Changes in Consumer Habits:
What the 'new normal' means for 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:

Letschat@intouchinsight.com

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

There are many factors that affect and influence an individual's consumer habits. And although many changes were already underway, like the adoption of emerging shopping technologies and alternative modes of engaging with customers, COVID-19 has undoubtedly accelerated the transformation.

To better understand how consumer habits are changing, we launched a series of industry studies to understand the impacts of these changes through three Consumer Habits surveys conducted in **Spring 2020, Fall 2020, and Spring 2021**.

To continue understanding the long-term effects and trends on the retail sector, we are continuing our research with our fourth survey, reaching over 1800 survey respondents.

INTOUCH INSIGHT

Key findings

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.

What's covered in the report:

- How technology is impacting consumer behavior,
- What customers expect from the businesses they interact with, and
- Where businesses can focus their efforts to drive the greatest impact.

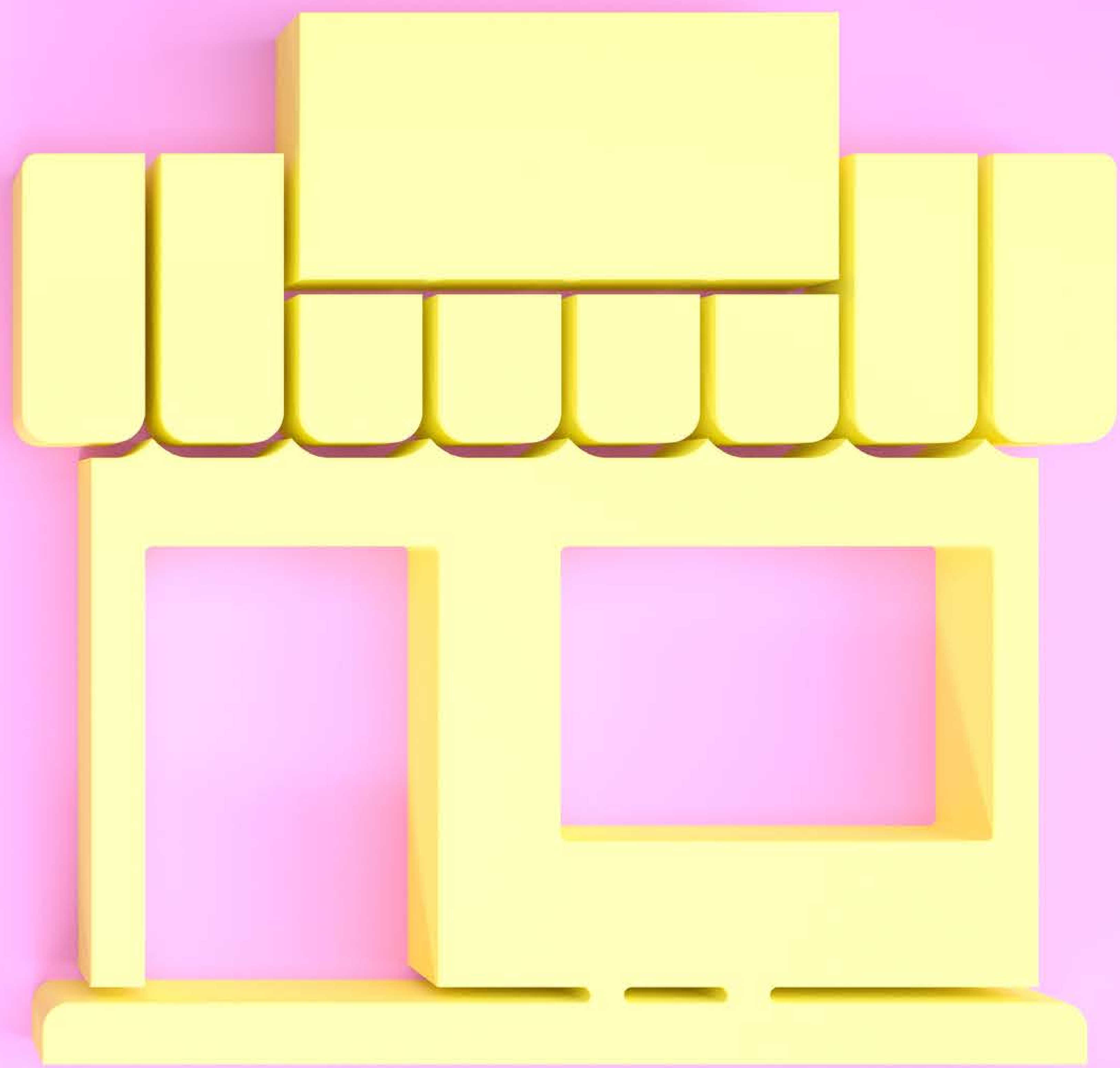
If this is as far as you go in the study, here's what you absolutely need to know:

- **Key Finding #1: Customers expect multi-channel, digitally-enabled experiences**
  - Respondents continue to report an increase in the number of online purchases made over the past 6 months.
  - The adoption of alternative shopping methods such as curbside pickup and delivery continue to be popular methods amongst respondents.

- **Key Finding #2: Comfort with in-person shopping is back**
  - More respondents are reporting shopping in person.
  - Respondents are less concerned with extra safety measures and more concerned with pricing, quality, and store location.
  - Cleanliness remains a top priority that can't be ignored.

- **Key Finding #3: Positive reviews can make or break your brand**
  - Positive reviews have the greatest influence on choosing a brand and having a positive experience was the greatest motivator for leaving feedback.
  - Majority of respondents are willing to leave feedback but only half of businesses are asking for it.

Table of Contents

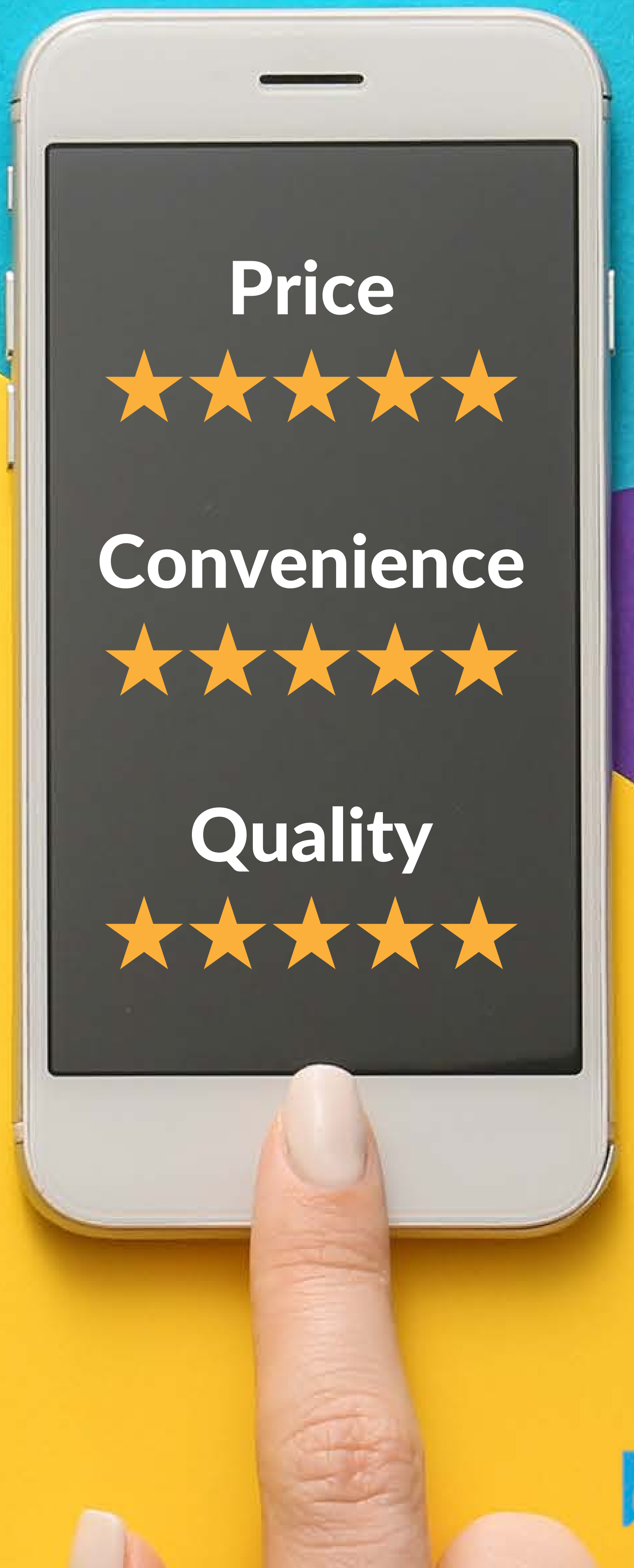


Initial findings

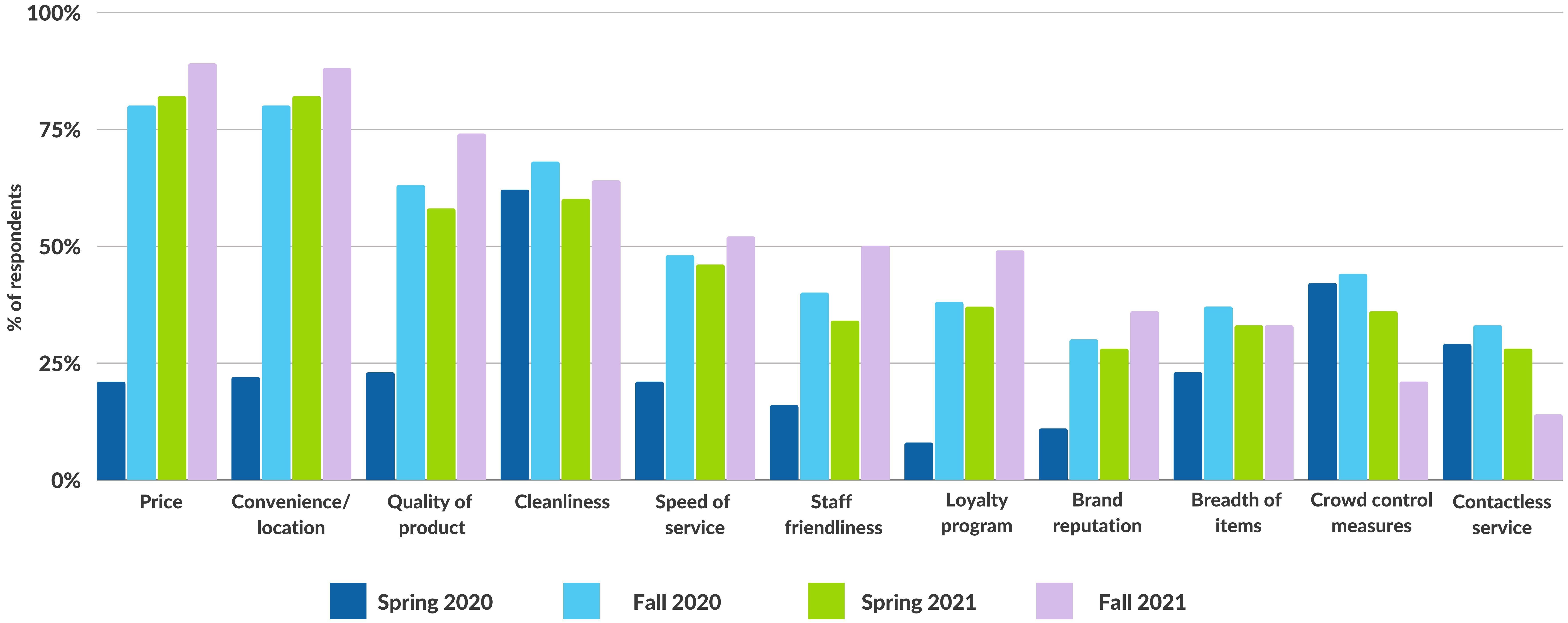
In Spring 2020, when asked what aspects were considered extremely important when deciding to visit a store, **cleanliness**, **crowd-control measures** and **contactless service** topped the list.

Fall 2020 and Spring 2021 results suggested a return to 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 cleanliness drop from the top 3, with the new top important factors being: **price**, **convenience and location**, and **quality of products.**



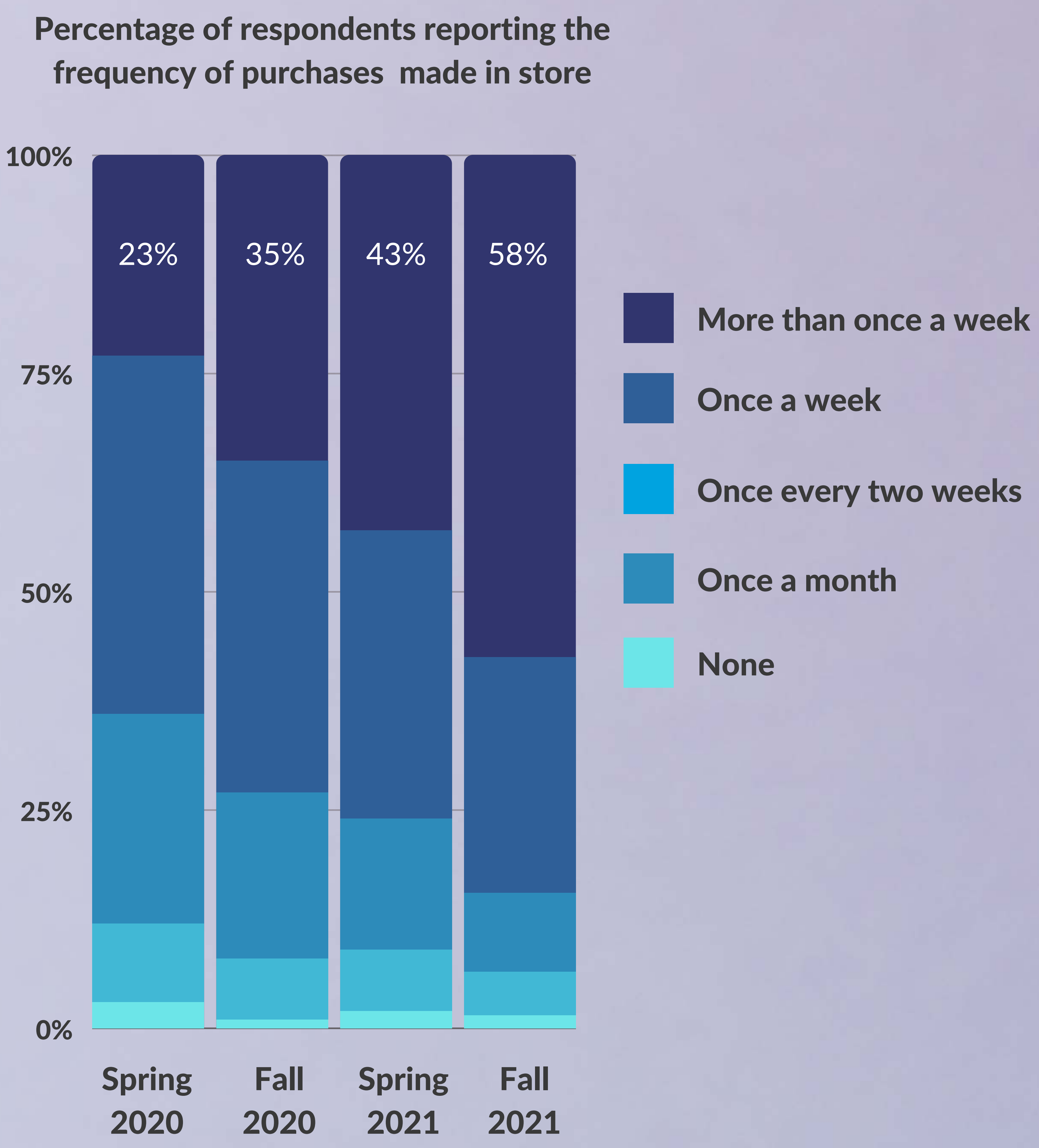
Which of the following aspects do you consider **extremely important** when making a decision to visit a store?



