

SPECIAL REPORT

COVID-19 & The Future of Commerce

A Look at the Dramatic Shifts in
Consumer Shopping Behavior



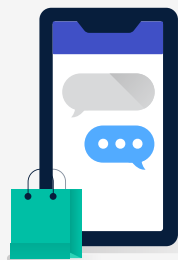
Overview

COVID-19 has left an indelible mark on virtually every facet of life. From how we work to the way we interact with friends and family, new behaviors have been adopted across our society.

In the business world, operations were turned upside down overnight. And while many businesses were hit hard by the pandemic, the crisis has given way to the rapid emergence of contactless communication and commerce. They have enabled companies to meet new demand and keep their customers safe in the process. For example, contactless commerce has become commonplace with big-box retailers, grocery stores and all types of restaurants expanding their curbside pickup services.

And while some of these new models have been conceived as temporary solutions, evidence suggests that COVID-19's impact on consumers will be longer lasting. In fact, 87% of consumers say businesses should continue to offer options like curbside pickup that limit the need for in-person visits.

With this in mind, Zingle commissioned a research study to more than 1,000 American consumers to see just how their behaviors, views and interactions have been altered by the crisis and the potential opportunities brands have to reimagine the future of the customer experience.



87%

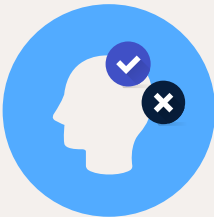
of consumers say businesses should continue to offer options like curbside pickup that limit the need for in-person visits.



Key Findings



79% of consumers say that going forward they will seek out information on the type of health and safety standards and processes businesses have in place before visiting them.



77% of consumers report that in the future the amount of in-person interaction required at a business will factor into their decision of whether or not they visit the business.



43% of consumers say it would greatly increase their likelihood of visiting a business if it were to proactively communicate its safety standards and processes, and another 39% said it would somewhat.

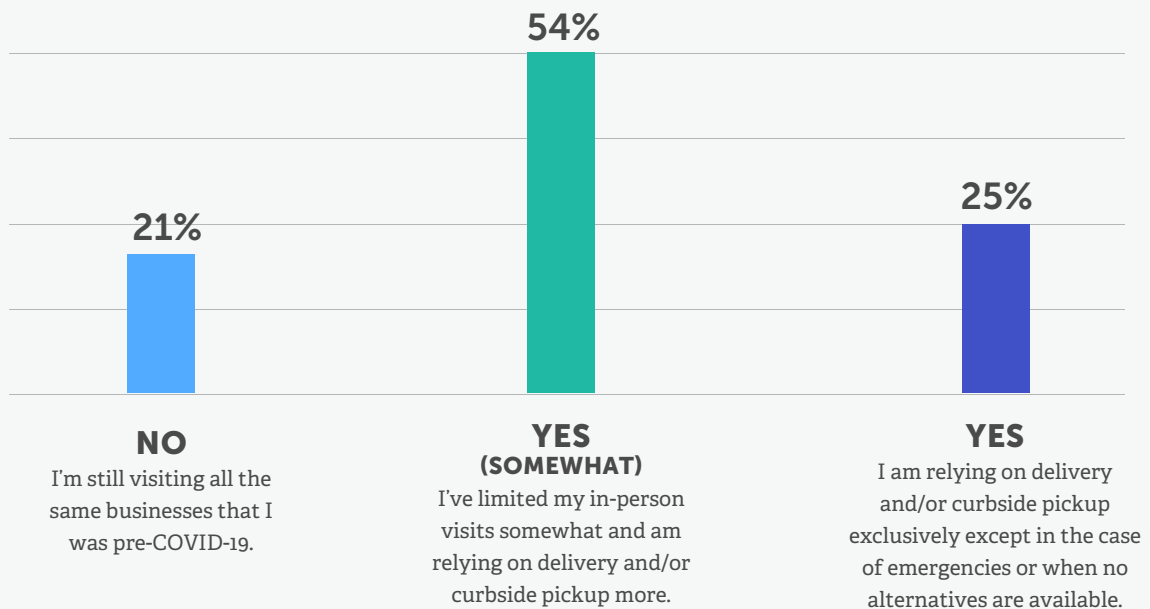


45% of consumers say that their experience with businesses that have added curbside pickup since COVID-19 have been a little rocky or poor.

