

Research Report

Consumer Shopping Habits During The COVID Pandemic

Consumers share how their shopping habits have changed, and how retailers can get them to spend.

About CodeBroker

CodeBroker's mobile marketing solutions are used by the world's most recognizable brands and retailers to engage consumers, drive purchases, and build loyalty.

OFFER & COUPON MARKETING PLATFORM >

Suite of applications that empower marketers to create, deliver, orchestrate, and measure personalized omnichannel offers and campaigns across the customer lifecycle.

SINGLE-USE COUPONS & OFFERS >

Secure distribution and redemption of single-use offers, digital coupons, and promo codes across multiple channels.

MYOFFERS DIGITAL WALLET >

Branded digital wallet gives customers mobile and desktop access to your latest offers and promos.

TEXT MESSAGE MARKETING SOFTWARE >

Enterprise-class text marketing software combines advanced text message marketing features with ease of use.

We invite you to learn more at www.codebroker.com.

Research Overview

The COVID-19 pandemic has had an overwhelming impact on consumers' lives. Even though most stores have re-opened, shopper behavior continues to be dictated by each consumer's unique situation, such as income security, health concerns, and new priorities.

In our new research, we look at the changing attitudes of U.S. consumers as they adapt to a new reality. The research explores how shopping behaviors have changed, which changes are likely to continue, and what retailers can do to reinvigorate retail spending while the pandemic remains with us.

To access other CodeBroker research reports, please visit www.codebroker.com/mobile-engagement-research-and-ebooks

About the Research Participants

1,407 U.S. consumers participated in the research.

Age range:

18 to 23:	18%
24 to 39:	29%
40 to 55:	30%
55+:	23%

Gender:

Female:	54%
Male:	46%

Household Income:

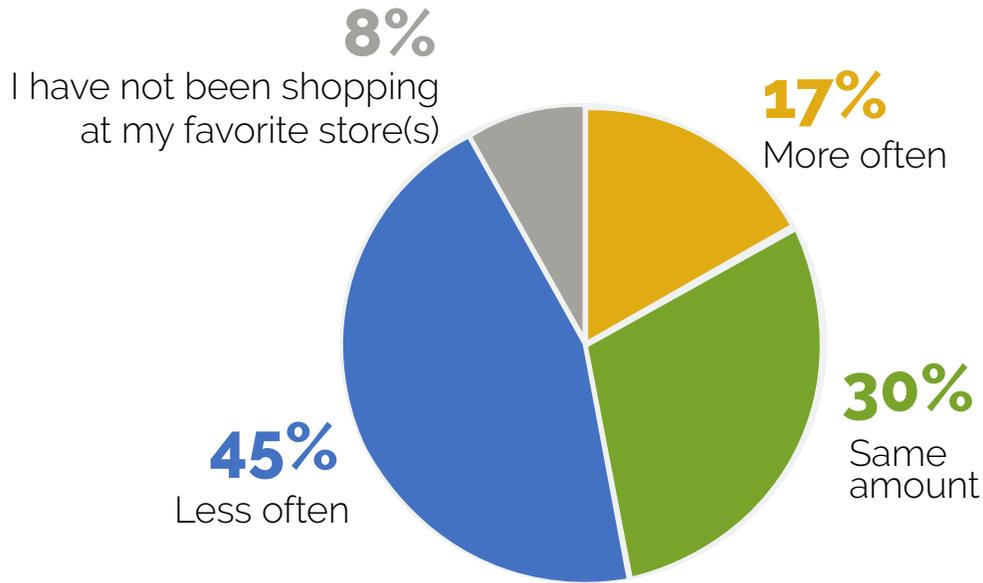
\$0 - \$9,999	8.6%
\$10,000 - \$24,999	12.6%
\$25,000 - \$49,999	18%
\$50,000 - \$74,999	17%
\$75,000 - \$99,999	12%
\$100,000 - \$124,999	9%
\$125,000 - \$149,999	4.8%
\$150,000 - \$174,999	2.5%
\$175,000 - \$199,999	1.7%
\$200,000+	3.8%
Prefer not to answer	10%

Key Takeaways

1. Since the pandemic started, more than half of the research respondents said that they are shopping less often, with three-quarters spending less at their favorite stores.
2. Nearly two-thirds of the respondents indicate that their lower spending levels will continue.
3. Since the pandemic started, nearly two-thirds have been shopping more at Amazon and less with their favorite retailers.
4. Three-quarters of respondents indicated that they would shop more at their favorite stores if they received mobile or digital coupons, or free shipping on returns.
5. A little more than half of respondents said that now that their favorite stores have re-opened, they are planning to shop at their physical locations.
6. High-value mobile or digital coupons will get nearly two-thirds of shoppers to visit a physical store.

