Changes in Consumer Habits:
A Six Month Comparison on the Evolution 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 SMBs as they deliver on their brand promise. Leveraging our automated CX platform, brands are able to produce the high-value actions that **earn customers for life**.

Learn more:

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Introduction & Update

In May, as consumers were feeling the impact of the global pandemic, we leveraged our business intelligence platform, LiaCX®, to learn about their experiences and expectations. We received over **2000 survey responses**, and produced **three reports** in an effort to better understand the repercussions of COVID-19.

To understand the long term impacts of changing consumer expectations and habits, we followed-up with a second survey of the same audience in **October 2020**, and received over **1400 responses.**

"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."

\- **Socrates**

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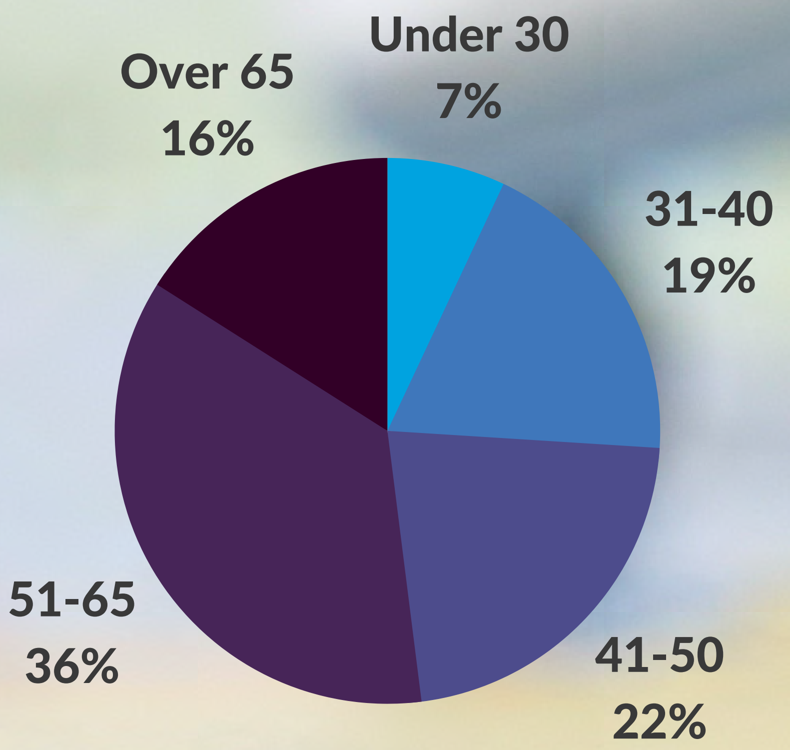
Today, we hope to empower businesses by arming them with the information they need to take action, building trust with consumers that extends far beyond the next few months, as our reality continues to evolve.

What's covered in the report:

- What consumers expect,
- How habits have changed since the start of the pandemic,
- Where businesses should focus their efforts.

Survey Demographics

AGE



LOCATION

Initial findings

In October, we asked consumers, **"what is the number one change you want to see businesses make?"** We presented the same question to our survey pool in May.

Guidelines and restrictions have evolved throughout the pandemic, but so have the priorities of consumers.

Here we examine the **percentage of change** in terms of importance for the **top 5 priorities** observed in May versus their level of importance today.

Top priorities identified in May	% of change in October
Improved cleanliness	-5%
Better online ordering	+6%
Employees wearing safety apparel	+3%
Limiting store traffic	-4%
More contactless service	No change

To capture changes in health guidelines enacted in most jurisdictions since May, additional options were added to this same question. Here is the rank ordered list of priorities that **emerged in October**.

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

Key findings

With the closure and reopening of stores, and the implementation of new rules and regulations, it's been hard for businesses and consumers alike to know what to expect.

In this study, we will provide insights and recommendations around the pain points customers are facing and tips for future-proofing your businesses.

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

- **Key Finding #1: Habits are becoming entrenched (page 10)**
  - eCommerce continues to accelerate;
  - Online shopping is increasing;
  - New services provided by retailers are sticking (e.g. curb-side pick-up), although overall adoption is low.

- **Key Finding #2: Consumers needs have evolved since May (page 19)**
  - Consumers are reporting increased comfort when visiting physical establishments, supported by a higher frequency of both visits and purchases made in-store;
  - Convenience and price top the list of factors rated as “extremely important” when making the decision to visit a store, ahead of cleanliness which is now ranked 3rd – compared to May 2020 where it was the number one driver of comfort.

- **Key Finding #3: Improved cleanliness is everyone's responsibility (page 30)**
  - Consumers want customers to take accountability for adhering to heightened safety precautions;
  - Businesses are expected to enable customers to follow new health and safety practices when entering a physical store;
  - Providing cleaning materials for customer use and enforcing that face masks are worn has increased in priority.