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 making a decision to purchase in-store?

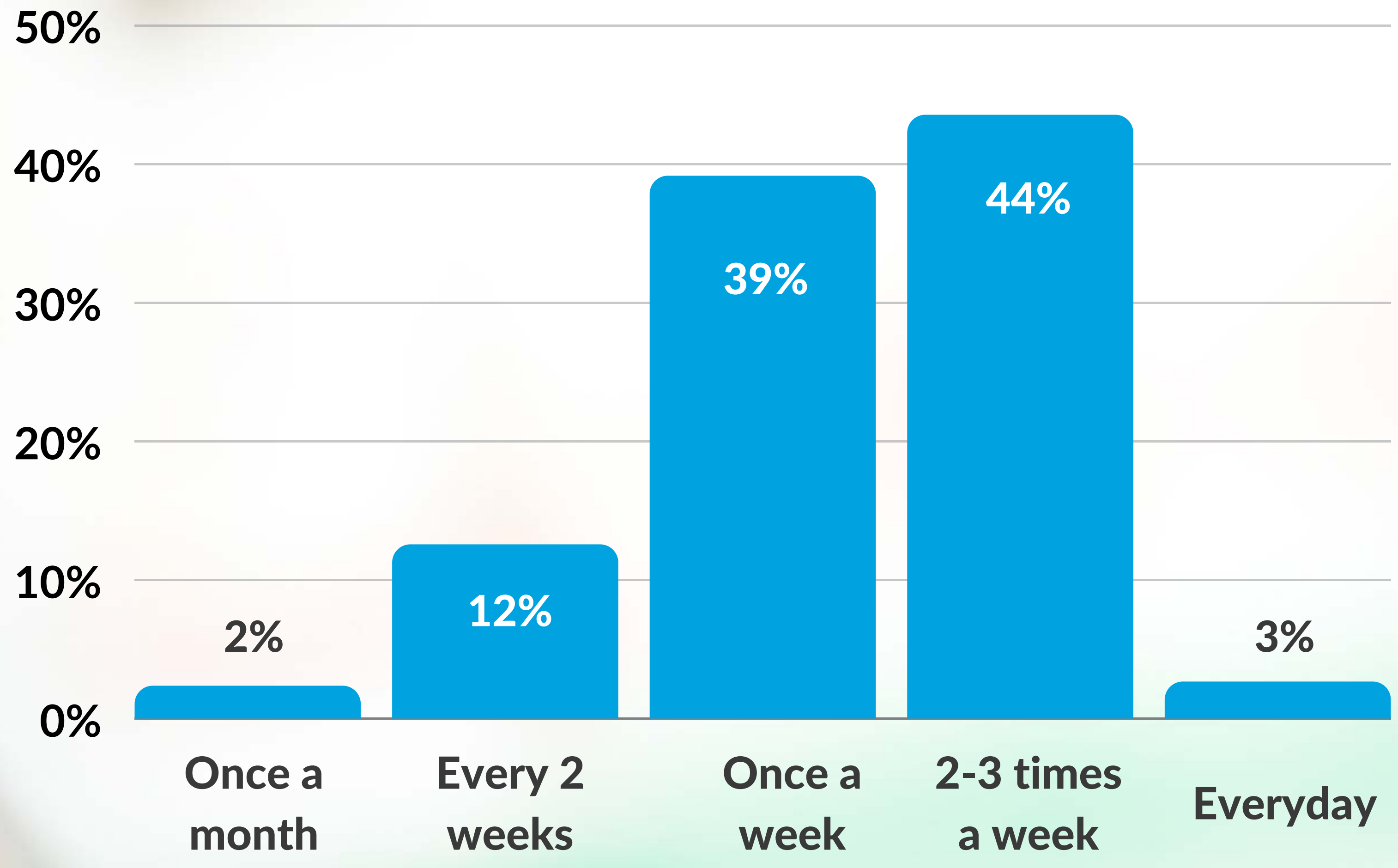
INTOUCH INSIGHT

Similarly, the number of people reporting that they have made a purchase in store **more than once a week** has continued to increase over the past 6 months, demonstrating increased comfort with the new normal.



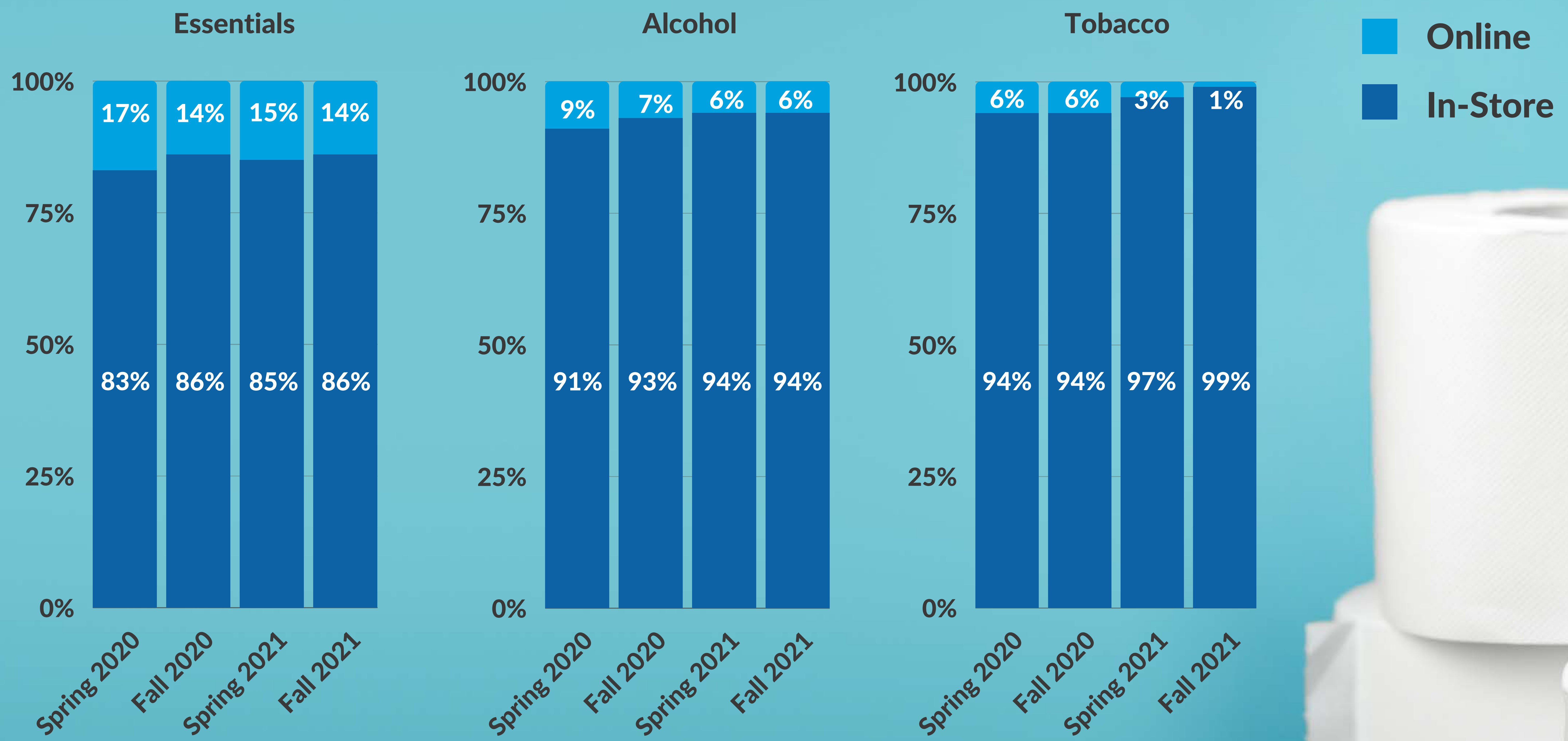
And in terms of frequency of grocery shopping, a large majority of respondents shop at the grocery store each week, with 44% going 2-3 times a week, 39% go once per week, and 3% go every day.

Percentage of respondents reporting the frequency of grocery shopping



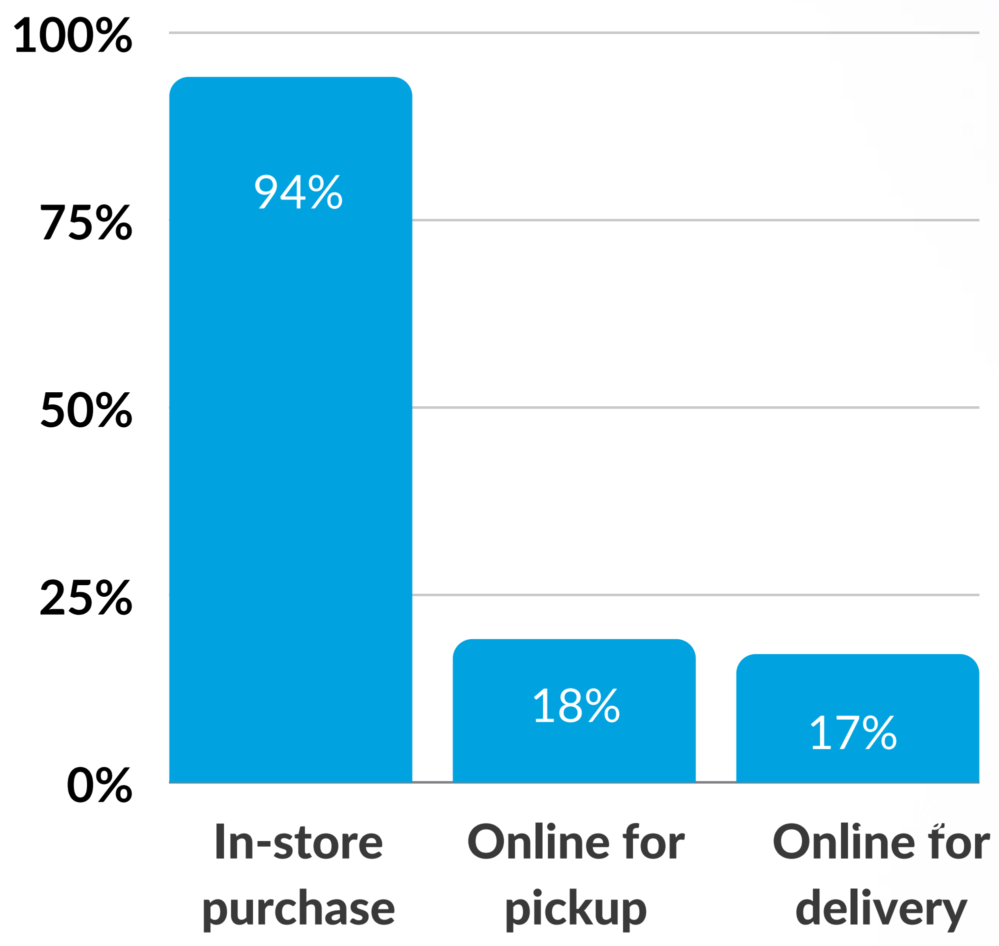
INTOUCH INSIGHT

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



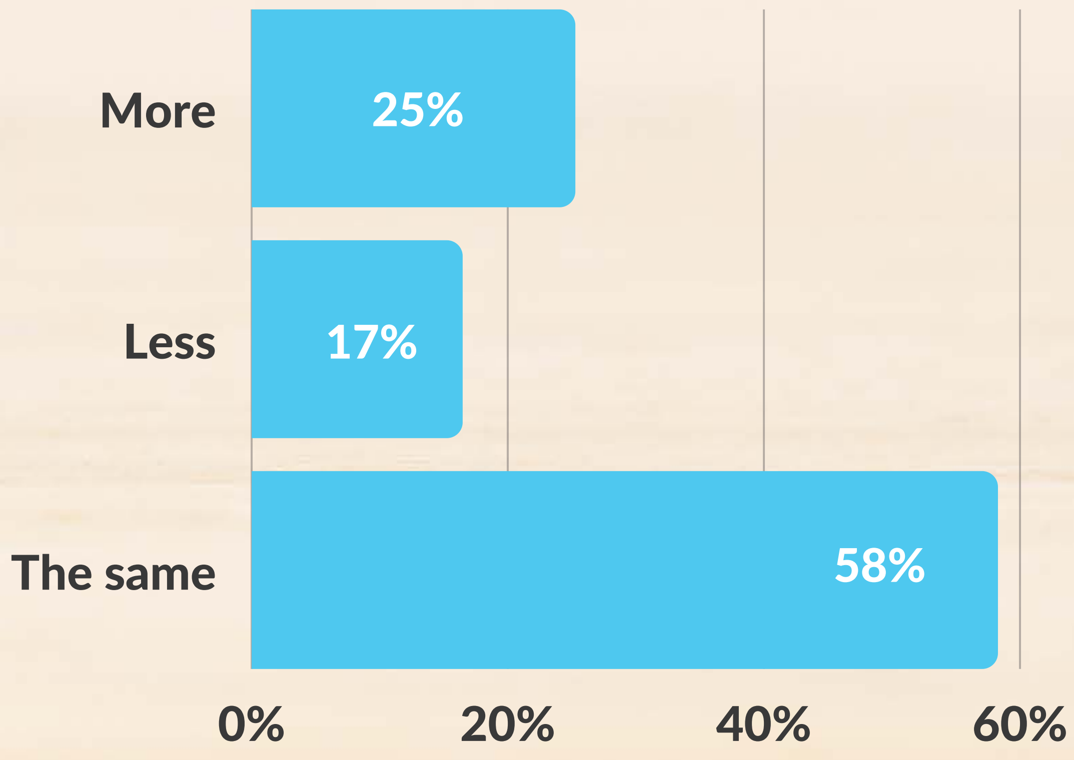
And 94% of respondents report buying groceries in store.

