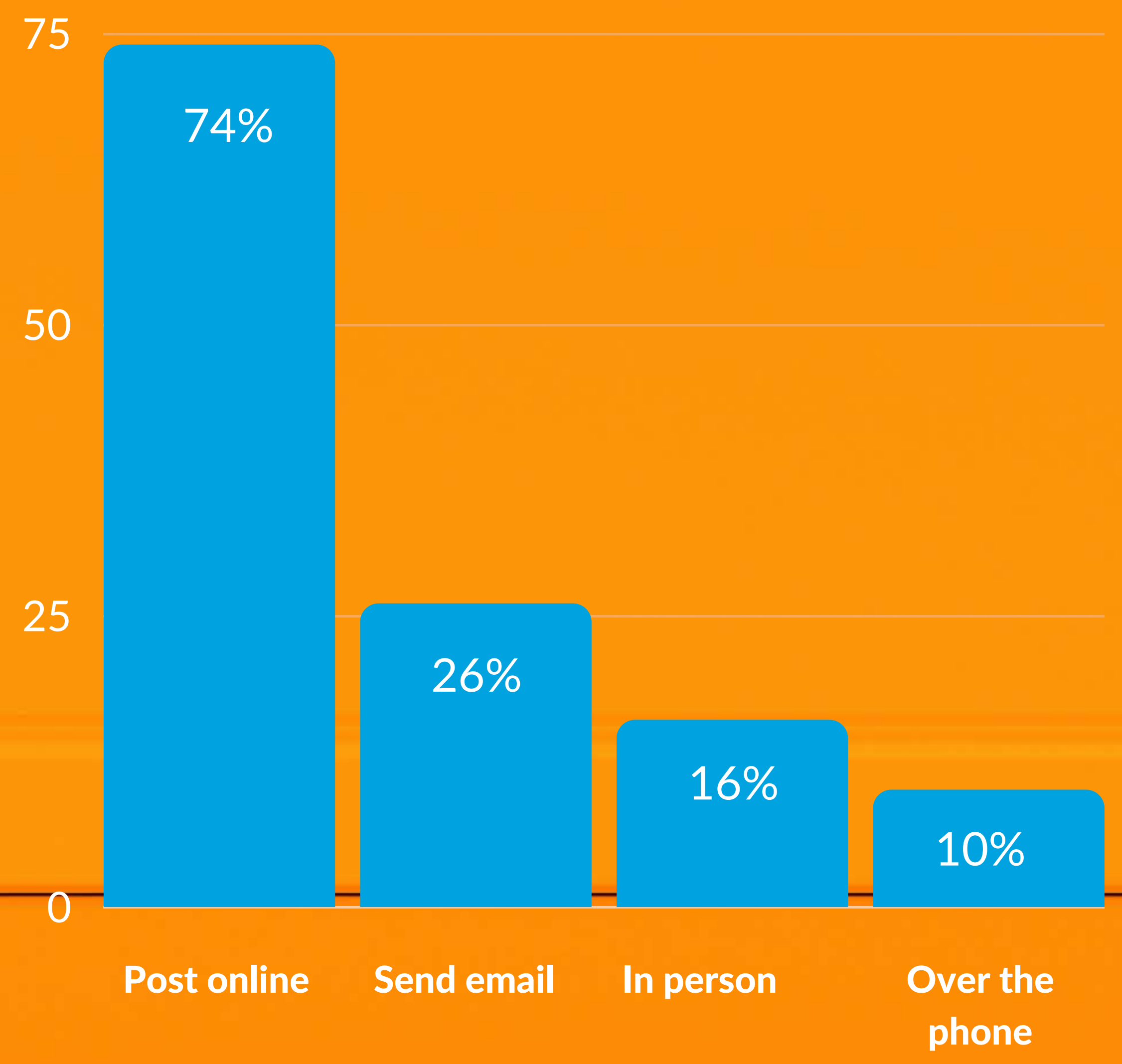


80% of our respondents **reported providing feedback when asked.**

NEW

Of the people who were **not asked for feedback, but provided it anyway**, 74% are posting that feedback online.

Percentage of respondents reporting the method they used to provide un-solicited feedback



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The next chapter

With a year under our collective belts facing this global pandemic, we are hopeful that we are getting close to the end of this crisis.

Although there will certainly still be ups and downs for many businesses, there are a few things that we know for certain:

- Consumer needs continue to shift away from basic needs back to pre-Covid drivers, like **convenience and location**.
- As consumers have had a year of engaging with businesses in different ways, these **habits have now been established and are here to stay**.
- There are opportunities for all businesses to **engage with their customers in a more meaningful way** to understand what consumers value most about their brand.