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Key finding #1

Habits are becoming entrenched

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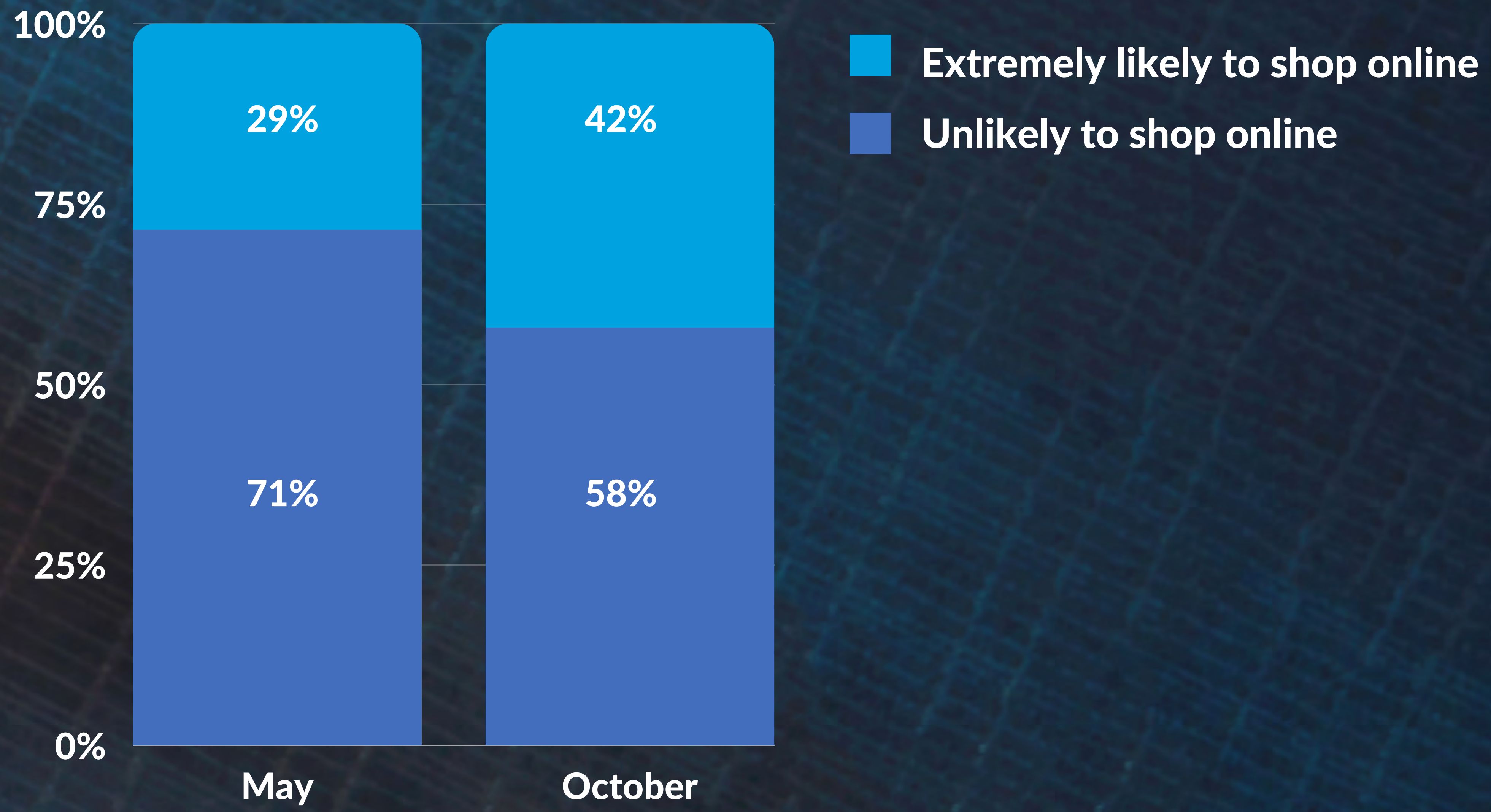
Today, **42% of respondents** expressed that they are **extremely likely** to **shop online**, versus the **29%** that we observed in May.



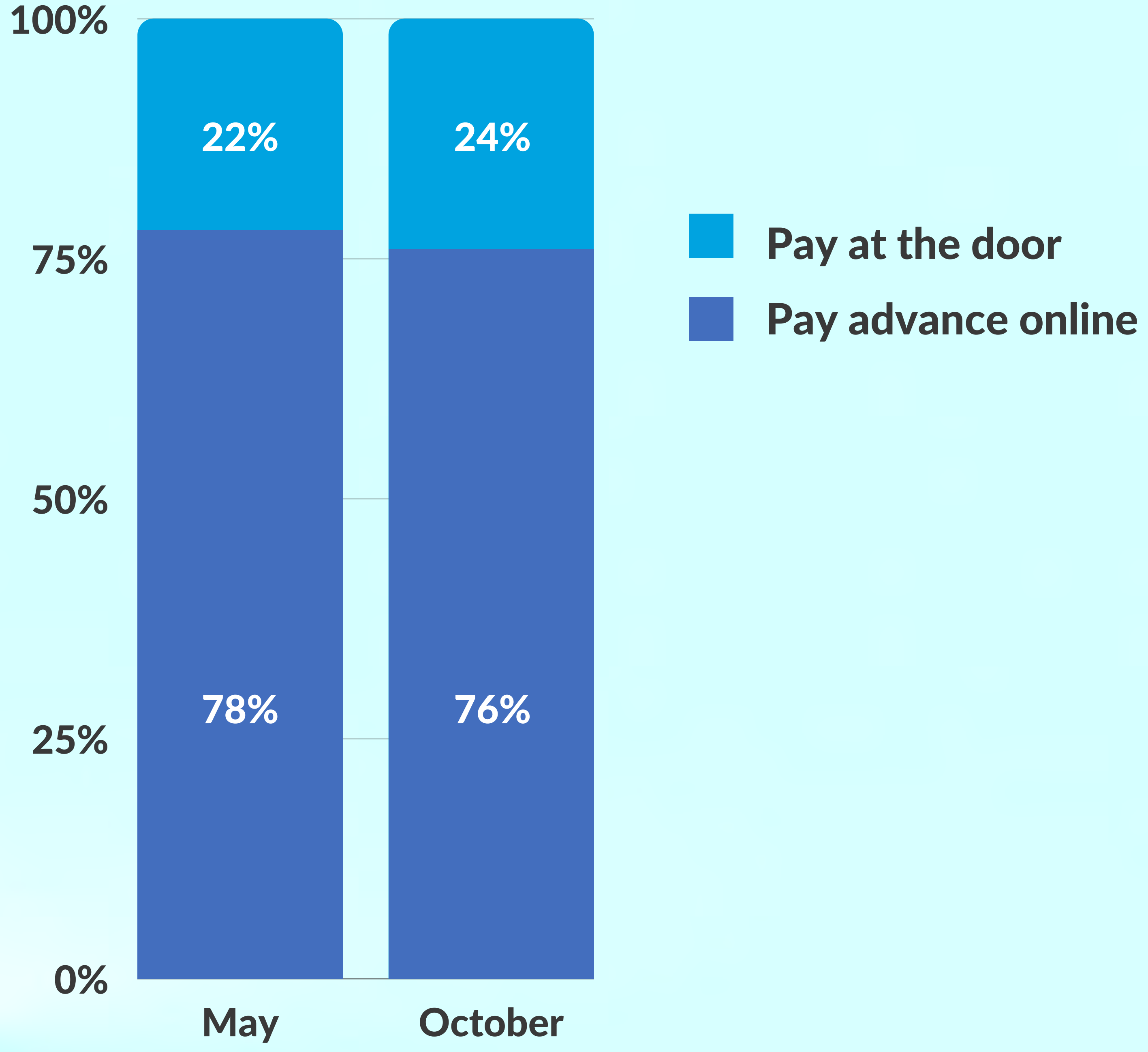
54% of respondents said that the frequency with which they shop online has **increased**.