Percentage of respondents reporting methods used to purchase groceries

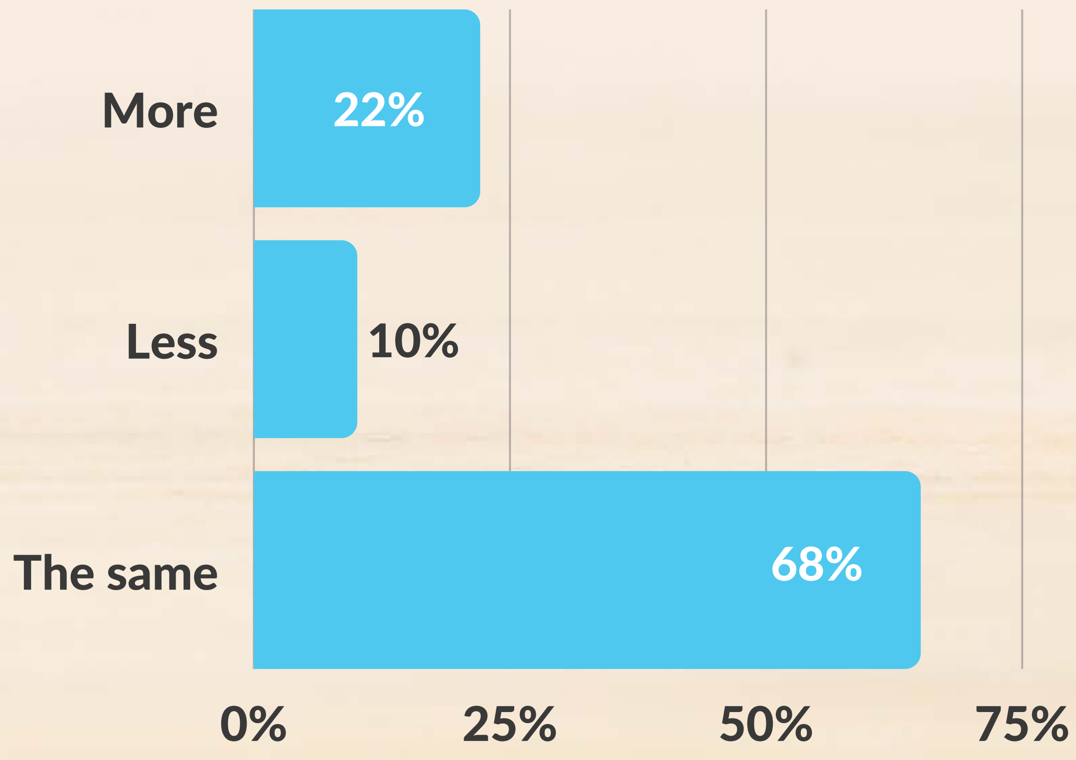


Survey respondents continue to reinforce the importance of **localization and community engagement**, with 22% of respondent reporting an increase in shopping local over the last 6 months.

Spring 2021: Percentage of respondents reporting local shopping patterns.



Fall 2021: Percentage of respondents reporting local shopping patterns.



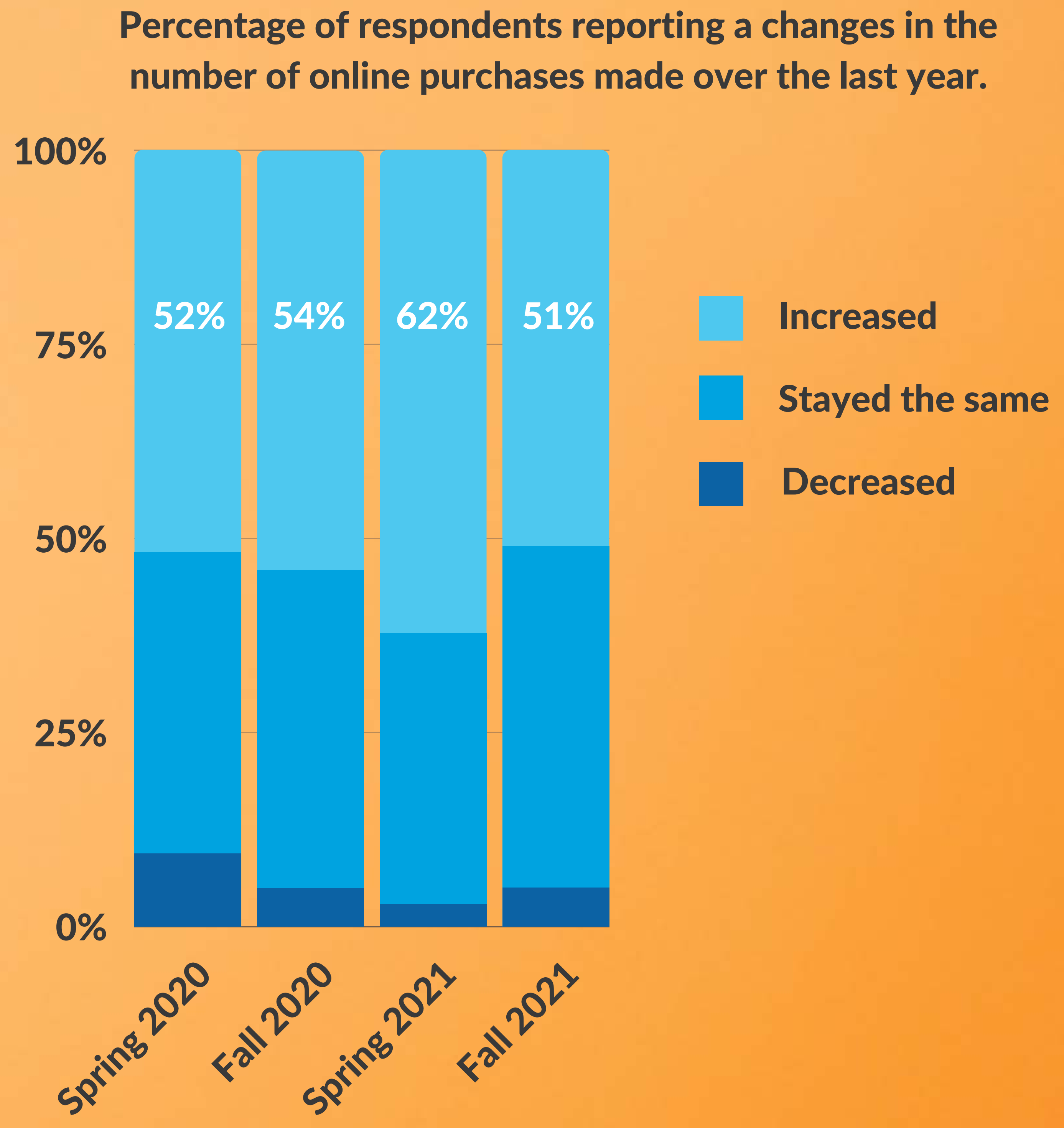
INTOUCH INSIGHT

Key finding #1

Customers expect multi-channel, digitally-enabled experiences

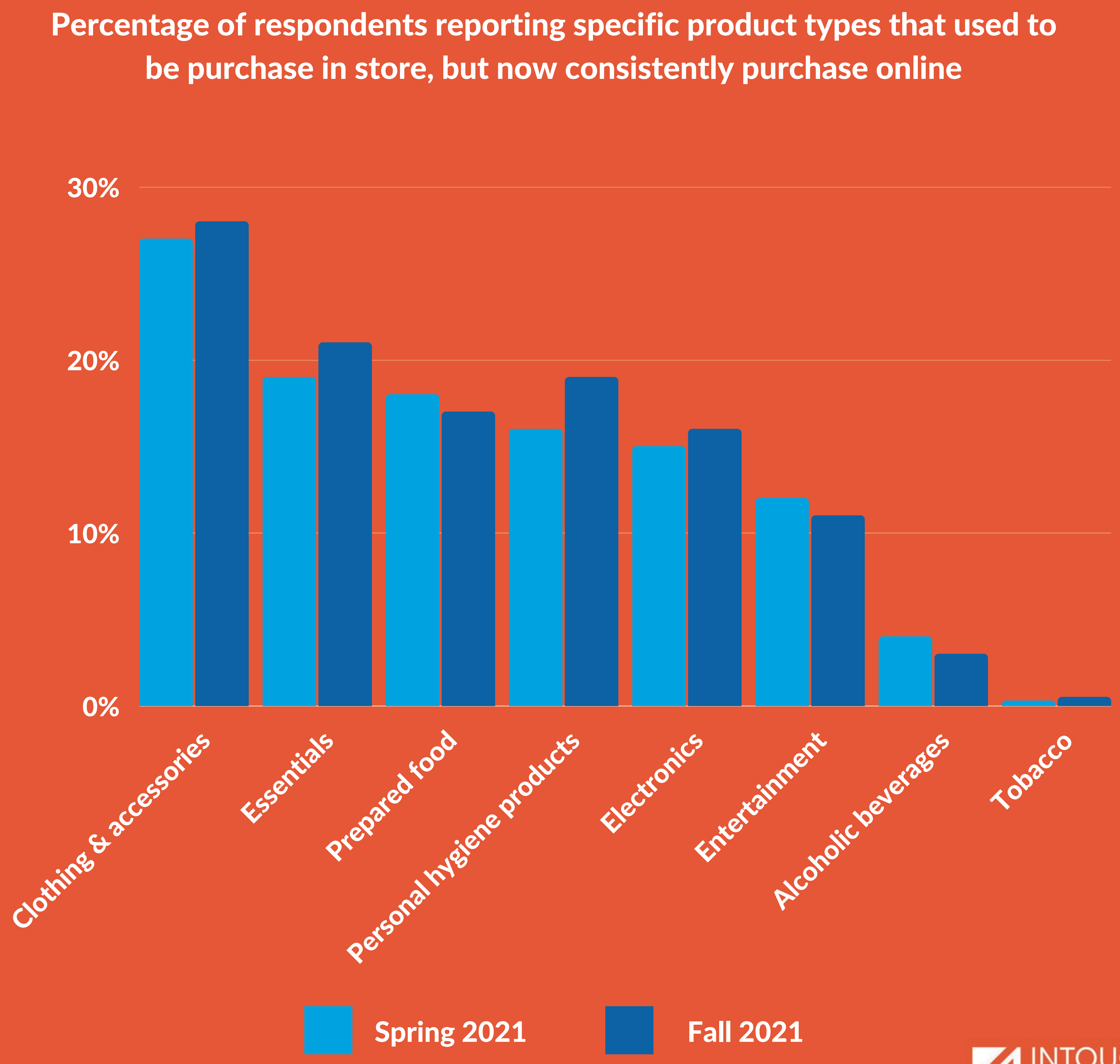
For traditional brick and mortar retailers, the COVID-19 pandemic accelerated many changes, from shifts to greater reliance on e-commerce, to faster adoption of new shopping modes, to increased localization in shopping patterns.

So, it comes as no surprise that the majority of respondents continue to report an increase in the number of online purchases made over the last year.



When deciding how much to invest in your online capabilities, the type of goods you sell matters.

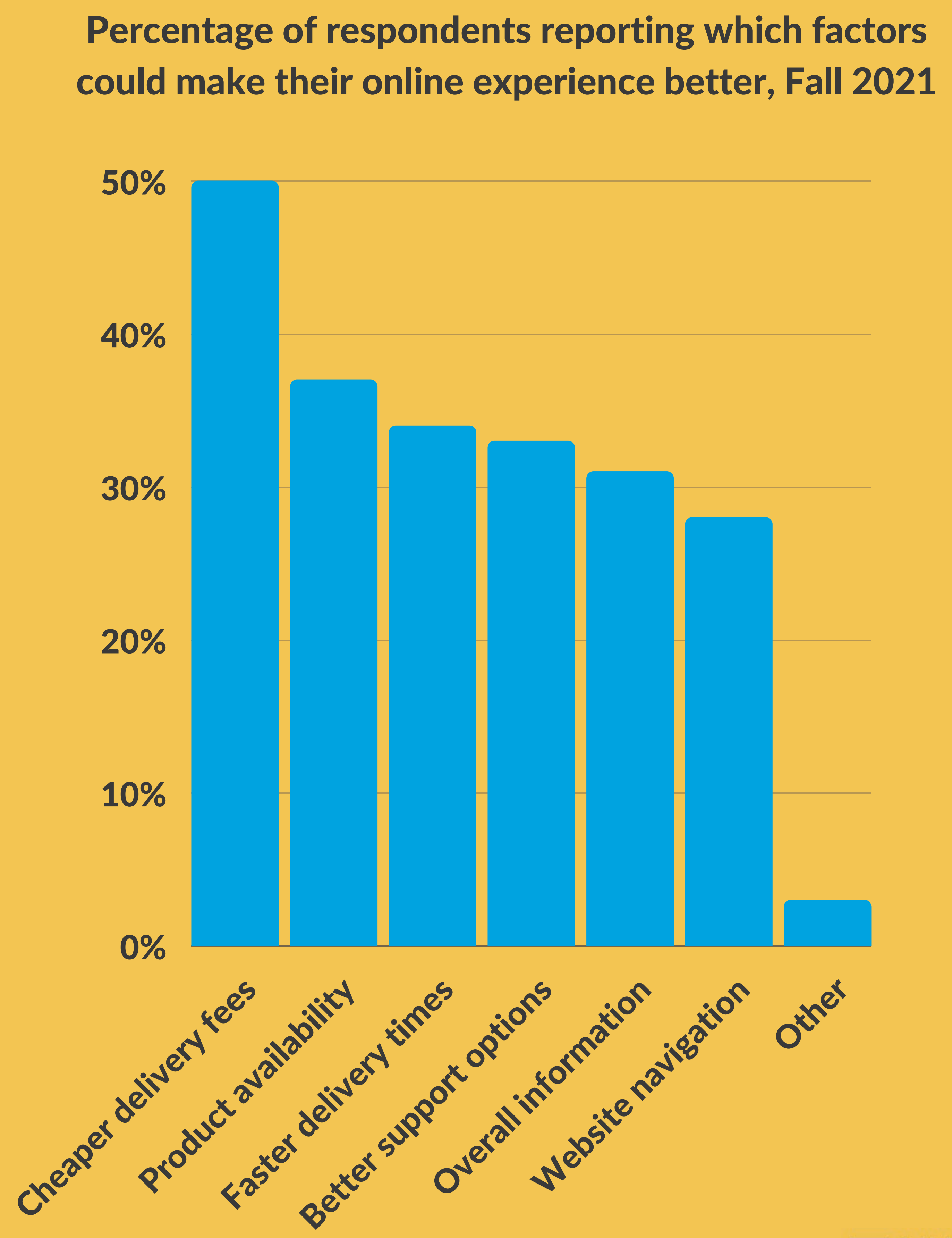
Clothing and accessories remain the top items that respondents reported previously purchasing in store, but **now consistently purchase online**.