The Results

Since the pandemic started, how often have you been shopping at your favorite store(s) – either in-store or online?



It shouldn't come as a surprise that shopping is down significantly at both online and physical stores since the pandemic started. Many respondents' comments pointed to the fact that they still do not feel safe shopping at physical stores unless it is for an item that they absolutely need. A large number of respondents also indicated that they are limiting their retail spending for financial reasons due to the uncertain economy.

Respondent Comments:

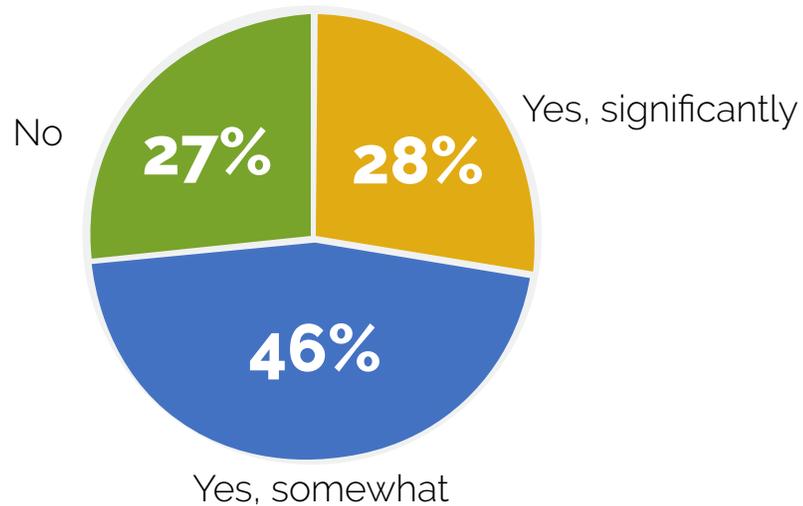
"Just trying so save extra money now so I only buy what I really need."

"I shop more online since the pandemic began."

"I'm trying to save money."

"My online shopping has increased for sure."

Have you been spending less with your favorite retailers online and in-store since the pandemic started?



In question 1, we learned that the frequency of online and physical store visits is down over 50%. Here, in question 2, we asked about spending levels. As you can see from the chart, retailers are also seeing a substantial drop in spending compared to pre-pandemic spending levels – with about 75% of respondents indicating that they are spending less – 27% significantly less.

Respondent Comments:

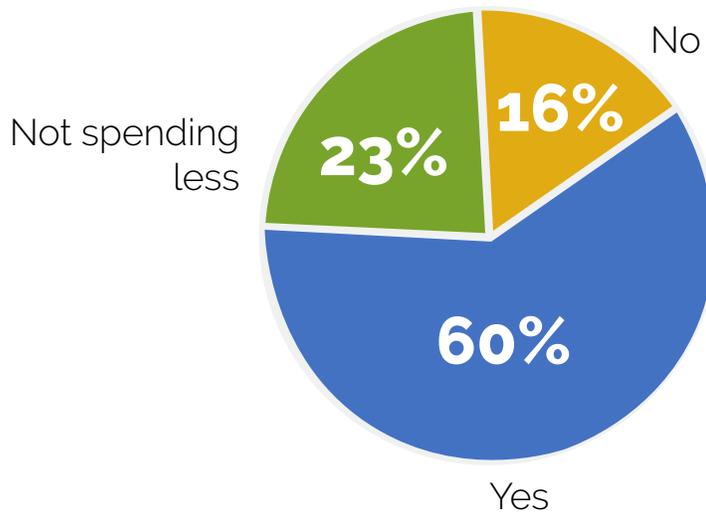
"I moved almost all my dry goods purchases to Amazon."

"I'm shopping more online because of social distancing and trying to be careful."