QUESTION ONE

Have you changed your shopping behavior since COVID-19?

General Responses:



Looking Deeper:

36%

of Gen Z were the most likely to rely on curbside pickup or delivery exclusively and 30% of Millennials.

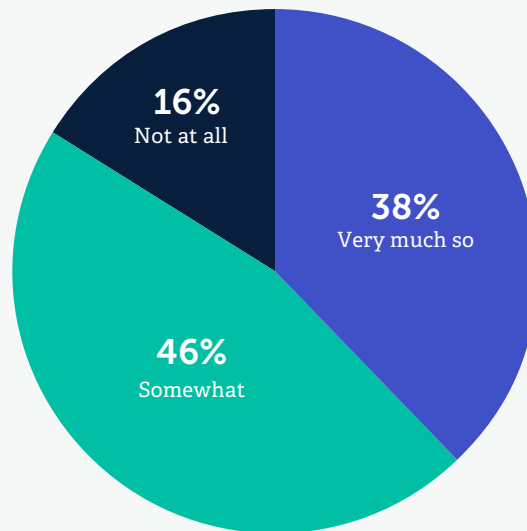
31%

of those in the Mountain region (Wyoming, Montana, Idaho, New Mexico, Nevada, Utah, Arizona) were the most likely to say that they were still visiting all the same businesses that they were pre-COVID-19.

QUESTION TWO

As social distancing requirements loosen over the next six months, will you continue to minimize visiting businesses in person?

General Responses:



Looking Deeper:

84%

of respondents say that they will at least somewhat minimize in-person visits over the next six months, even as social distancing requirements loosen.

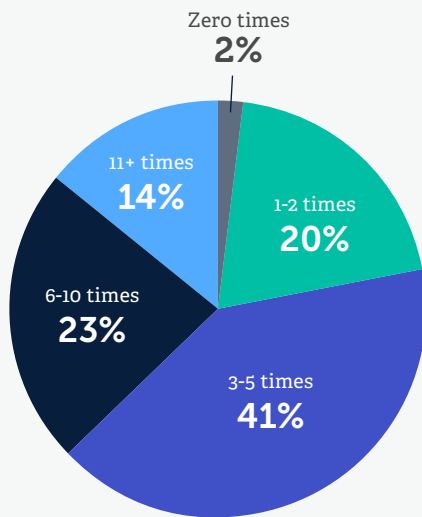
25%

of respondents from the Mountain region were the most likely to say "not at all".

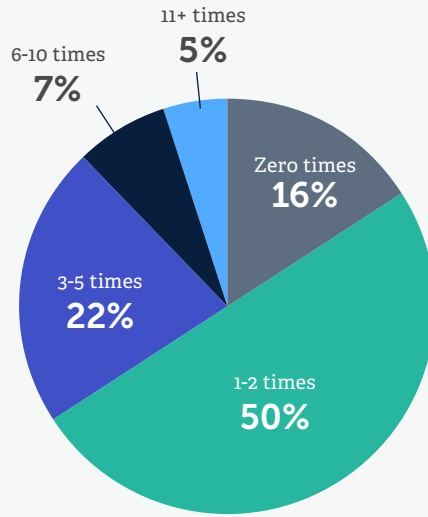
QUESTION THREE

How many times in a week do you typically visit a business (grocery store, retail, restaurant, bar, etc.) in person?

General Responses:



Before COVID



After COVID

Looking Deeper:

78%

Before COVID-19, 78% of consumers visited businesses at least three times a week, but currently, that percentage has dropped to just 34%.