When asked about the number one change respondents would like to see businesses make:

- A desire for **better online ordering capabilities** ranked **3rd** in terms of overall **importance** to today's respondents. This reinforces that customers today **expect online options**.

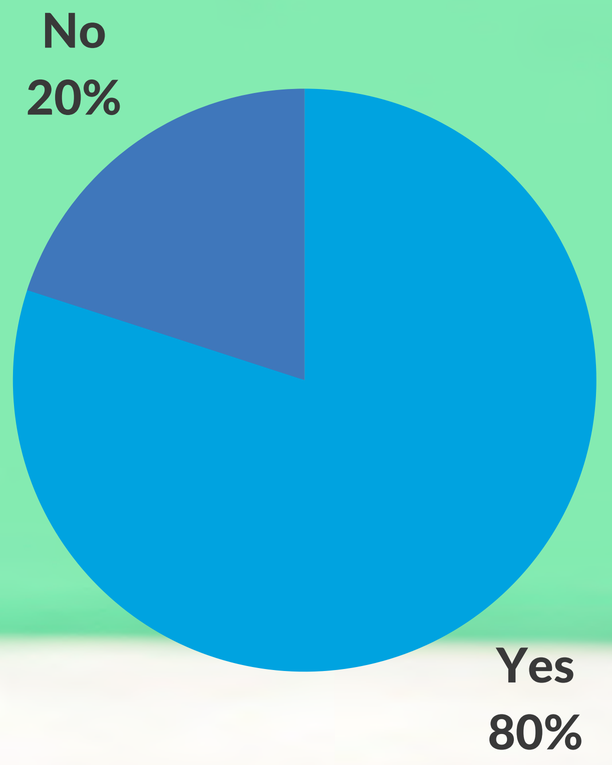
- Easier **online ordering processes** ranked **4th,** demonstrating that consumers are facing obstacles when using existing online services and expect **easy-to-use, frictionless experiences**.

Paying **online, in-advance** continues to be preferred to **paying at the door** for items that are **purchased online for pick-up,** with only **2% fewer respondents** stating online payment as their preference in October.