INTOUCH INSIGHT

Satisfaction levels with buying online remain steady, with **95% of respondents reporting they are satisfied all or most of the time** when buying from online retailers, compared to 96% last Spring.

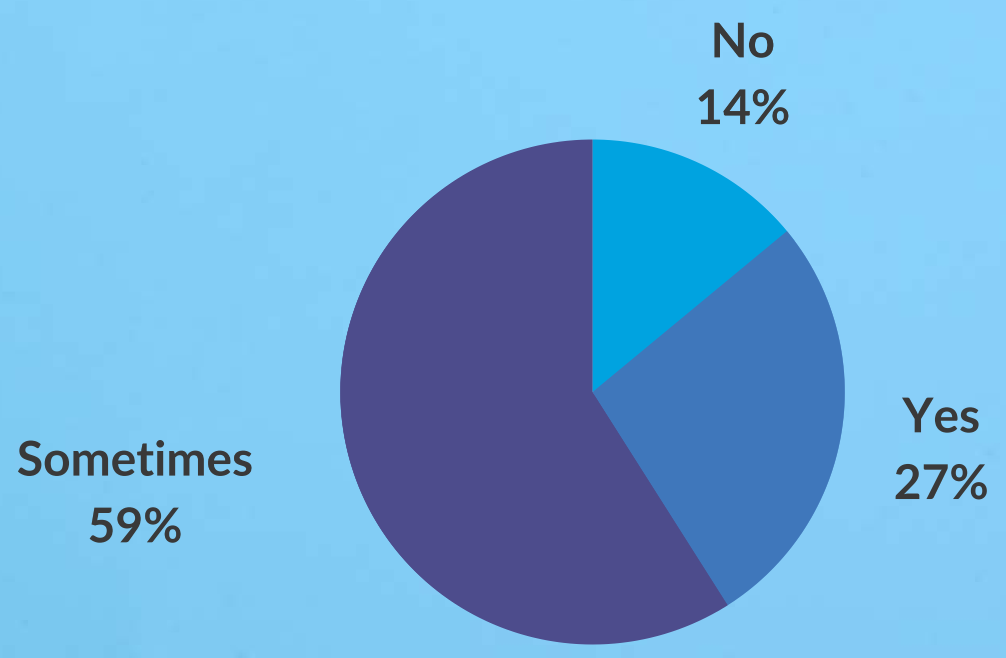
Want to make it even better? The Fall 2021 results show **cheaper delivery fees topping the list** in terms of what could make online buying experiences better, followed by product availability and faster delivery times.



And even brands who focus on the human-touch aspects of their brick and mortar business can't ignore their digital properties.

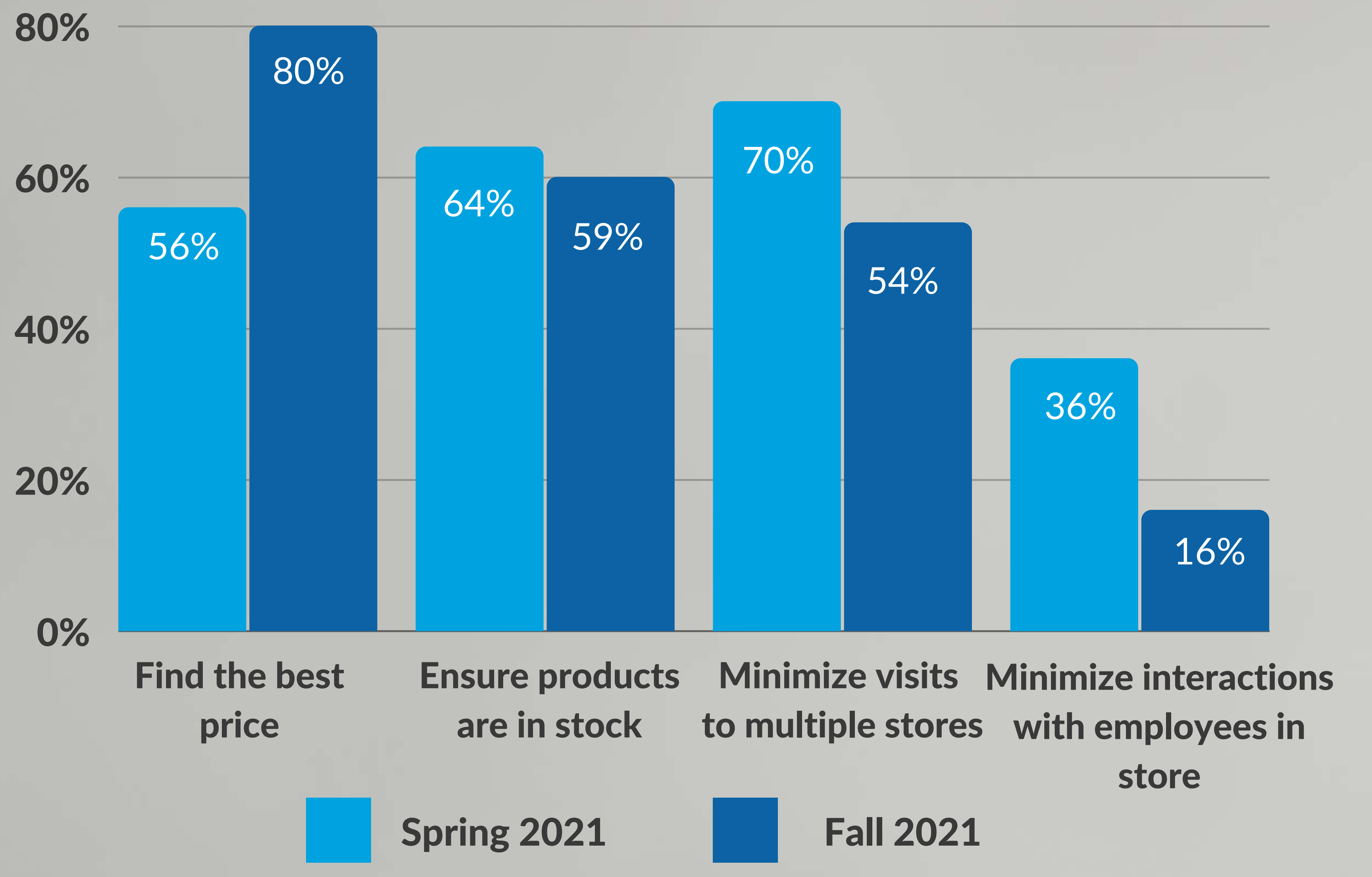
86% of respondents reported that they have researched products in advance of making a purchase in store.

Percentage of respondents reporting spending time in advance researching products online



The Fall 2021 results also show a shift in why people conduct research in advance of making an in-store purchase. The majority of respondents now report conducting research to address functional needs, like **price and availability**, compared to last spring where their objective was to address pandemic-related needs, like minimizing contact.

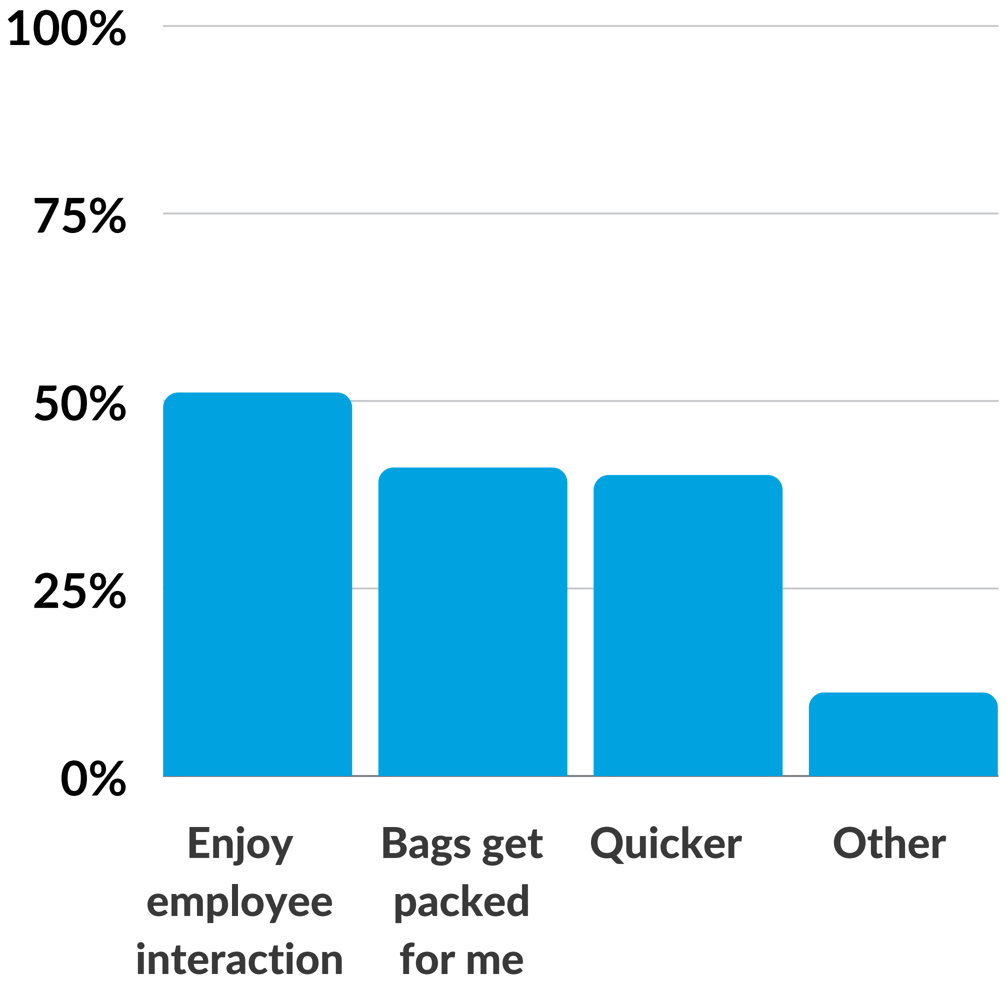
Percentage of respondents reporting why they research products online



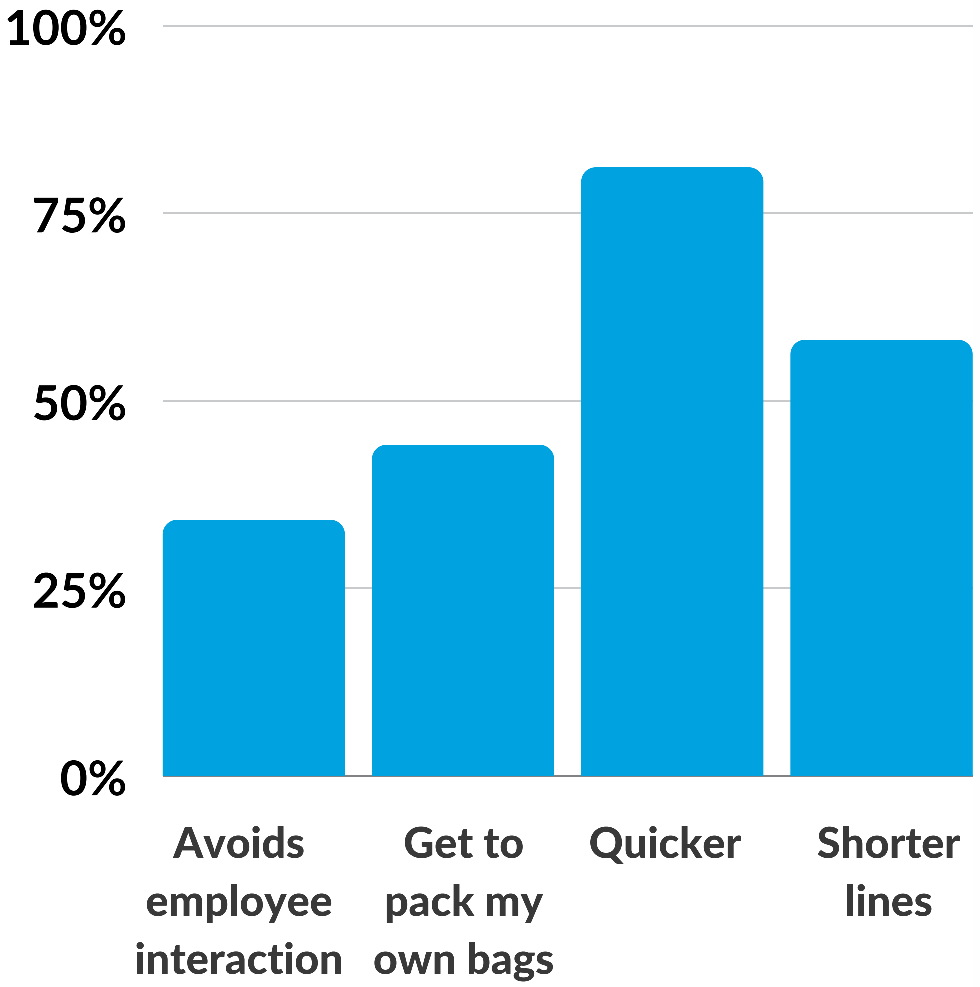
INTOUCH INSIGHT

Once in store, research shows that consumers are **split 50/50** on whether or not they prefer using a cashier or self-checkout, and the reasons why are interesting.

Why cashier?



Why self-checkout?