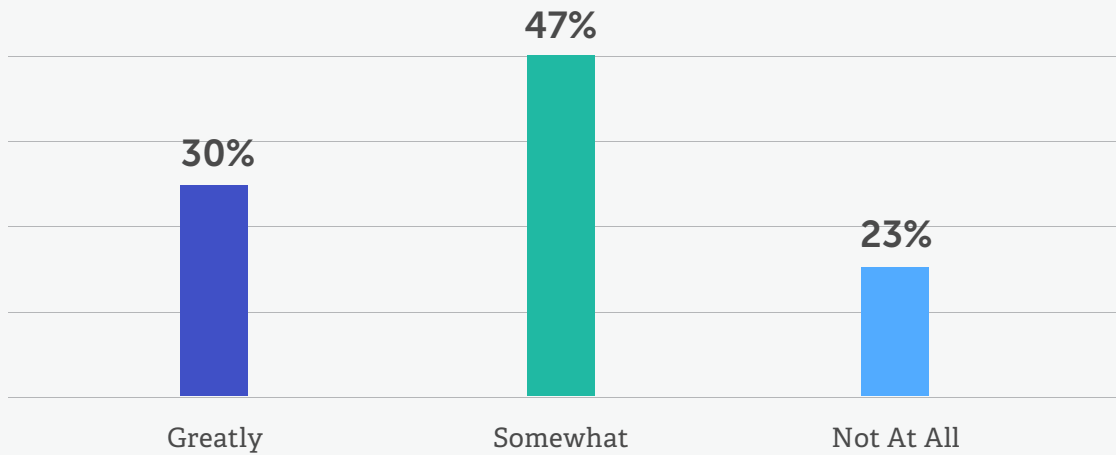
22%

Put another way, only 22% of consumers visited two or less businesses a week, before COVID-19, but that number is now 66%.

QUESTION FOUR

Going forward, will the amount of in-person interaction required at the business factor into your decision of visiting it?

General Responses:



Looking Deeper:

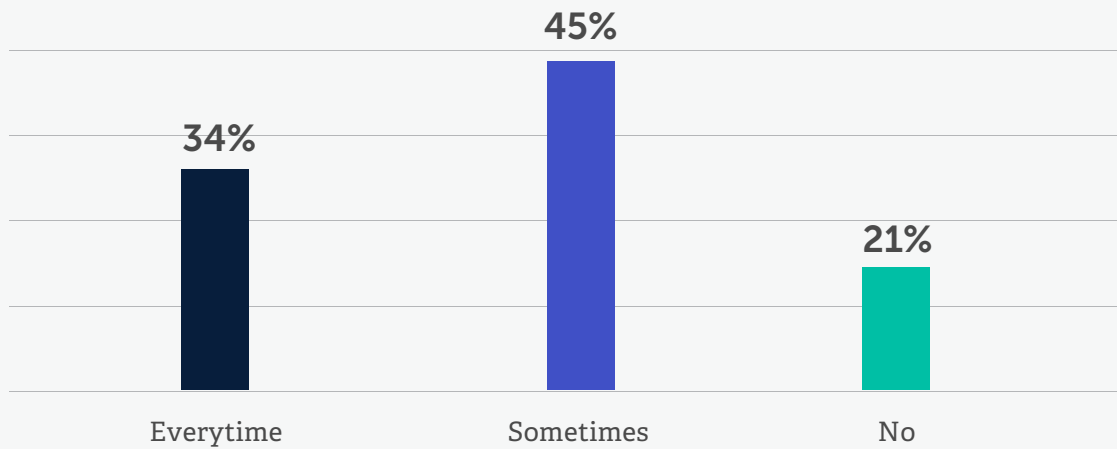


These results are similar to what an EY study from April found, that **42%** of respondents believe the way they shop will fundamentally change as a result of the COVID-19 outbreak.

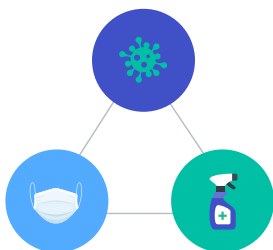
QUESTION FIVE

Going forward, are you likely to seek out information on the type of health and safety standards and processes businesses have in place (social distancing, sanitization, etc.) before visiting them?