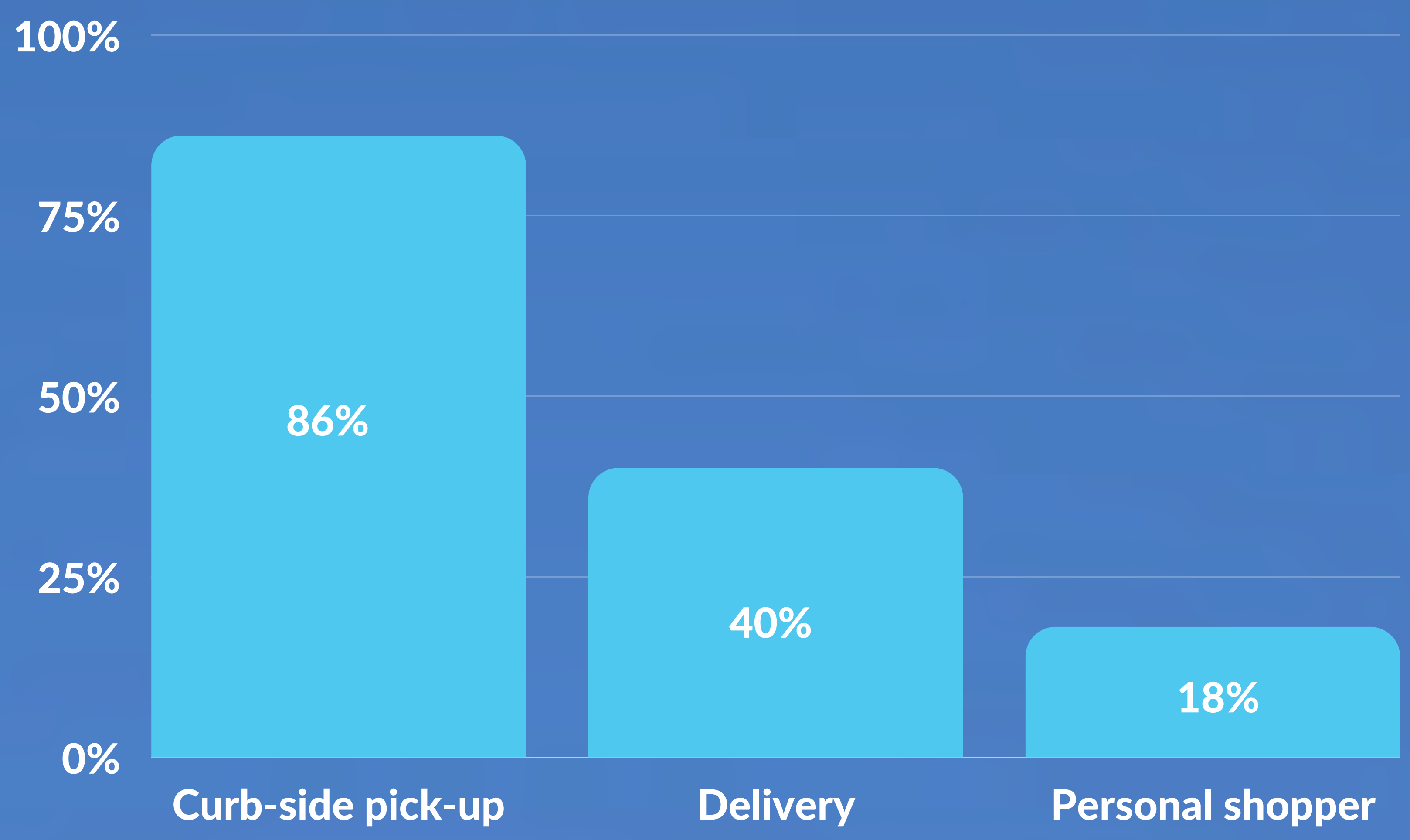


As it pertains to the **new services** being implemented by **grocery stores**, **39% of respondents** say they have taken advantage of new service options such as **curb-side pick-up** or **delivery.**

For those who have, **80%** of early adopters say they will **continue using the new services** in the future.



When considering where to focus **future efforts and investments**, our respondents are showing a significant uptake in **curb-side pick-up**, over delivery or use of personal shoppers.



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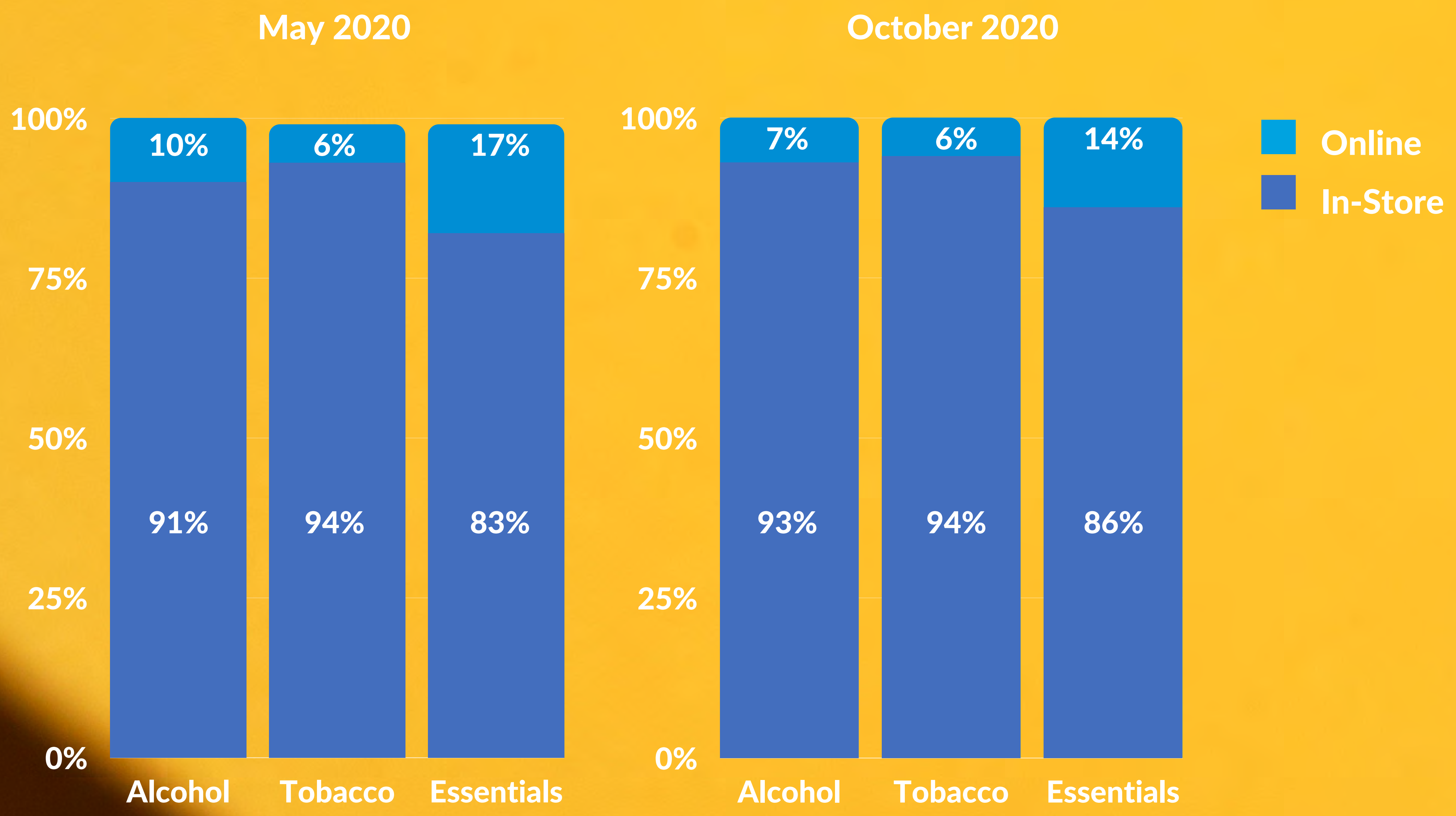
Essential goods, alcohol and tobacco continue to be purchased predominantly in-store.