"My wife and I have been spending less in general. We cut back on all non-essential purchasing."

"When we get through this pandemic, we will return to normal spending."

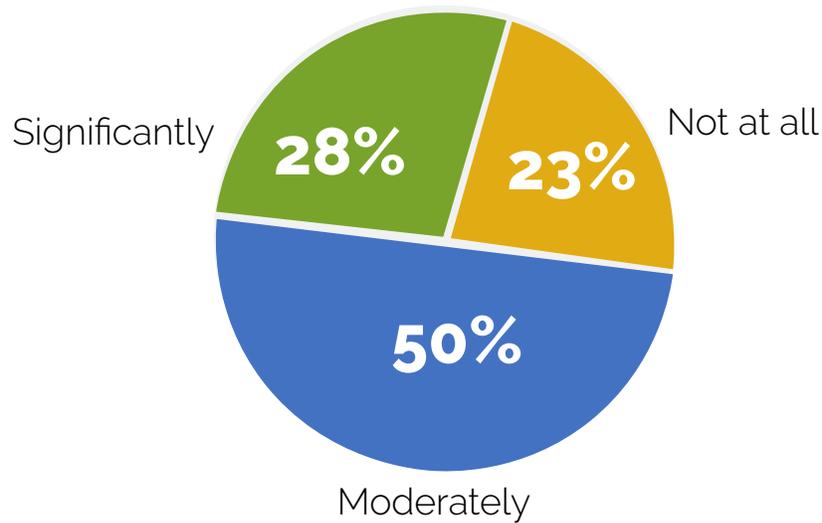
If you are spending less with your favorite retailers, do you expect your lower spending levels to continue during the current pandemic?



Over 60% of respondents indicate that they expect that they will continue to spend less as the pandemic continues. Though this isn't the news that retailers want to hear, respondents provided insights, seen in the second half of this report, into ways that they can compel retailers to increase their spend, both in physical stores and online. Based on comments from hundreds of respondents, three actions retailers can take to try to maintain revenue include:

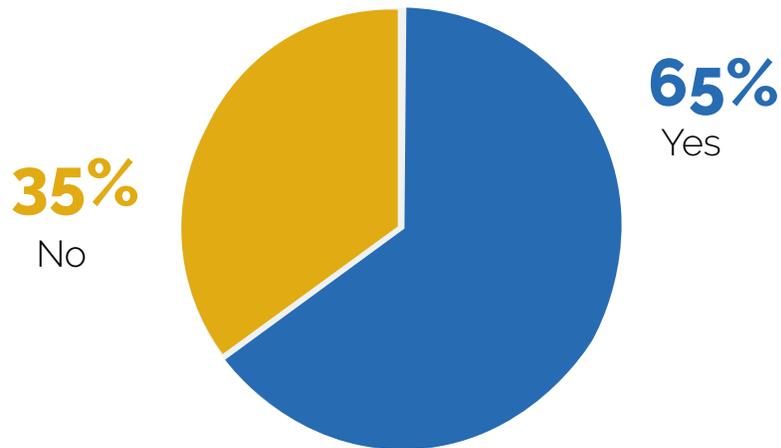
1. Make shopping safe by employing mandatory wearing of masks in stores.
2. Employ high-value mobile and digital coupons.
3. Offer free shipping on returns.

How much has your online shopping increased as a portion of your total shopping since the pandemic started?



It's no surprise that online shopping has increased significantly as a portion of overall shopping. Most stores closed during the beginning of the pandemic, pushing shoppers to online stores. In addition, according to feedback from survey respondents, many consumers are continuing to shop online due to health risks posed by the pandemic.

Since the pandemic started, are you shopping more at Amazon and less at your favorite retailers' online stores?



One of the biggest challenges for retailers for several years now has been defending market share against Amazon. This has become even a larger issue for retailers since the pandemic started. In many cases, consumers like the convenience of being able to purchase more products in a single location along with more competitive prices. The good news for retailers, however, is that there are some ways that they can win back this business, as we see in the next two questions.