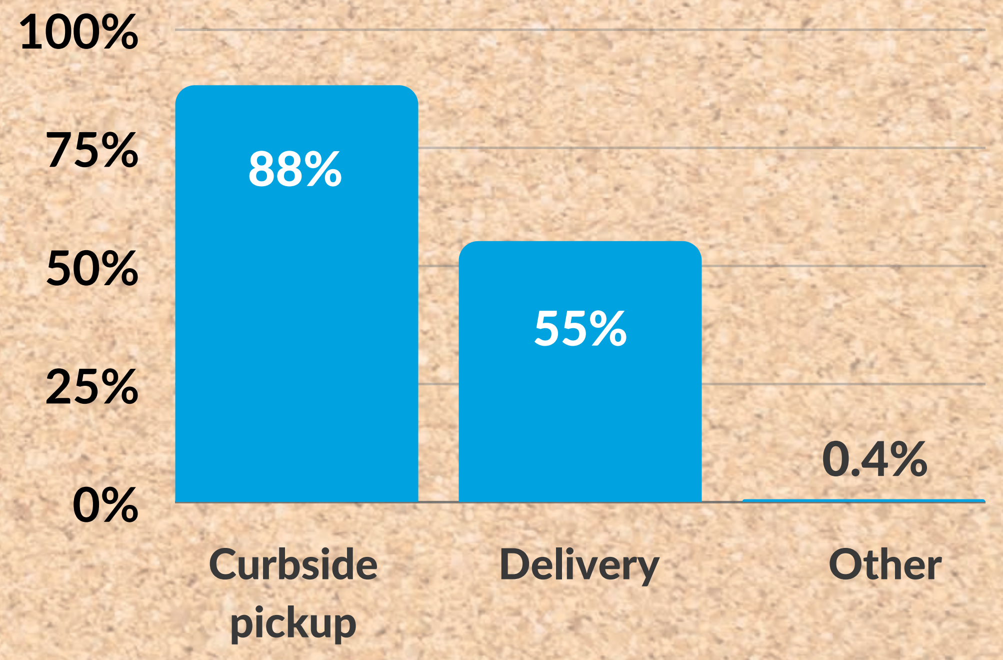


INTOUCH INSIGHT

When it comes to engaging with your customers, we can't ignore alternative methods for ordering and fulfillment.

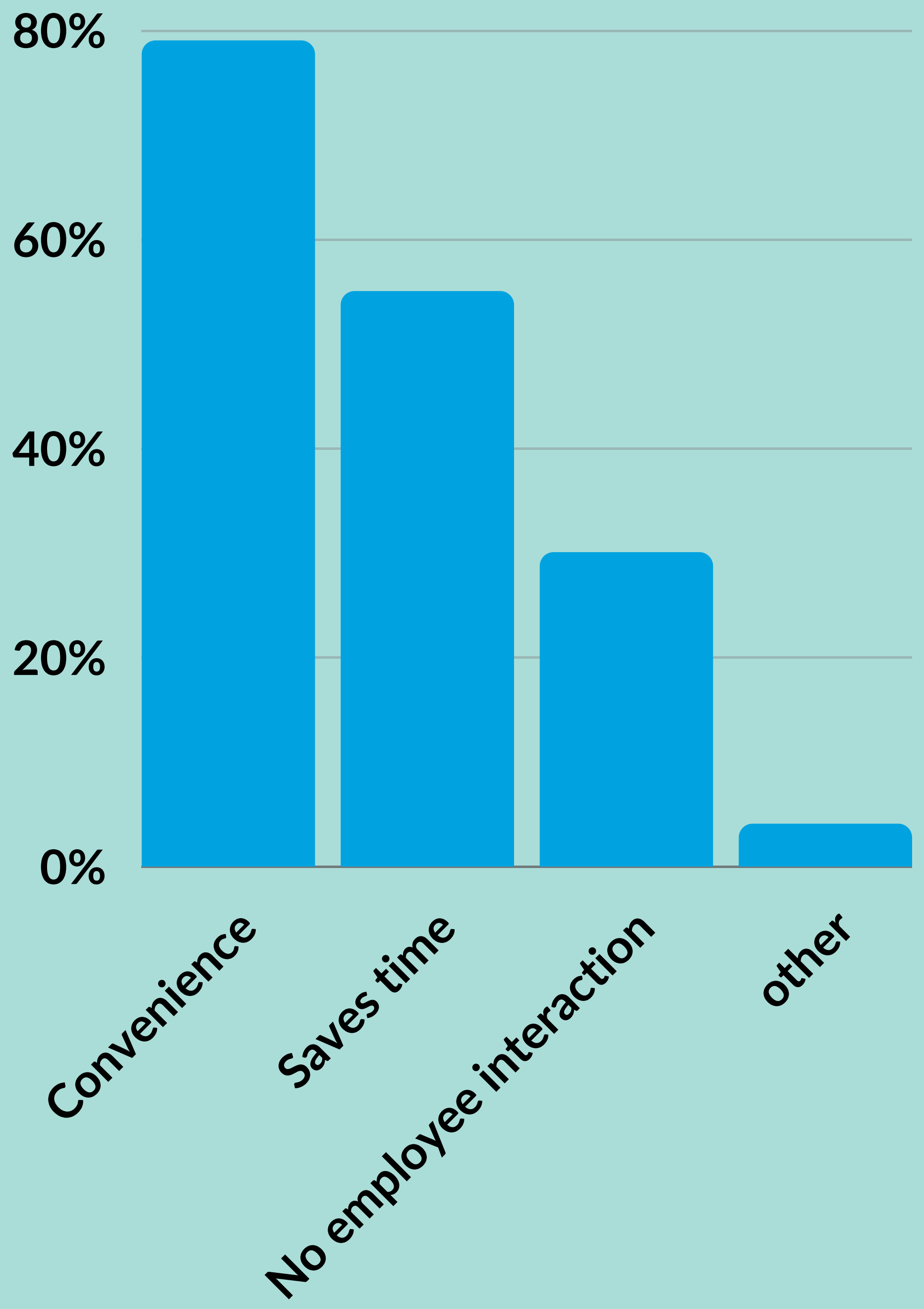
60% of respondents have reported using alternative shopping methods such as curbside pickup or delivery, with **curbside pickup taking the top spot**.

Which alternative shopping methods have you used?

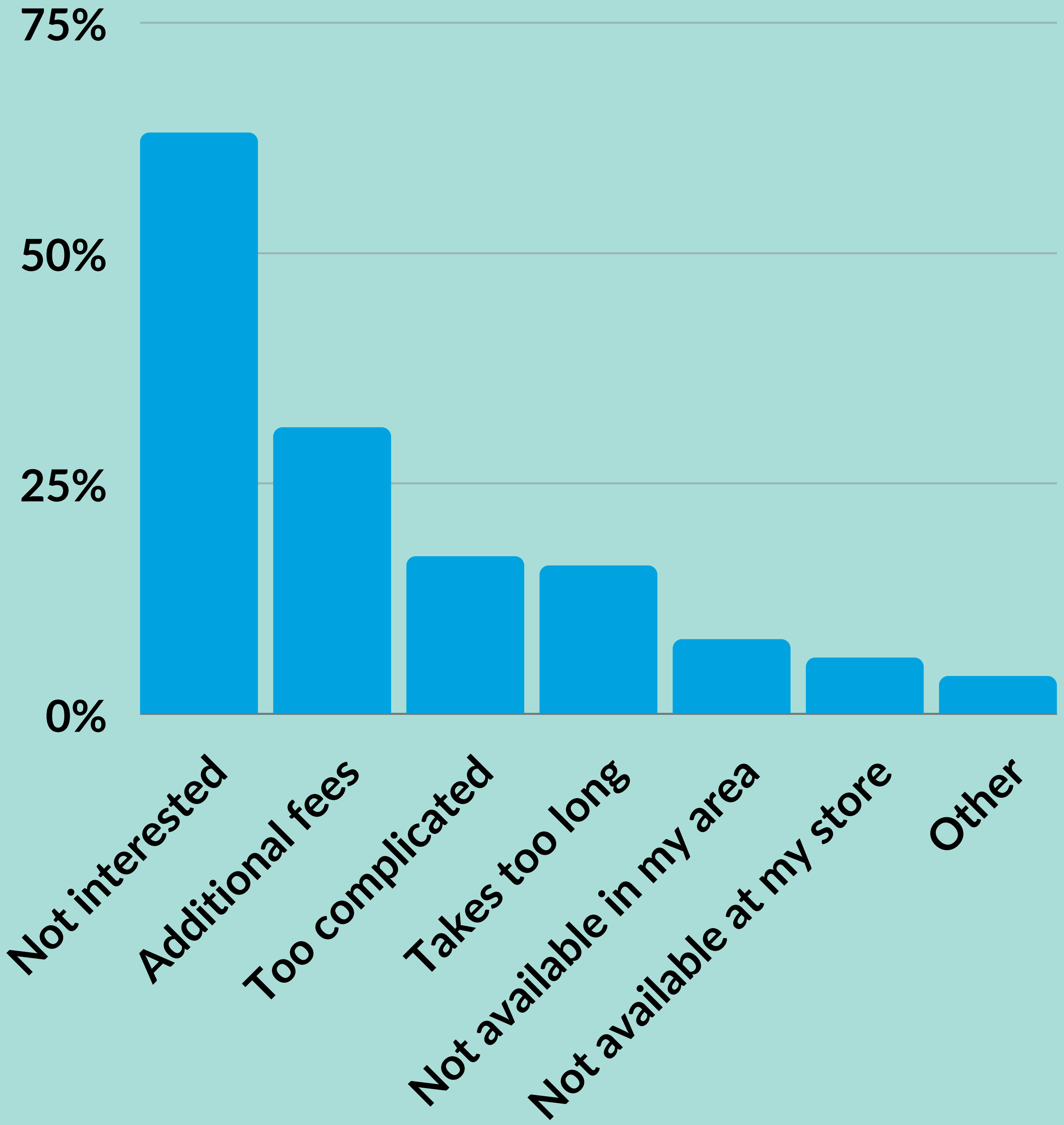


INTOUCH INSIGHT

Percentage of respondents reporting why they used an alternative shopping method?



Percentage of respondents reporting why they didn't use an alternative shopping method?