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Similar to our findings in May, consumers continue to avoid self-serve, or communal components of a store.

When given the option, our respondents opt for **crew-service**, where an employee will take the order, prepare it, serve it, and process payment.

- **60% of respondents** prefer crew-service when **purchasing coffee**, exactly the same as reported in May;

- **63% of respondents** prefer crew-service today when purchasing **prepared food,** down **1%** since May.

Key finding #2

Consumers needs have evolved

Today, when making the decision to visit a store, **convenience and location** are of the uttermost importance, according to **80% of our respondents**.

Price followed convenience with **79% of respondents rating it as extremely important**, when making the decision to visit a store.

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By contrast, in May, **convenience and location, as well as price** both ranked **as extremely important to only 22% of respondents,** demonstrating how needs have evolved over the past six months.

Safety was top of mind in May, where the top priorities included **cleanliness, crowd-control measures**, and **contactless service.**

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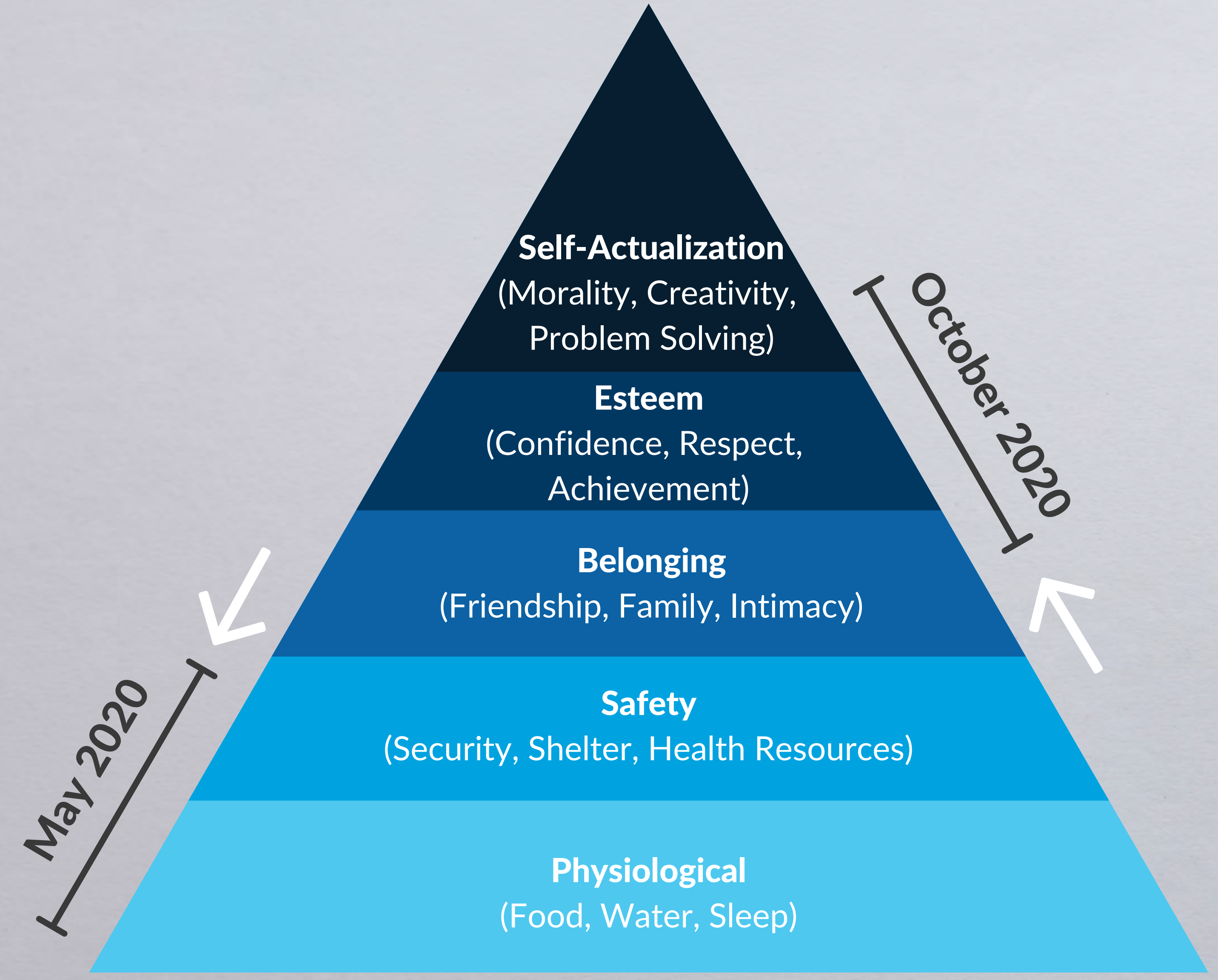
If we refer to **Maslow's Hierarchy of Needs**, the October data shows that consumer needs have shifted away from **basic needs** (e.g. safety, shelter, food, water), to more **advanced needs** (e.g. convenience, problem-solving, achievement).