General Responses:



Looking Deeper:



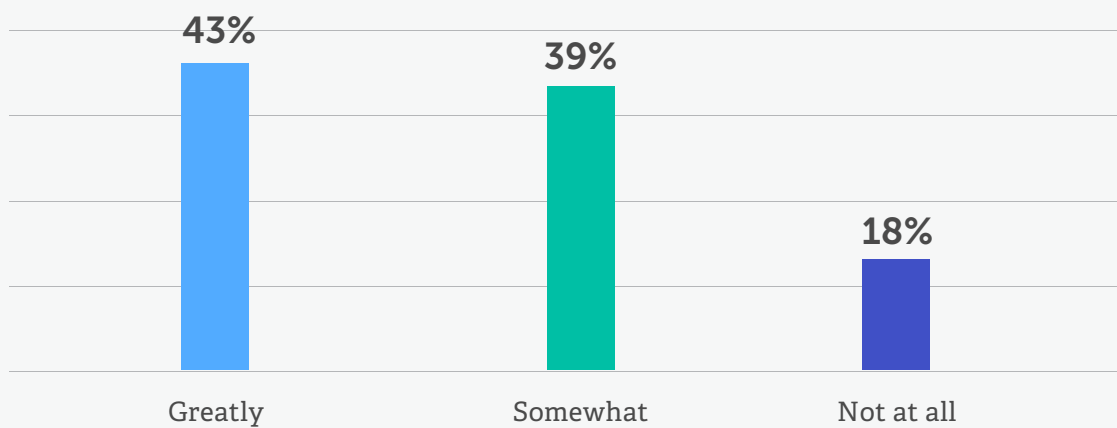
77%

In a recent study from Capgemini Research Institute, 77% of consumers said they will be more cautious about cleanliness, health and safety in the post-pandemic era. This further highlights the need for businesses to make it easy for consumers to clearly see the steps they are taking to keep customers safe.

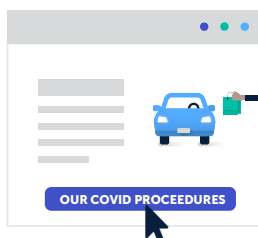
QUESTION SIX

Would it increase your likelihood of visiting if a business were to proactively communicate its safety standards and processes?

General Responses:



Looking Deeper:



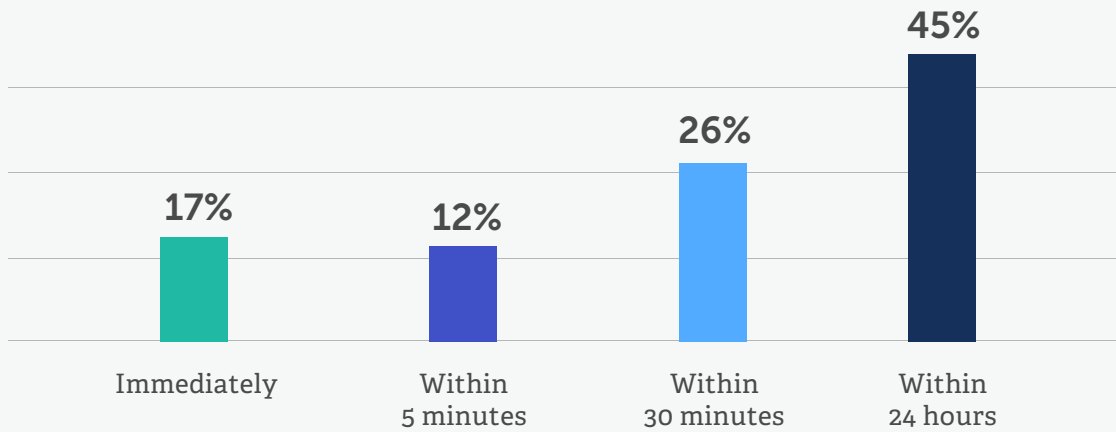
77%

of consumers say a brand's marketing communications should not ignore or turn a deaf ear to the crisis, but rather make sure to recognize it and acknowledge the impact it is having on people's lives. (Source: Edelman)

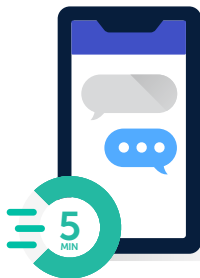
QUESTION SEVEN

If you have questions or concerns about a business' safety standards and processes before visiting, how quickly do you expect a response if you call, email or message the business?