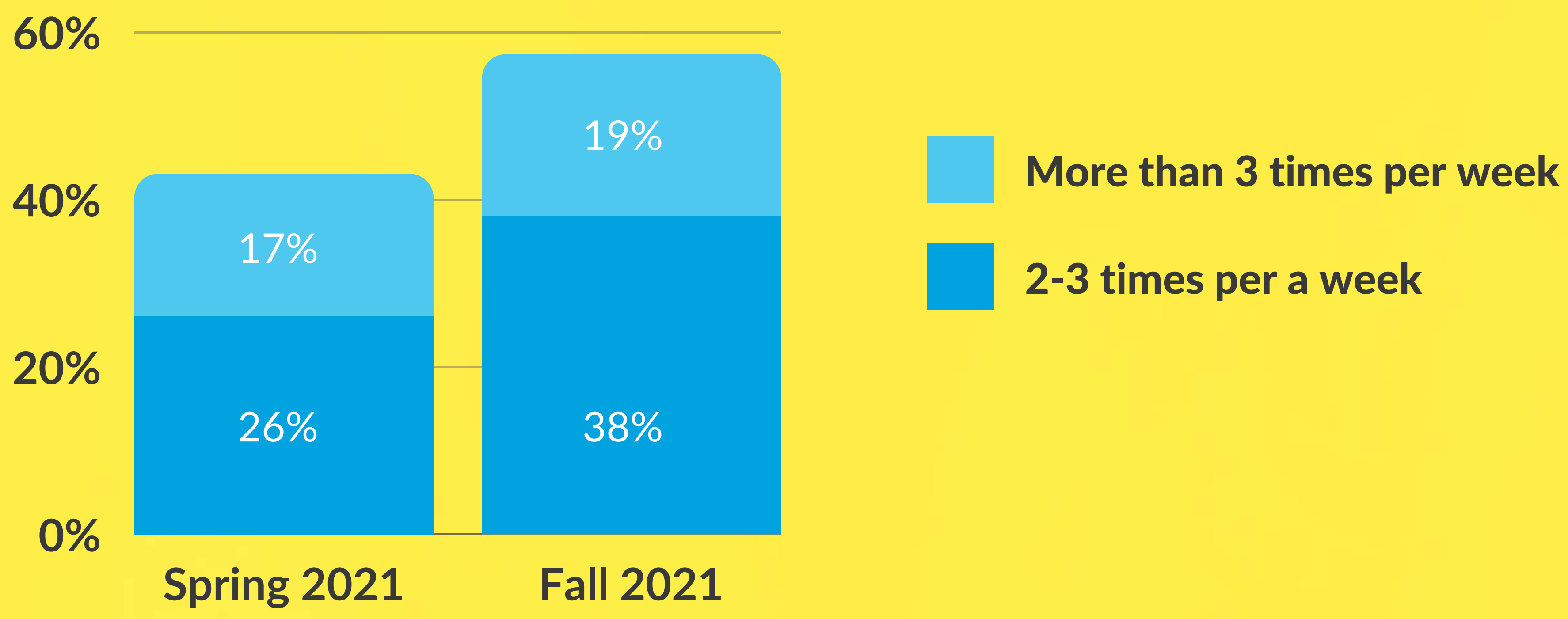
INTOUCH INSIGHT

Key finding #2

Comfort with in-person shopping continues to grow

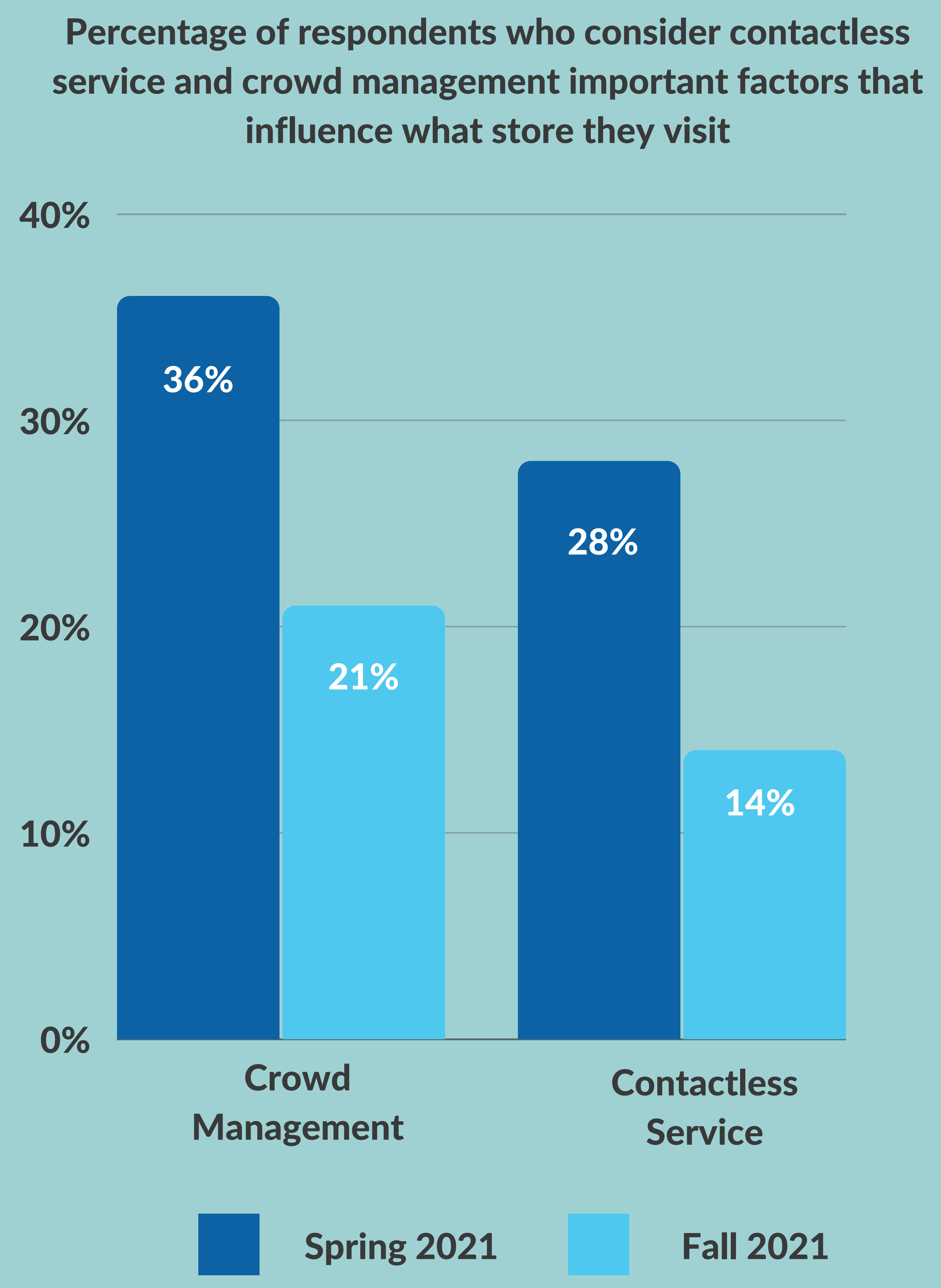
As we saw in the initial findings, the reported frequency of shopping in-store continues to increase. Not only is the percentage of respondents visiting a store more than once a week increasing, since Spring 2021 the proportion of those visiting **more than 3 times per week continues to grow** as well.

Percentage of respondents reporting the frequency of purchases made in store



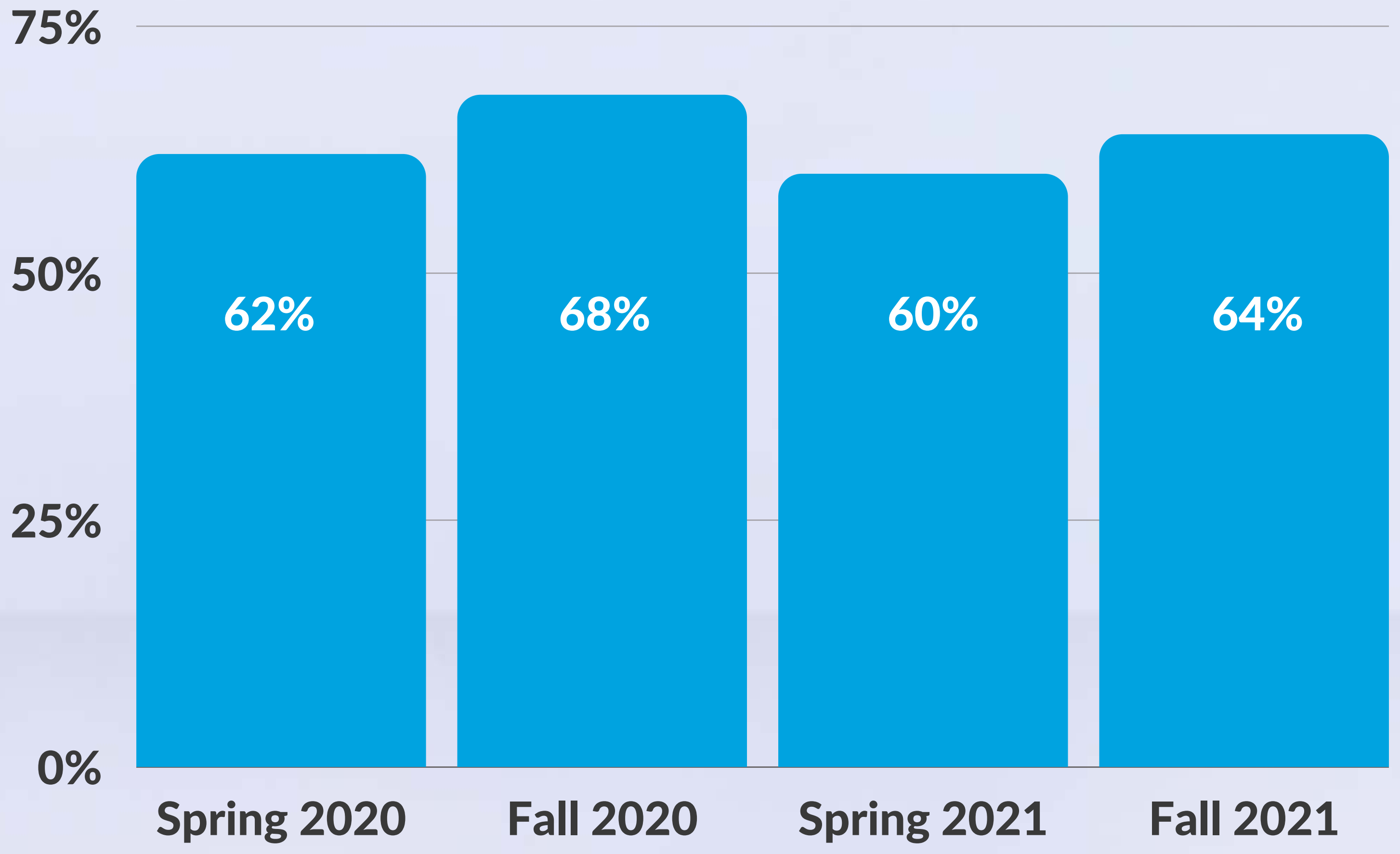
Respondents are less concerned with extra safety measures and more concerned with pricing, quality, and store location.

When looking at aspects that respondents find extremely important when choosing to visit, COVID-19 related safety measures such as **contactless service and crowd management** have become less important.



Expectations around cleanliness have seen little fluctuation over the past two years and remain an important factors for consumers.

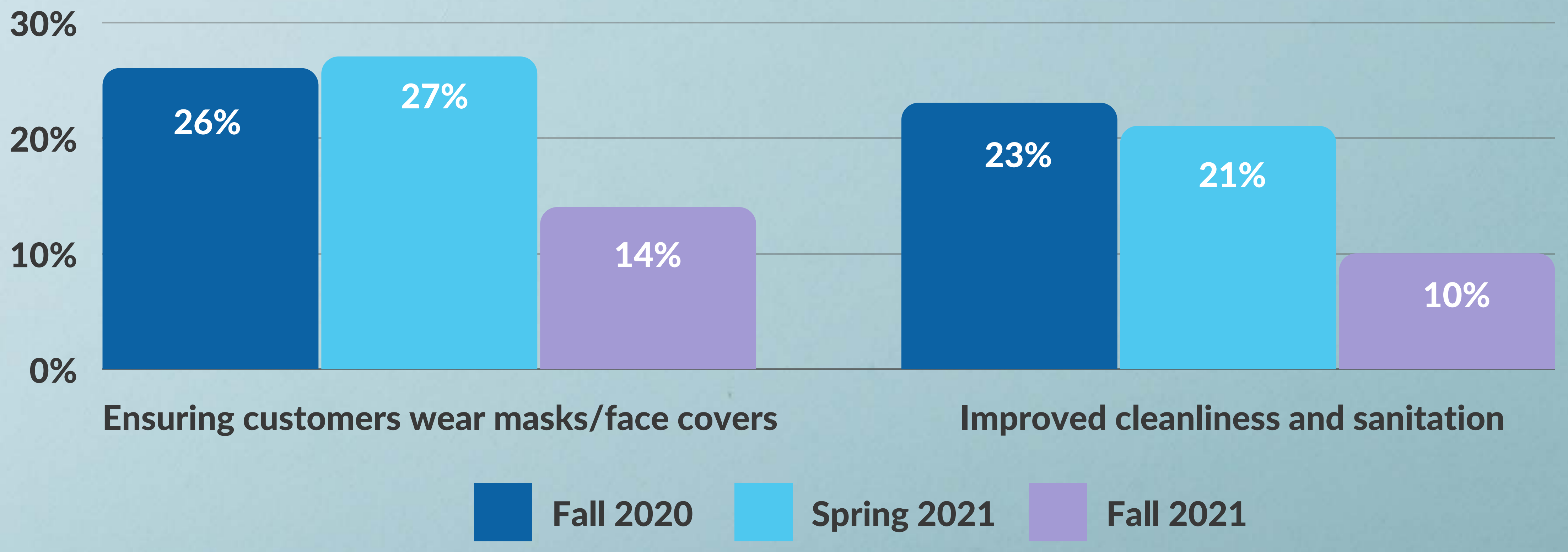
Percentage of respondents rating cleanliness as extremely important when making the decision to visit a store



When asked: **What is the number one change you want to see businesses make?** Ensuring customers wear masks and improved cleanliness and sanitation have both decreased.

This decrease reinforces consumers are starting to become more comfortable with the stores they are shopping at.

Percentage of respondents reporting the number one change they want to see businesses make

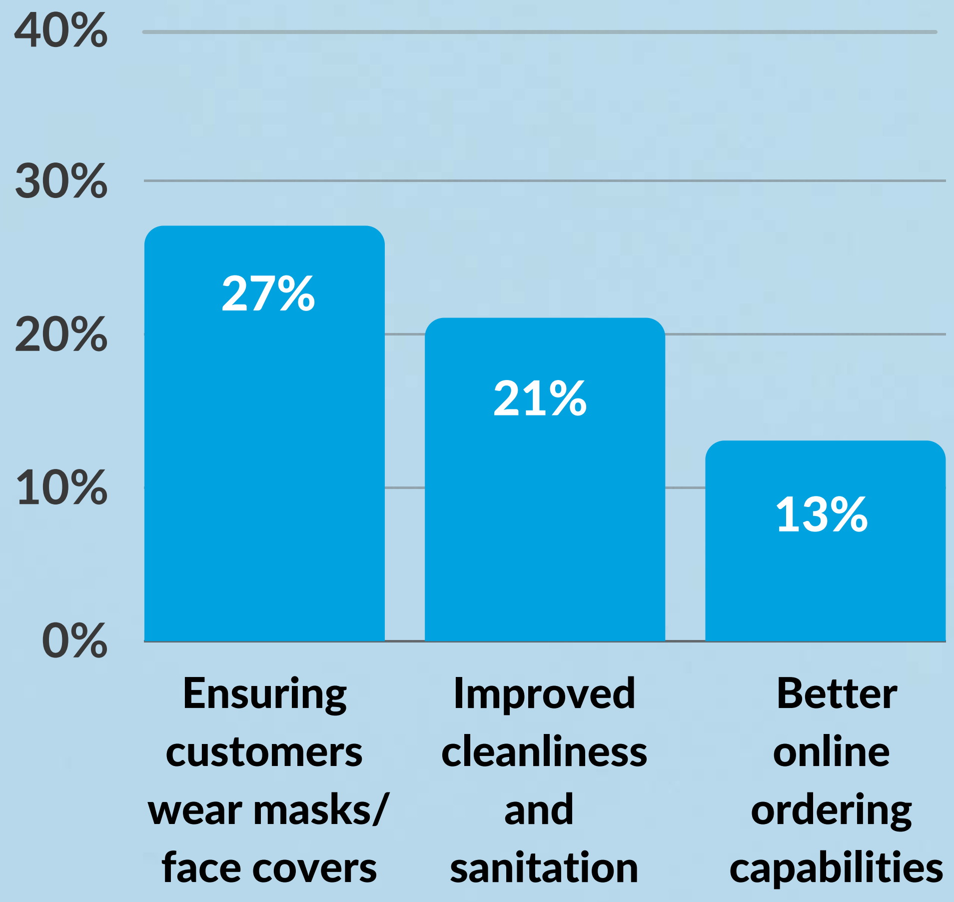


INTOUCH INSIGHT

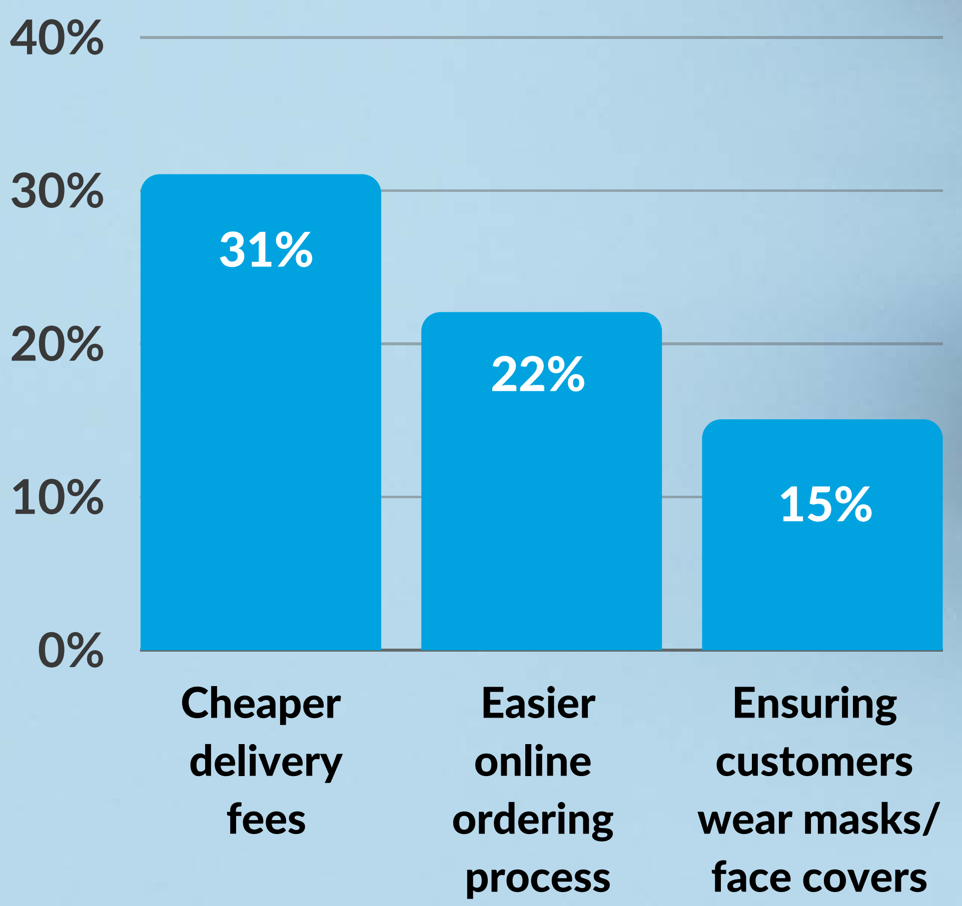
And when comparing the three top rated changes requested by respondents, **ensuring customers wear face masks drops to the third spot**, behind cheaper delivery fees and easier online processing, compared to first place in Spring 2021.

