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The Evolution of US Shopping Habits during the COVID-19 Pandemic



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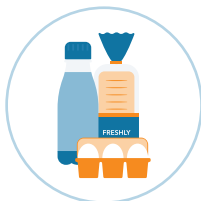
The health and economic crisis that is COVID-19 has created an unprecedented shift in consumer shopping behavior. With non-essential stores closed and fear on the rise, consumers have been taking measures from hoarding the essentials to taking extra precautions when shopping in-store.

As the situation continues to unfold rapidly and change on a weekly basis, Shopkick and Trax have joined forces to analyze these shifts in US shopping behavior over several weeks, from March 16 to April 20 to uncover key insights for brands and retailers.

Period 1 March 16 – 18, 2020

Shopkick issued its first user survey March 16 – 18 to set a baseline for how consumers were shopping (or not), and what was important to them. At this early stage, 76% of consumers were already adjusting their shopping habits due to concerns about the pandemic.

Nearly half (47%) of consumers reported stocking up on essential items, with 78% saying it made them feel safer. These essentials included:



93%
Food items
and water



74%
Toiletries



58%
Cleaning
supplies



45%
Medicine and
medical items



41%
Pet supplies

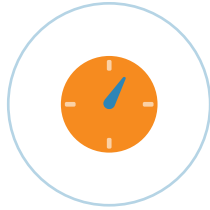
Percentage of consumers who reported stocking up on these household essentials

To 85% of Americans, **brand names do not matter during times like these.**

Consumers were taking extra precautions when shopping, as nearly 60% said they worried about shopping in-store. To mitigate their concerns, 85% said they were taking one or more additional precautions, such as:



92%
Disinfecting
hands and carts



66%
Shopping at
slower times



63%
Using debit/credit
cards to avoid
handling cash



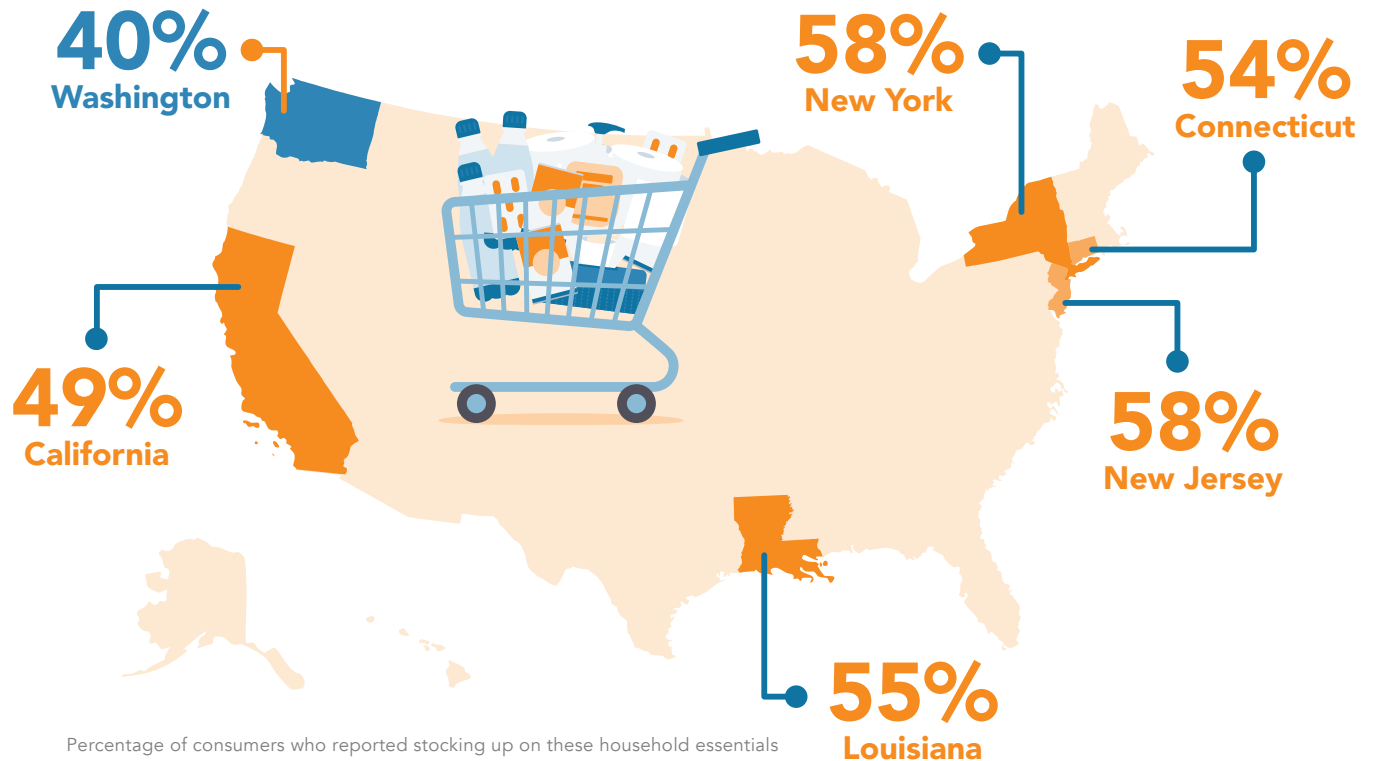
59%
Using self
checkout

Across the country, aisles were quickly cleared out. Nearly all consumers noticed household essentials selling out at their usual retailer or grocery store. The out-of-stock essentials included:



Stores responded quickly to customers hoarding the essentials, and 78% of consumers reported seeing store purchasing restrictions, such as limits on the number of specific items shoppers could buy.

Shopkick found that consumers' stocking-up habits differed in states with the most drastic restrictions, such as business closures, curfews and shelter-in-place policies. Residents of these states were stocking up more than the average American:



However, Washington residents reported relatively lower stocking up rates, at 40%.

At this point, it appears that shoppers weren't replacing physical store trips with online shopping, but were simply stocking up and visiting stores less frequently. In fact, only one in four consumers reported making more online purchases. Although most consumers were worried about shopping in-store, the majority (76%) said they were not shopping online more frequently. However, of those who were shopping online more frequently, 60% said they would continue to do so in the future.

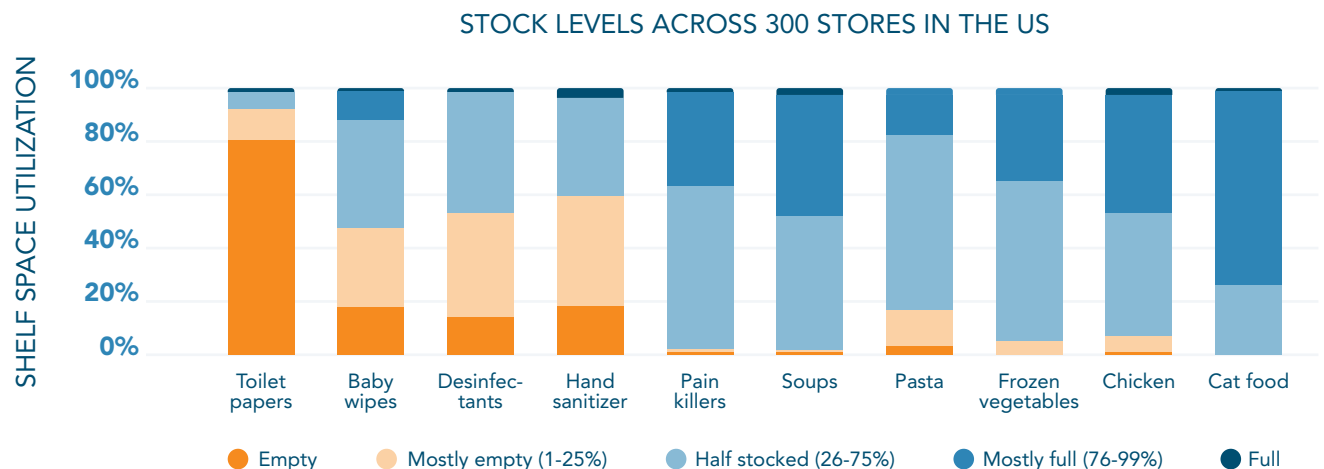
And finally, consumers were still finding time for fun. Despite the situation, 43% of consumers said their spending habits on fun, non-essential purchases had not changed. Five percent even reported spending more money on these types of purchases.

Period 2 March 30 – April 4, 2020

Similar data was uncovered by Trax, the parent company of Shopkick, during the week of March 30 - April 4. Trax's real-time shelf data collection highlights how panic shopping during the COVID-19 outbreak is reflected in large grocery chains. Trax processed over 25,000 images of shelves carrying 10 essential product categories to understand the reality of shelf availability in-store over this period.