Maslow's Hierarchy of Needs

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In May, **cleanliness** was the **#1 priority** that made consumers feel safe, and increased their comfort-level when entering a store.

Though it is still incredibly important today, **cleanliness** is now **ranked 3rd** in terms of overall importance to consumers.

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Here's a closer look at how specific needs and expectations around cleanliness and improved sanitization have evolved over the past 6 months.

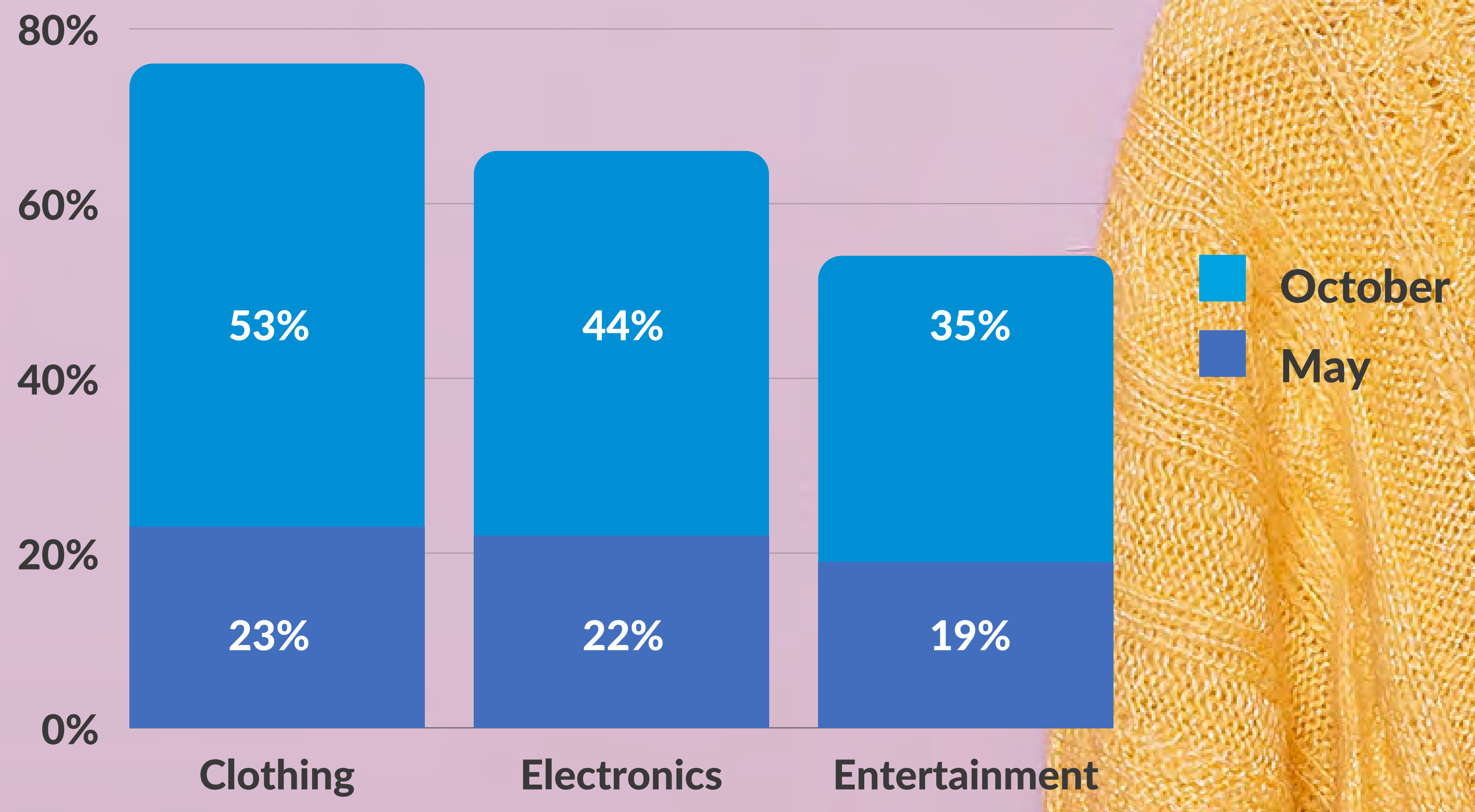
What would make you feel more comfortable when entering a physical store or restaurant?

October 2020	May 2020
82% Disinfectant wipes and hand sanitizer	**49%** Disinfectant wipes and hand sanitizer
76% Employees wearing safety apparel	**36%** Employees wearing safety apparel
75% Employees visibly cleaning surfaces	**39%** Employees visibly cleaning surfaces

As **comfort-levels increase**, respondents are more inclined to purchase **non-essential items** in-store, than reported in May.

Continue to focus on the factors that put consumers at ease to **keep them coming back**.