Percentage of respondents reporting the number one change they want to see businesses make

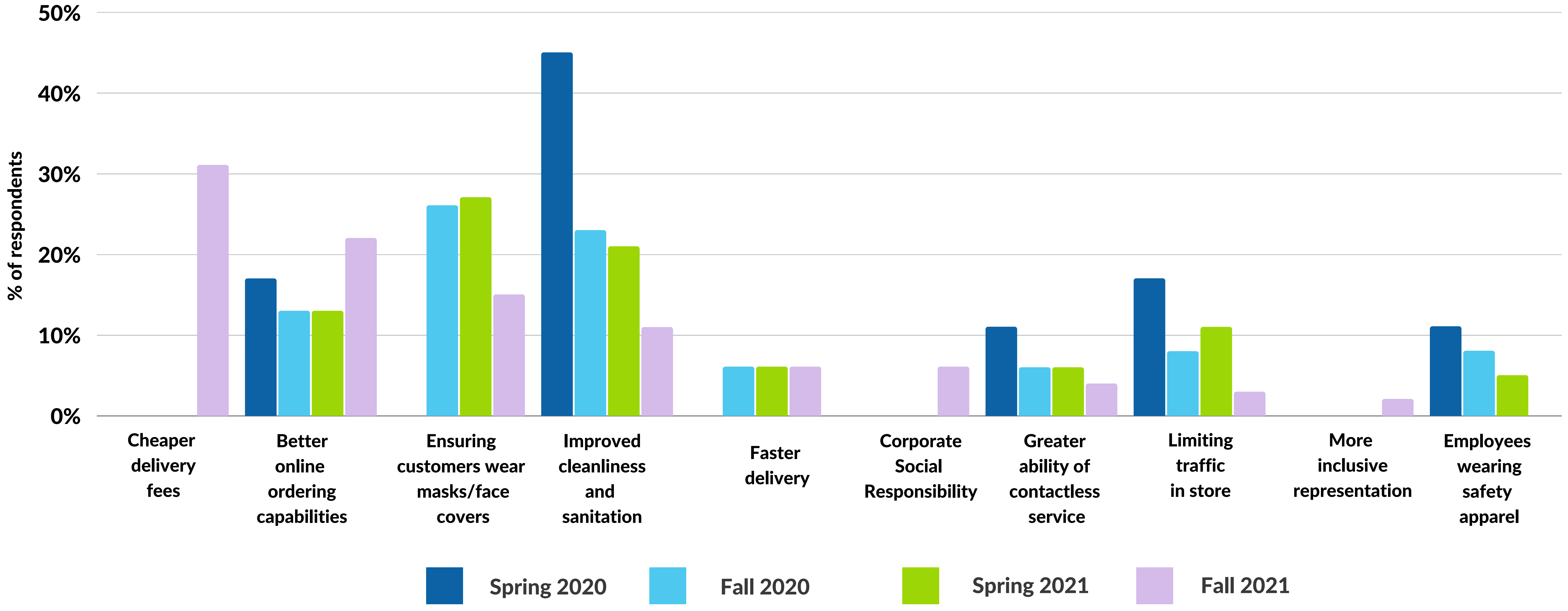
Top 3 selections: Spring 2021



Top 3 selections: Fall 2021



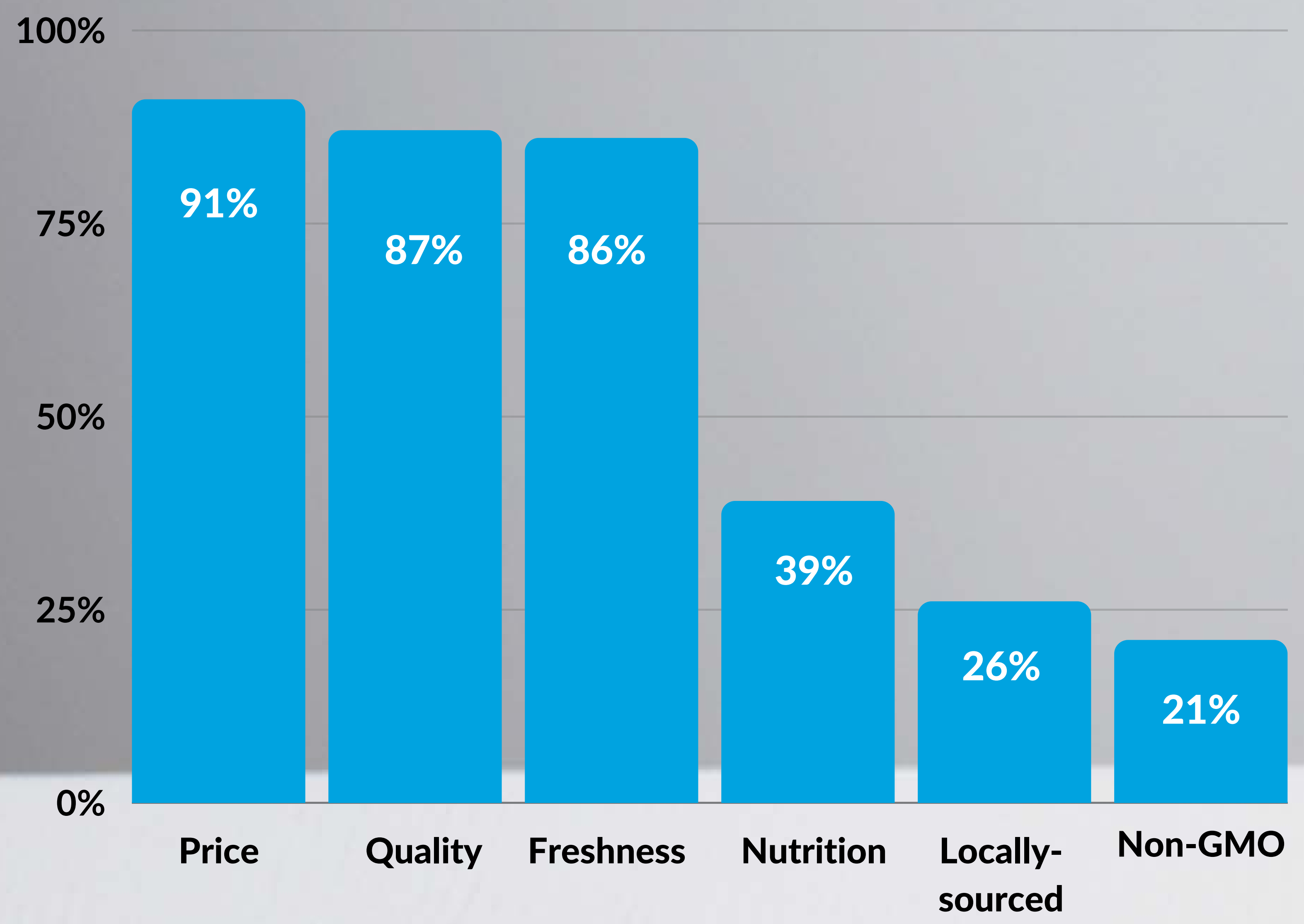
What is the **number one change** you want to see businesses make?



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. As the situation has continued to evolve, new items were added again in Fall of 2021.

INTOUCH INSIGHT

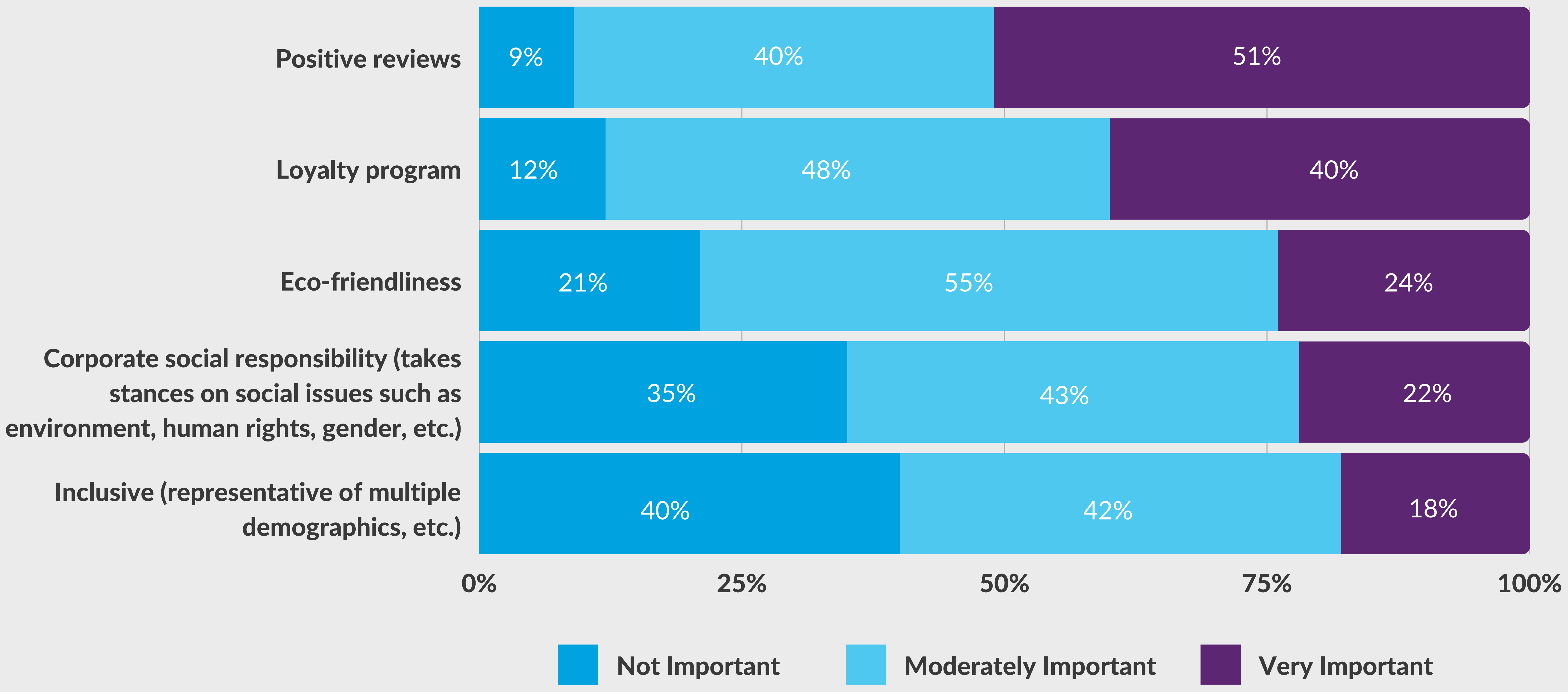
When it comes to choosing a grocery store, respondents reported that they were most influenced by **price**, **quality**, and **freshness**.



Key finding #3

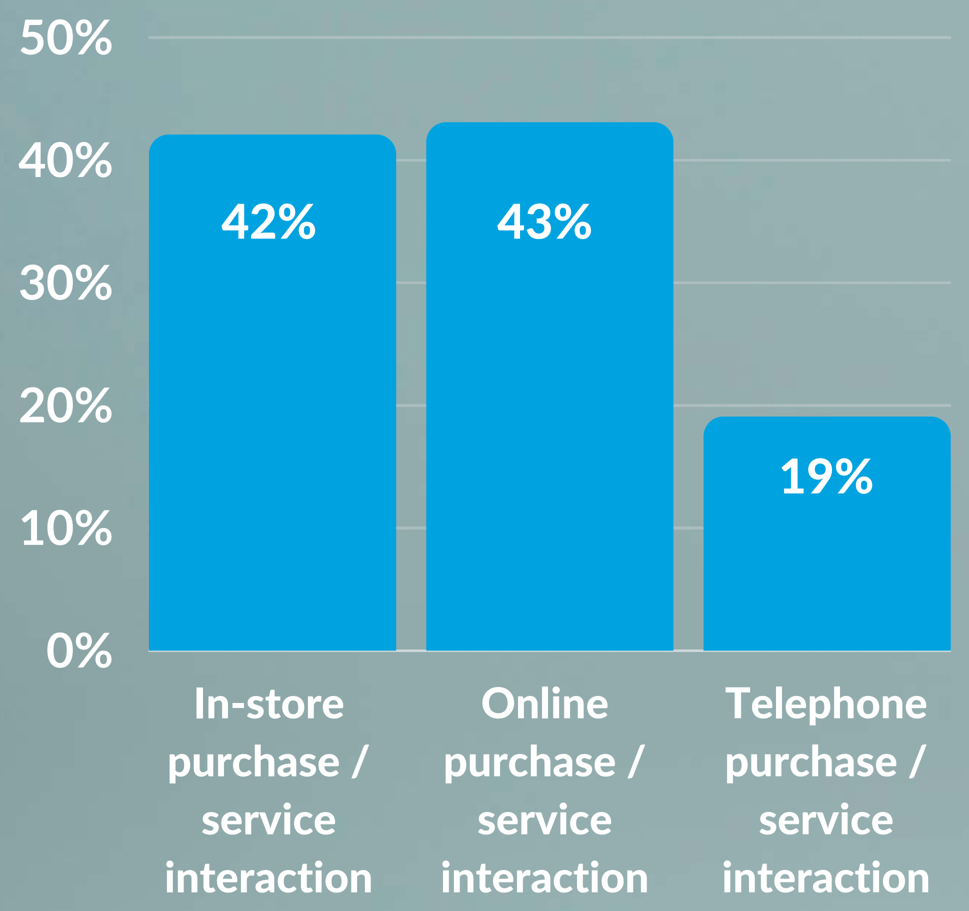
Positive reviews can make or break your brand

When asked to report the level of importance each factor had in influencing a respondent's decision to choose a brand, **51% of respondents said that positive reviews were very important**, followed by loyalty programs at 40%.