During this week, Trax measured in-store merchandising conditions across 10 product categories in over 300 stores in the US. The graph below represents the real-time availability of items on shelves:

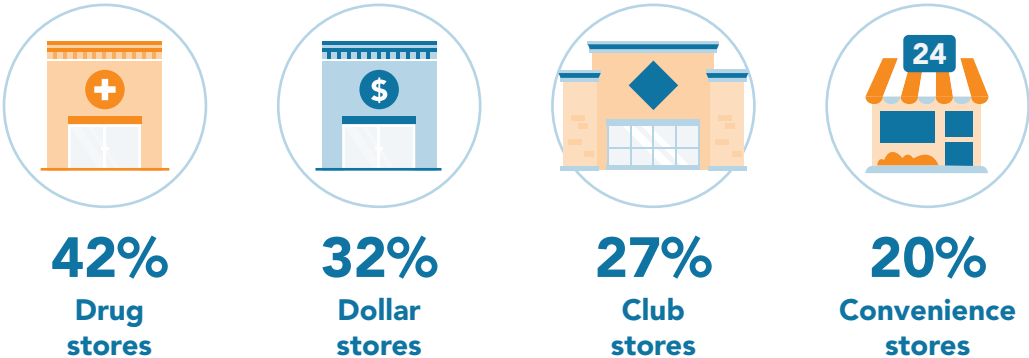


Not surprisingly, toilet paper was the hardest to find anywhere with 80% of stores being completely out of stock and another 12% of stores with less than 25% of the shelves stocked. Baby wipes and disinfectants were also scarce resources, as these shelves were half-full at best. On the other hand, over 90% of the stores kept cat food stock at higher levels while soups and pasta, very much in demand during these times, were reasonably well-stocked and widely available.



Concurrently, Shopkick ran its second user survey to once again ask more than 26,000 consumers across the country about their shopping behaviors in light of the crisis.

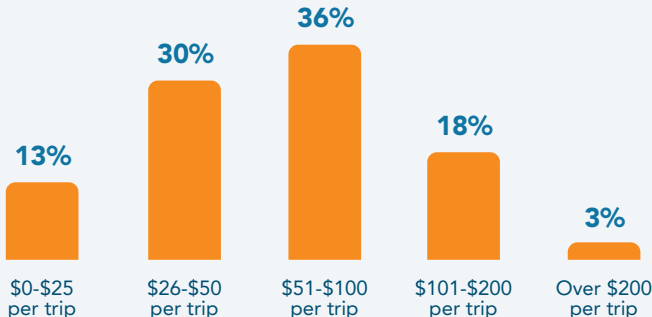
This time, we found that shoppers were still visiting a variety of physical retailers. Although most shoppers were heading to grocery stores and big box retailers to snag the essentials, they were also taking advantage of inventory at less frequented retailers, including:



Shopping trips were still less frequent. Nearly three out of four consumers (72%) were taking fewer shopping trips compared to before the COVID-19 outbreak. However, nearly 80% said this wasn't because they were shopping online more frequently - a trend also reflected in a previous Shopkick survey which found that only one in four consumers is making more online purchases.

In addition, consumers were spending the same or more than usual at checkout. Thirty-nine percent of consumers reported spending more money per shopping trip than before the COVID-19 outbreak, while 36% said they were spending about the same.

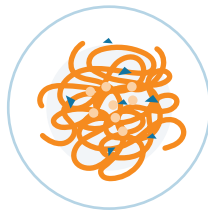
AVERAGE SPEND PER TRIP



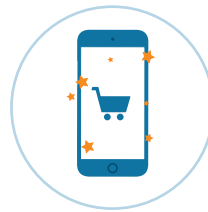
As Americans continued to navigate the economic crisis, they sought to stretch their shopping dollars. With 86% of people spending most of their budget on food and beverages, it makes sense that most consumers are trying to stretch their shopping dollars by:



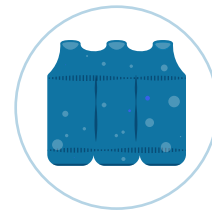
63%
Eating
leftovers



54%
Cooking
budget-friendly
meals



46%
Using
shopping
rewards apps



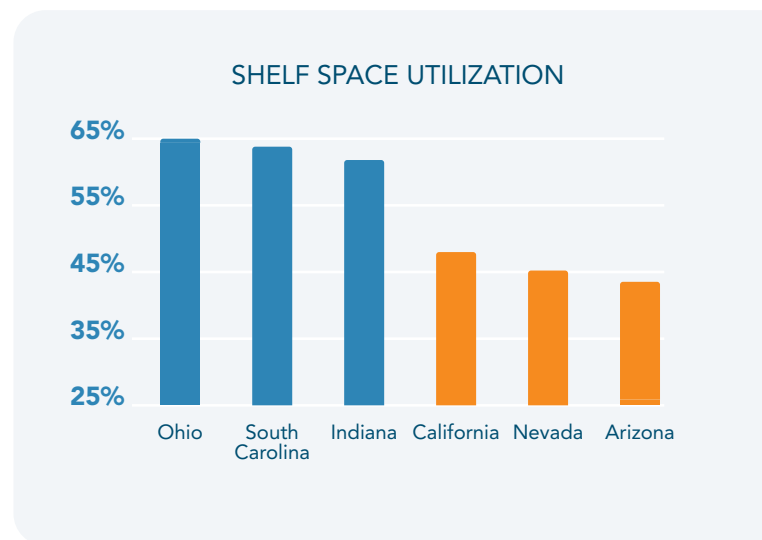
32%
Buying
in bulk

The majority of consumers (69%) are purchasing different brands if their preferred one is not available, instead of not making a purchase at all (14%), trying to find the brand at another store (10%) or trying to find the brand online (3%). This trend also reflects previous findings that, to most (85%), brand names do not matter during times like these.

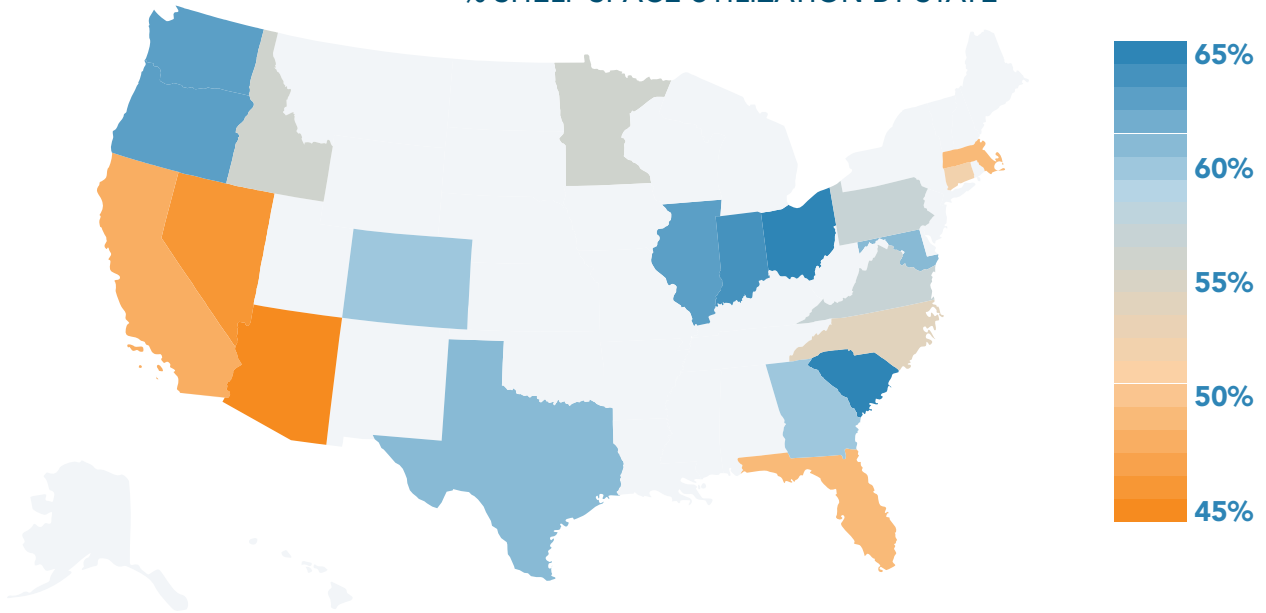
Period 3 April 5 - 10, 2020

Trax also looked at US state comparisons in product availability over a two-week period up to April 10. A total of 50,000 images were collected and analyzed to create a holistic view of on-shelf availability (OSA) by state. The Trax Image Recognition system instantly determines the exact shelf space utilization level by applying computer vision and AI algorithms.

In Arizona, Nevada and California, shoppers were faced with emptier shelves compared to states like Ohio, South Carolina and Indiana, which were found to have the lowest levels of inventory in the examined categories.



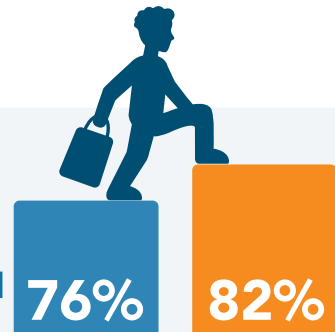
% SHELF SPACE UTILIZATION BY STATE



Period 4 April 16 - 20, 2020

Shopkick issued a follow-up user survey, posing the same questions asked in the prior periods to look at how answers changed over time. As was expected, tensions were on the rise as the national stay-at-home orders were in effect and people were developing a much clearer understanding of how the virus spreads.