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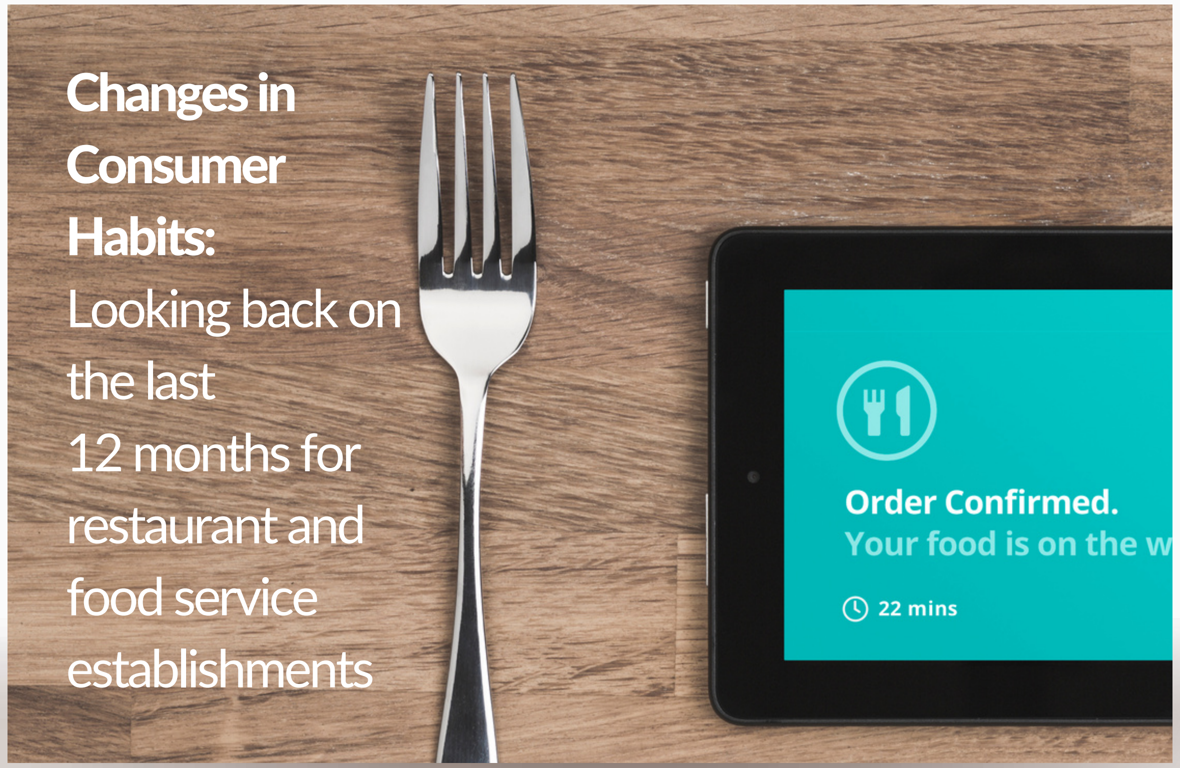
As we all look ahead, here are a few key takeaway to keep in mind:

- Consumers expect - and will continue to expect - you to provide them with a **safe, secure and clean shopping environment**;
- **Understand how your customers shopping patterns have changed** and adjust your practices to best meet their need;
- Continue to **invest in your digital properties** and take advantage of technology available to support your customers both off and online;
- The **alternative methods of shopping aren't going away** - engage with your customers to understand what options work best for them;
- Give your **customers a place to give you their feedback** - don’t let them run wild and take to the internet.

Although price and convenience are back to being of top importance to consumers, the new expectations established this year aren't going away. Make it easy for consumers to engage with you at every stage of their journey - which starts before they take that first step in your store - and you'll be on your path to earning customers for life.

Check out our other reports

March 2021



May 2020

- Changes in Consumer Habits: A Field Study on the Future of Retail
- Changes in Consumer Habits: A Closer Look at Restaurants and Food Service Establishments
- Changes in Consumer Habits: Implications for Convenience and Gas Stations

October 2020

- Changes in Consumer Habits: A Six Month Comparison on the Evolution of Retail
- Changes in Consumer Habits: Looking ahead, learnings for restaurants and food service establishments
- Changes in Consumer Habits: A Six Month Assessment on the implications for Convenience and Gas Stations

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INTOUCH INSIGHT

About us

At Intouch Insight, our focus is on enabling businesses to collect insights that drive improvement and influence outcomes. Though a lot has changed over our past 40 years in business, our focus remains the same.

We are on a mission to be the leading software and services provider, offering an integrated solution that enables our clients listen to their customers, interpret the results, and act to align operations with customer expectations.

By leveraging our deep expertise and flexible software platform, our clients are empowered to delight their customers and improve their bottom line.

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Please note: For additional survey points and data insights please contact **letschat@intouchinsight.com.**

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