Comparison between the frequency of in-store purchases made for non-essential items over the last 6 months.



In addition, in May, our survey respondents reported a massive decline in the **frequency of visits to physical stores**.

Today we see that in-store traffic has increased across every retail channel, further reinforcing the need for continued operational emphasis on the drivers of comfort.

Change reported in the increase of visits to physical locations

Channel	**% of change in October**
Convenience stores and gas stations	+24%
Big box stores	+9%
Grocery stores	+18%
Pharmacies	+17%

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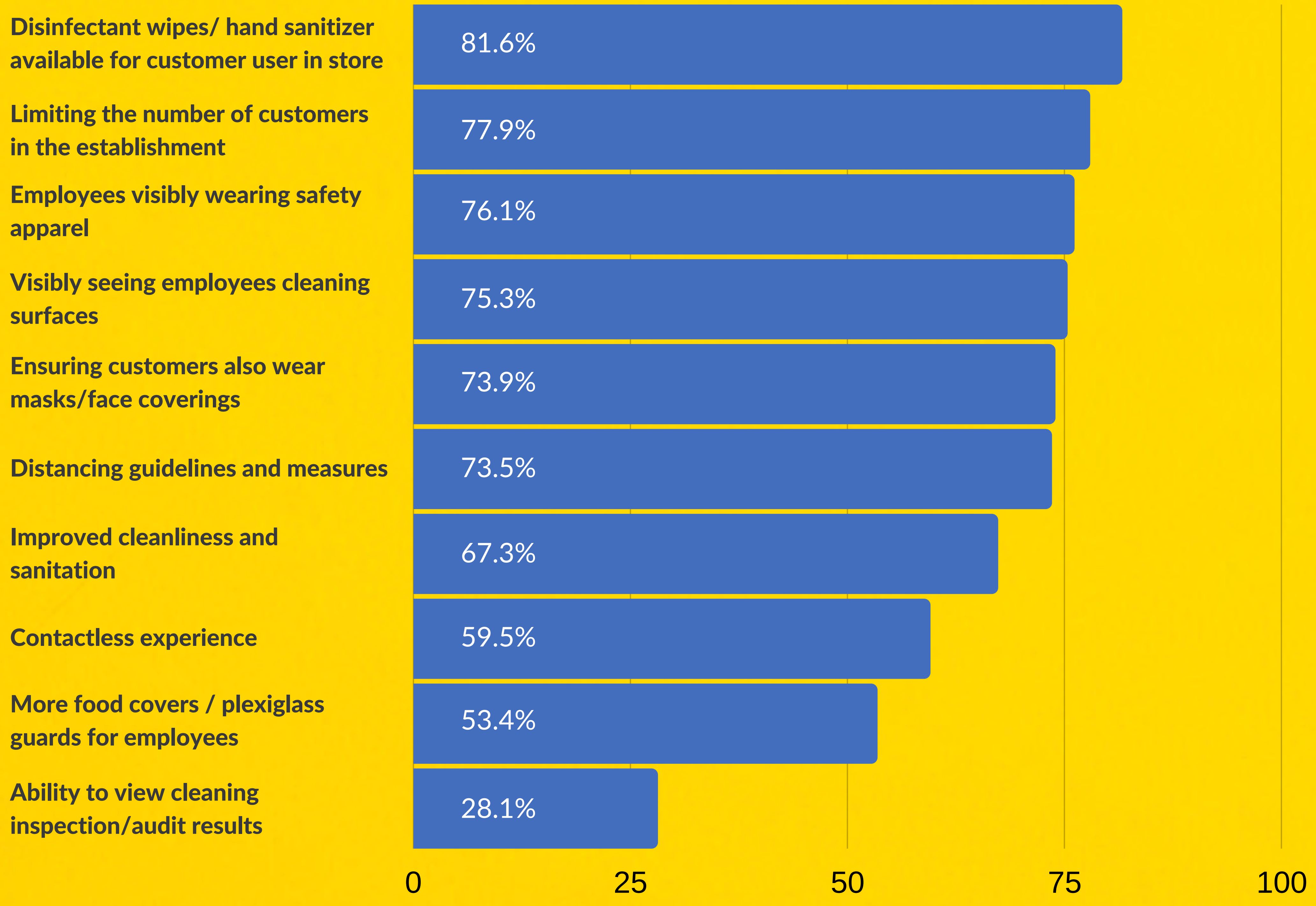
As the worldwide situation evolves, so do the drivers of comfort. From May to October, we have seen a shift in the **key drivers that put consumers at ease**.

In May, the **top 3 factors** were:

- Improved cleanliness and sanitation,
- Disinfectant wipes/ hand sanitizer available for customer user in store,
- Distancing guidelines and measures.