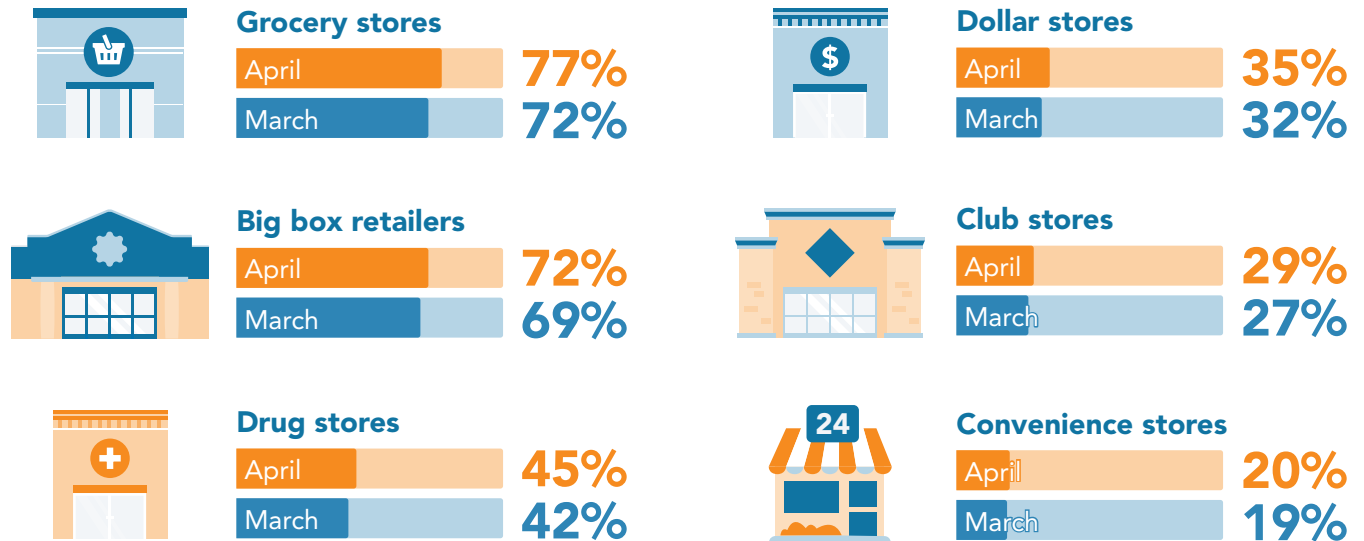
In the March Shopkick survey, 76% of consumers said concerns about the virus were affecting their shopping habits. Now, that number had jumped to 82%.



45% of consumers also said they were more concerned.



Consumers remained open to trying new brands and products, with more taking advantage of varied inventory at different types of retailers. The number of consumers visiting a wider range of store types increased in this period, with a higher percentage saying they were shopping in:



During this period, American were only braving stores once a week. In the March survey, 50% of consumers said they averaged one trip to the store per week. Now, with social distancing orders in effect across the country, that number increased to 60%, with a near 10% drop in more frequent shopping trips across the board.

When shopping in the store, 91% of consumers reported taking additional health precautions while shopping in-store, compared to 85% previously. These precautions included:



Due to new government regulations, many shoppers were now also wearing protective masks (78% and gloves (42%) while in stores.

The data also showed that younger shoppers were still stocking up on essential items. Most Gen Zers (67%) and Millennials (58%) said they were still stocking up this month, compared to less than half of Gen Xers (49%) and Boomers (42%).

As the economic crisis ticked on, consumers began spending less on non-essential purchases. In March, slightly more than half of consumers said they were spending less on non-essential purchases (52%). Now, that number increased to 67%.

And finally, toilet paper was still out of stock. Americans were still struggling to find essential items on store shelves, with 64% reporting these items as sold out or low-in-stock. Consumers said the essentials most frequently out of stock included:



91%
Toilet paper



81%
Cleaning
supplies



71%
Paper towels



59%
Medical items

Meanwhile, other essentials like soups and canned goods (37%), baby wipes (35%), pasta (33%), painkillers and medicine (23%) and pet supplies (8%) appeared to be making their way back to shelves.



It remains to be seen how long stay-at-home orders will go on, and what a re-opening of the economy will look like in the US. As of late April, some brick-and-mortar stores are already planning for a re-opening, but what that looks like is likely to be much different than before.

For more insights from Shopkick and Trax on COVID-19, and to discuss how these insights can help brands and retailers get back on track, email us at partners@shopkick.com