General Responses:



Looking Deeper:

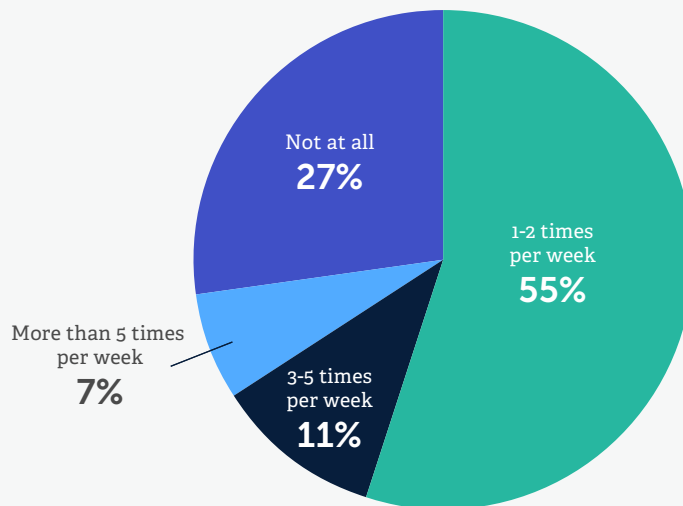


When combined, **29%** of consumers expect a response within 5 minutes and **55%** within 30 minutes. This is in line with Zingle's recent Value of Service Report that found **60%** of consumers won't wait in line or on hold for more than 5 minutes.

QUESTION EIGHT

How often have you used a form of curbside pickup since COVID-19?

General Responses:



Looking Deeper:

77%

of Millennials are using curbside pickup at least once a week and 74% of Gen Z.

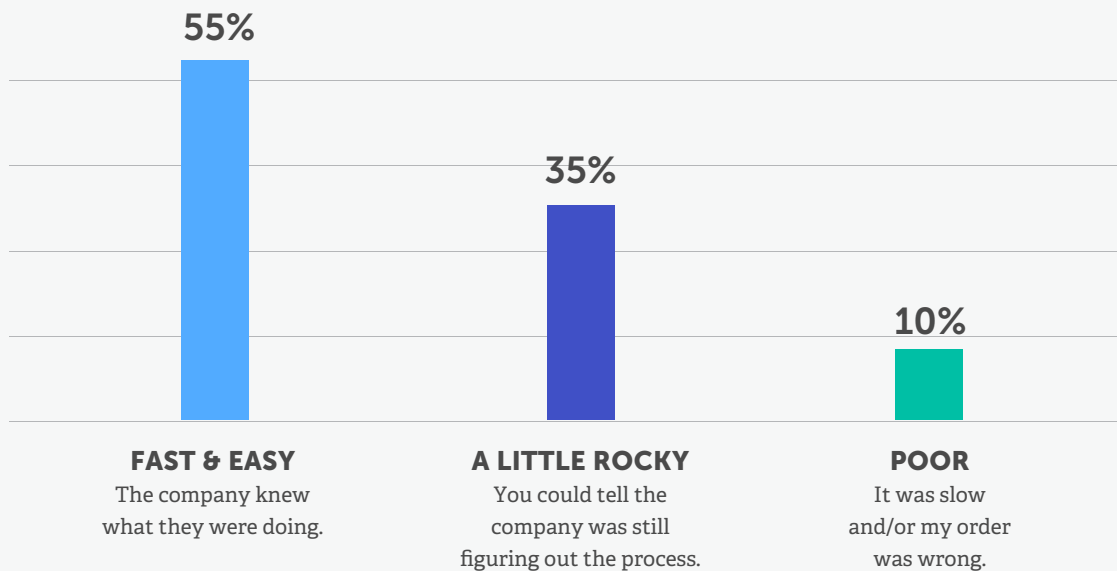
69%

of respondents from New England were significantly more likely than other regions to report using curbside pickup 1-2 times per week.

QUESTION NINE

How would you describe your experience with businesses that have added curbside pickup options since COVID-19?