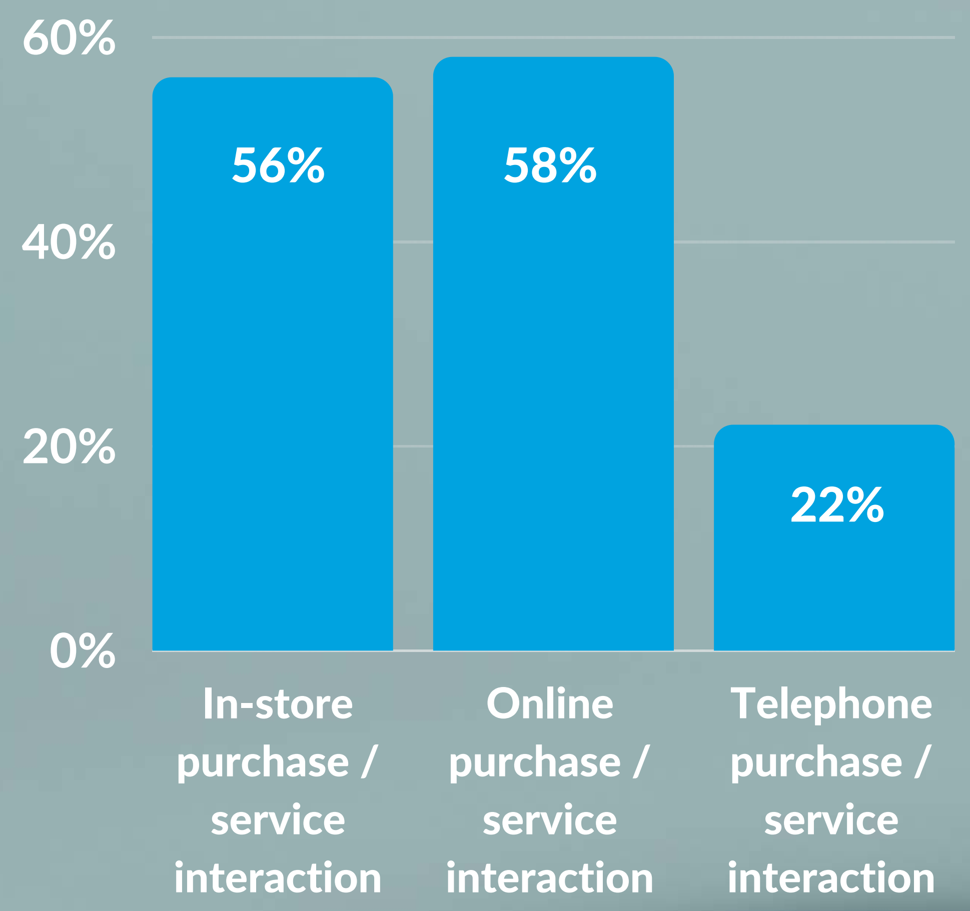


Results show **an increase across the board over last spring** in the frequency that businesses ask for feedback. But with feedback for online interactions topping out at 58%, there's definitely still room for improvement!

Spring 2021: Percentage of respondent reporting they were asked for feedback.



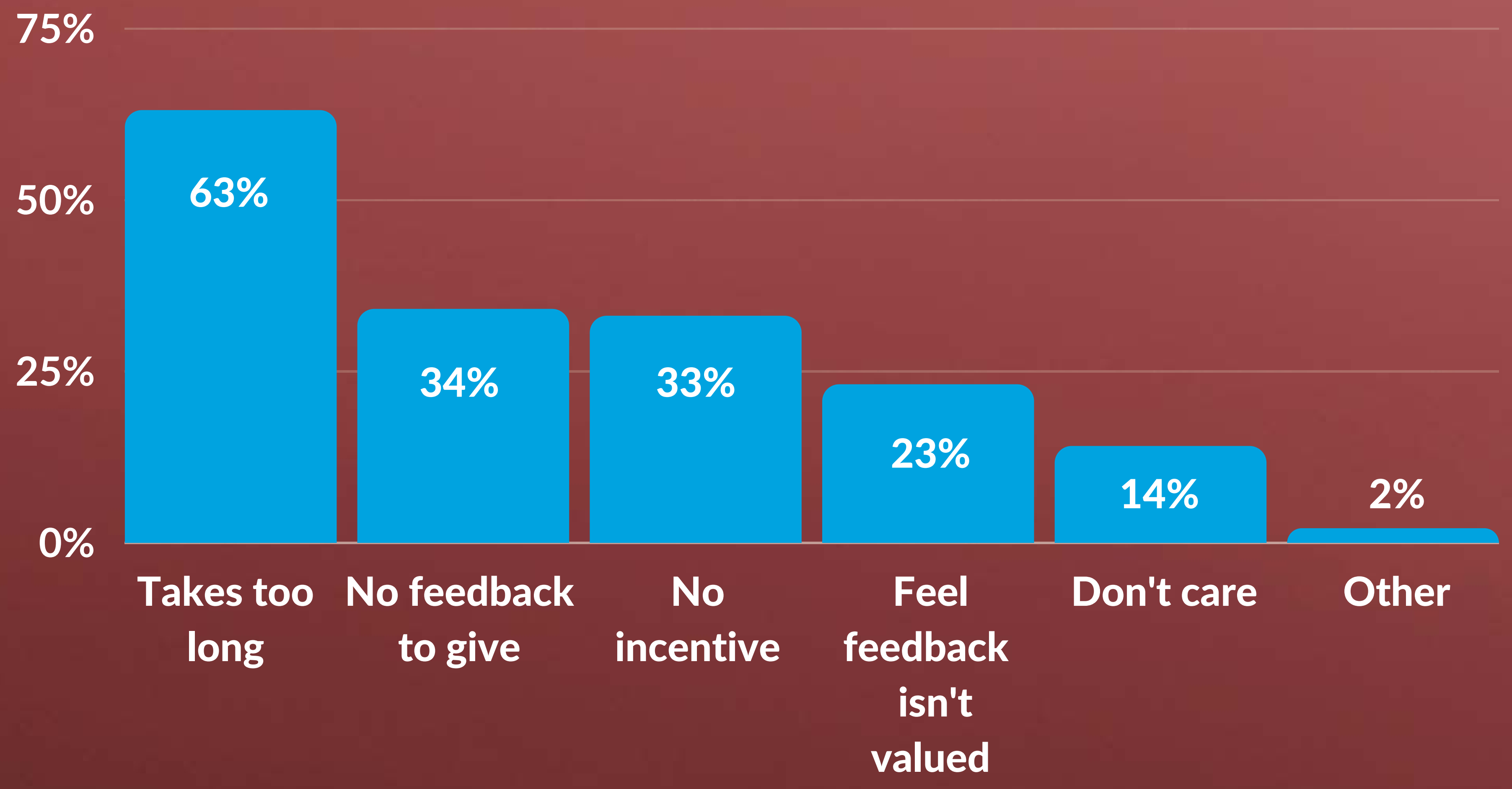
Fall 2021: Percentage of respondent reporting they were asked for feedback.



When considering which method to use to solicit feedback, efficiency is key.

Our findings show that time is the top reason for not providing feedback, with **63% of respondents reporting it takes too long**.

Percentage of respondent reporting what prevents them from providing feedback.



INTOUCH INSIGHT

The next chapter

While the COVID-19 pandemic has had a significant impact on shopping habits, overall consumers are ready to re-engage with the brands they love in the ways and means they want to connect.

- Digitally-enabled experiences are on the rise and alternative shopping methods are here to stay. Optimize these various channels so consumers are given multiple ways to engage with your brand, and listen to customer demands, like lowering delivery fees and creating a better online process to drive loyalty.
- Cleanliness and safety, while no longer top of mind, have become established expectations. Continue vigilance when enforcing these measures and adhering to these standards in order to continue delivering a safe and comfortable experience for your customers to keep them coming back.
- Look for ways to turn your customers into advocates - a positive review can go a long way! Streamline how you ask for feedback, make sure positive feedback is shared publicly, and learn from feedback to improve experiences and attract new customers.

Check out our other reports

Latest Reports: Fall 2021

To download all past reports, visit: www.intouchinsight.com/consumer_habits_reports

Spring 2021

- Changes in Consumer Habits: Looking back over the last 12 months of retail
  BONUS! Special feature on grocery and convenience included
- Changes in Consumer Habits: Looking back over the last 12 months for restaurants and food service establishments

Fall 2021

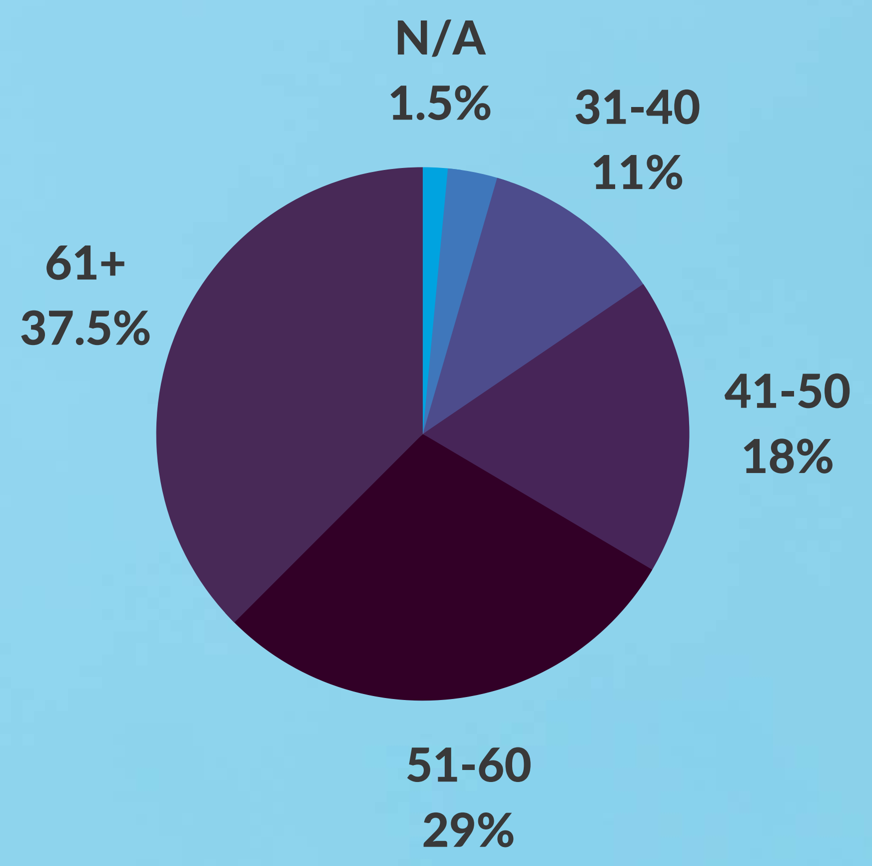
- Changes in Consumer Habits: A Six Month Comparison on the Evolution of Retail
- Changes in Consumer Habits: Looking ahead, learnings for restaurants and food service establishments
- Changes in Consumer Habits: A Six Month Assessment on the implications for Convenience and Gas Stations

May 2020

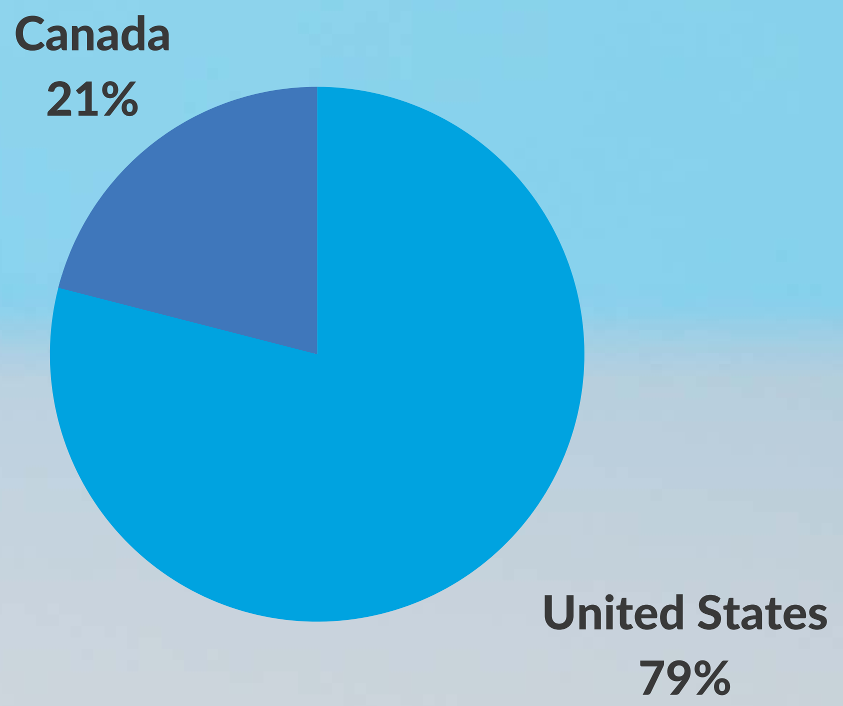
- Changes in Consumer Habits: A Field Study on the Future of Retail
- Changes in Consumer Habits: A Closer Look at Restaurants and Food Service Establishments
- Changes in Consumer Habits: Implications for Convenience and Gas Stations

Survey Demographics

AGE



LOCATION



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 to 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.

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

Offices:

Ottawa
400 March Road
Ottawa, ON, Canada
K2K 3H4

Montreal
2963 Joseph A. Bombardier
Laval, QC
H7P 6C4

Charlotte
1061 Red Ventures Drive, Suite 175
Fort Mill, SC
29707

To contact us:

1-800-263-2980
letschat@intouchinsight.com

www.intouchinsight.com