% of respondents that identified key aspects as 'Extremely Important' in offering comfort when entering a physical store. - October 2020



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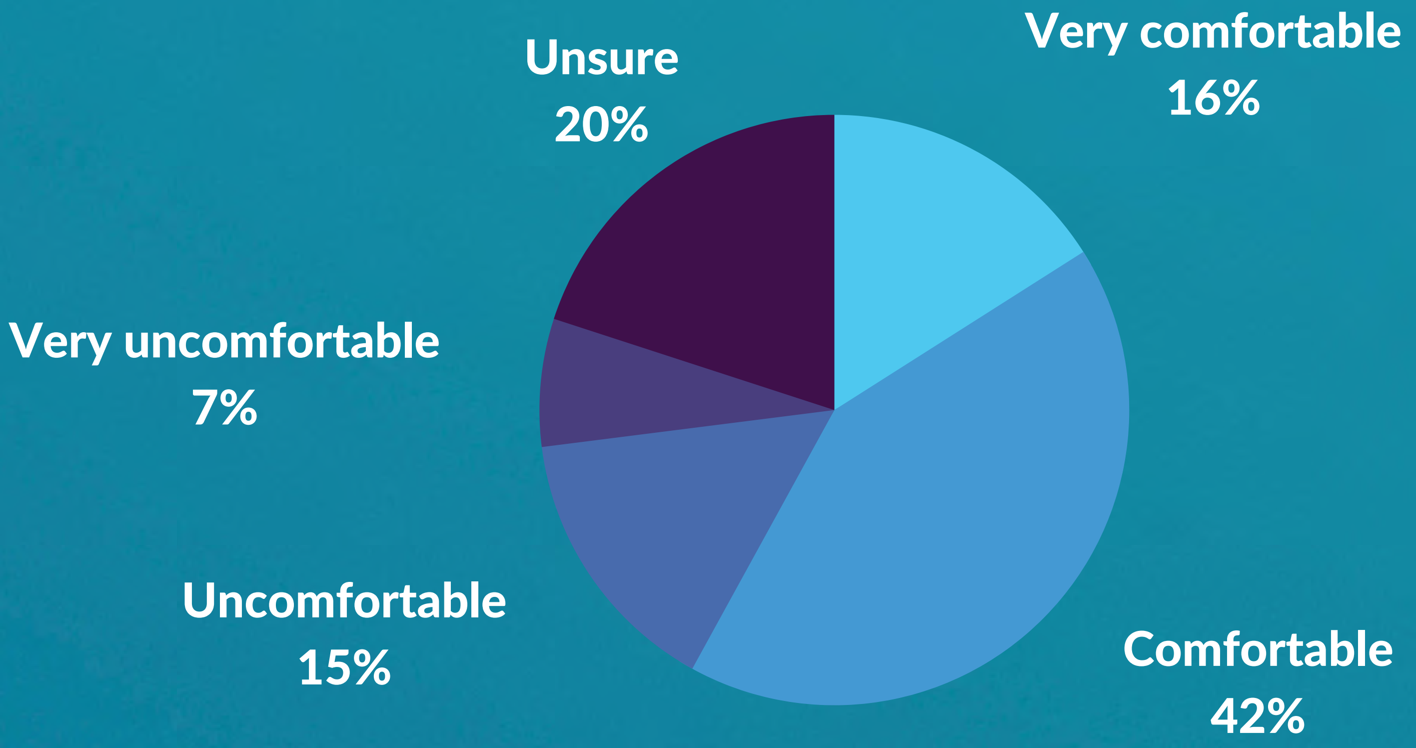
Overall, **58% of respondents** are **comfortable, or very comfortable** entering a store today.

For physical retailers, the opportunity is to address the concerns of the **20% who remain unsure.**

Focus on using the key learnings in this report, and those in the May study, to **implement measures that put those customers at ease.**



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Key finding #3

Improved cleanliness is everyone's responsibility

Over the past 6 months, businesses have done an excellent job of making **cleaning** a **highly-visible**, **customer-facing operational activity**.

Because it is now assumed that this is diligently being done, it has once again **lowered in terms of priority**, while comfort levels continue to increase.

Our data shows that comfort increases even further when customers are given the opportunity to take additional precautions around health and safety.

82% of respondents feel more comfortable entering a store when **hand sanitizer** and **disinfectant wipes** are made available for customers to use.

Ensuring that businesses ask **customers to wear masks** and **face covers** before **entering a physical store** has also become a **top priority** to today's respondents.

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

Top 3 priorities identified by respondents	% of respondents
Ensure customers wear mask/face covers	26%
Improved cleanliness	23%
Better online ordering	13%

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.

78% of respondents who still feel uncomfortable entering a physical store or restaurant would like businesses to continue to limit the **number of customers** allowed in an establishment at a given time.

The expectation is that businesses will continue to enforce good **operational health** and **safety practices**, but also will **enable their customers** to practice **improved cleanliness**, taking accountability for the safety of others.

Where do we go from here?

It's been roughly **190 days** since we conducted our initial study, and according to Healthline, "It can take an average of 66 days for a new behavior to become automatic."

Here's what we know for certain, today's consumer is more **comfortable shopping in-store,** more **willing to shop online**, and is in **pursuit of convenience** and **a good deal**.

Habits have definitely formed, some even becoming entrenched, but so have new expectations.

As a business, it is critical that you continue to focus your efforts on:

- Visibly reinforcing **health and safety precautions**;
- Ensuring that **employees and customers** share responsibility around **improved cleanliness**;
- Asking customers to wear **face masks or covers** before entering a store;
- Continuing to implement **cleanliness and sanitation procedures** to avoid a drop in customer comfort levels;
- Providing safe, and easy to use **online shopping & payment tools;**
- And, offering alternative ways to engage with customers who may feel unready to enter a store, like **curb-side pick-up or online ordering.**

Today, convenience is key to your customers. Make it easy for consumers to shop with you, while helping them feel safe and comfortable, and they'll be sure to return.

Download the reports

May 2020

- A Field Study on the Future of Retail
- A Closer Look at Restaurants and Food Service Establishments
- Implications for Convenience Stores and Gas Stations

October 2020

- Retail
- Restaurant (Coming Soon)
- Convenience-Stores and Gas Stations (Coming Soon)

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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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