General Responses:



Looking Deeper:

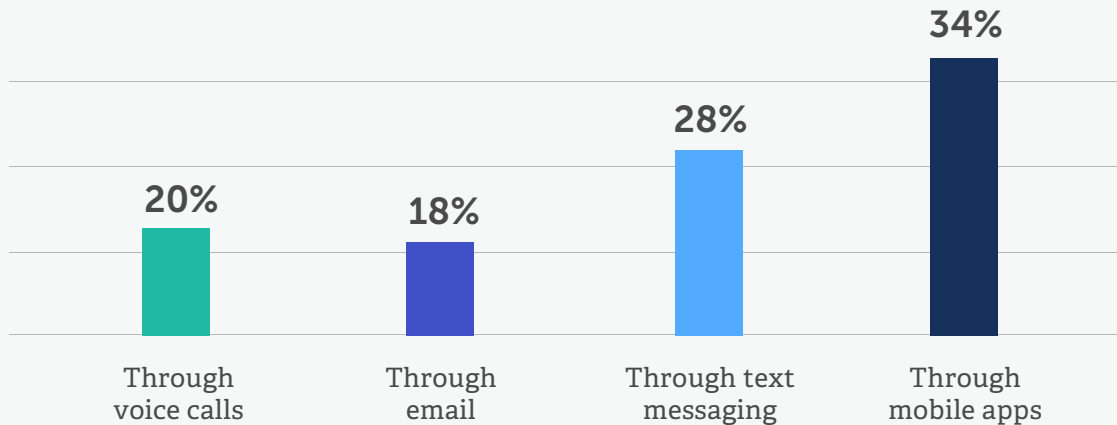


Consumers say **45%** of businesses are providing a rocky to poor experience. In Zingle's Value of Service Report, **22%** of consumers said if expectations aren't met they would definitely not return and 55% said they'd be less likely to.

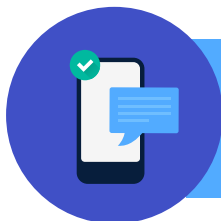
QUESTION TEN

During any experiences with curbside pickup, what have been the most common ways businesses have communicated with you to coordinate the timing and process?

General Responses:



Looking Deeper:



In Zingle's 2019 Customer Service Report, **45%** of respondents said they would prefer texting businesses over phone, email and in person, with an additional **36%** saying they might.

QUESTION ELEVEN

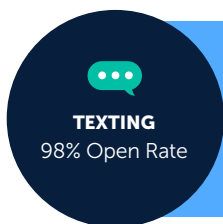
Do you think it would be easier and faster to use text messaging to communicate with a business to coordinate curbside pickup?

General Responses:

 **80%**
said yes

 **20%**
said no

Looking Deeper:



In Zingle's Value of Service Report, **62%** of consumers said they'd communicate with businesses more if they could text message. For businesses, texting provides a more immediate channel with an open rate of **98%** for texts (Gartner) and **82%** of texts are read in the first five minutes (Flowroute).

QUESTION TWELVE

Do you think brands should continue to offer options for things like curbside pickup that limit the need for in-person visits?

General Responses:



Looking Deeper:



63%











A recent McKinsey study found that **63%** of US consumers believe they will need to adjust their routines for 4+ months in light of COVID-19, echoing the results from this study and further validating the need for businesses to continue to offer contactless options for anxious consumers.

QUESTION THIRTEEN

Going forward, what types of items or businesses would you like to shop at or interact with using curbside pickup?

(check all that apply)

General Responses:

- | | |
|---|---|
|  Auto Dealer/Service: 16% |  Pharmacy: 54% |
|  Beauty/Personal care: 24% |  Pet Supplies: 37% |
|  Fashion/Apparel: 20% |  Restaurant: 69% |
|  Grocery: 68% |  Sporting Goods: 16% |
|  Home Goods/Supplies: 45% |  Other: 11% |

Looking Deeper:

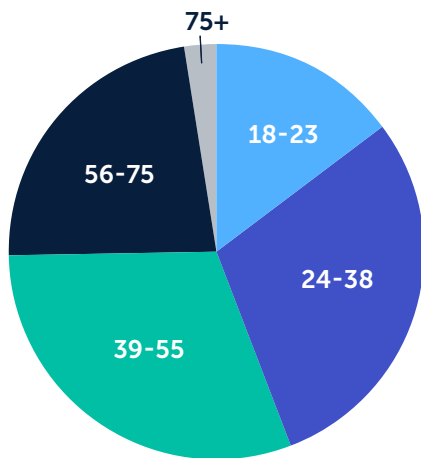


It's no surprise so many retailers and restaurants expanded curbside pickup options — like Dick's Sporting Goods, Home Depot, Petco, Aldi, Kohl's, CVS Health, Starbucks and Yard House to name just a few. In the first quarter of its fiscal year ending in May, Target reported 5 million consumers shopped at Target.com for the first time, with 2 million picking up their orders curbside. Similarly, Walmart reported a **74%** growth in ecommerce sales and four times more customers trying curbside pickup compared to recent periods pre-COVID 19.

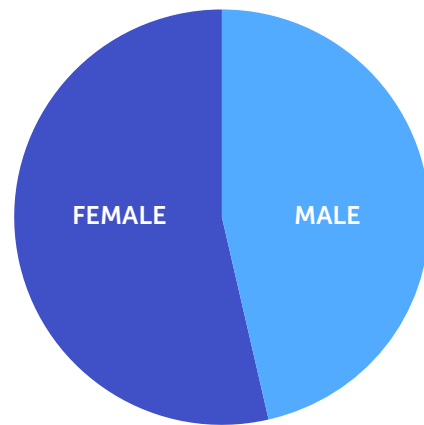
Methodology

A digital survey of 1,095 U.S. consumers was conducted on 5/21/20 and was weighted by age, region, and gender for an accurate representation of the U.S. population.

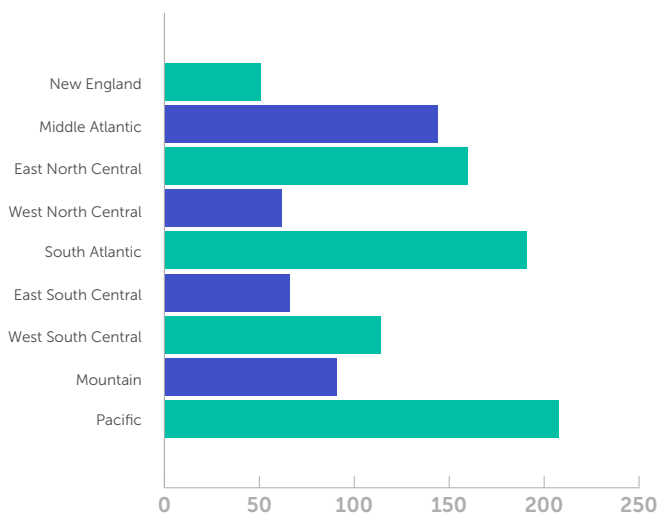
Age Breakdown



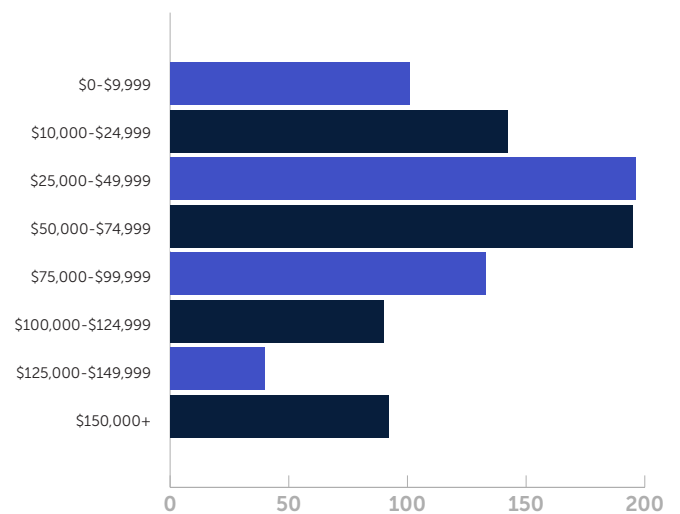
Gender Breakdown



Geographic Breakdown



Income Breakdown



About Medallia Zingle

Medallia Zingle empowers businesses to engage, support and respond to customers in more meaningful and impactful ways. Zingle's customer engagement platform combines artificial intelligence and machine learning with workflow automation and mobile messaging, allowing brands to easily deliver exceptional customer experiences in real time. Leading brands across different verticals, including hospitality, food & beverage, retail, and more, use Zingle to increase efficiency, improve operations and delight their customers. Zingle is a division of Medallia, the pioneer and market leader in experience management. Find out more at zingle.com.

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