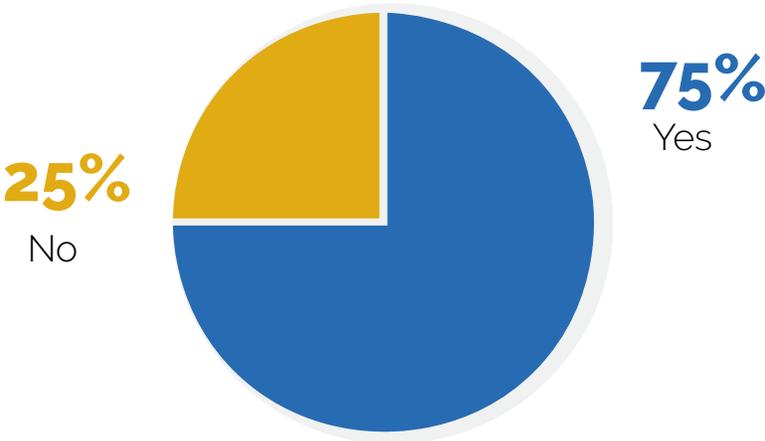
Respondent Comments:

"Amazon is my new best friend."

"I will shop at my favorite retailers' stores if they can beat Amazon's prices."

"I'd shop at other retailers if they provide free shipping."

Would mobile or digital coupons from your favorite retailers encourage you to purchase from their online stores rather than from Amazon?

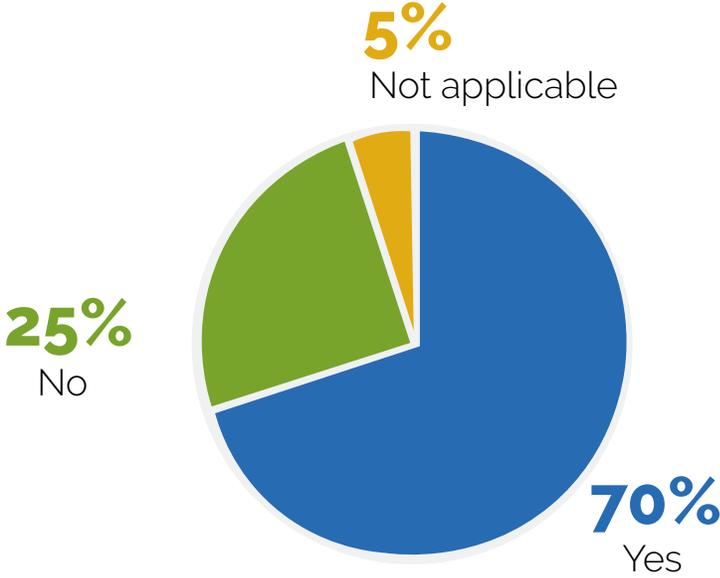


Coupons are as popular as they've ever been, and coupon offers are the key for retailers to retain customers and defend against Amazon during the pandemic. Just over 75% of respondents said that they would purchase from their favorite retailers online, rather than from Amazon, if they had a savings coupon.

Respondent Comments:

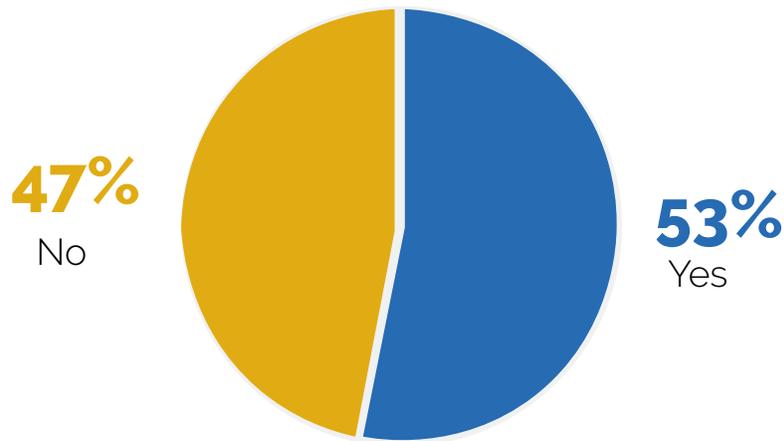
"If the coupon can beat Amazon's pricing, then yes."

Would free shipping on returns motivate you to buy online from your favorite retailer rather than Amazon?



Besides offering mobile and digital coupons, another way that retailers can drive business during the pandemic, while also defending against Amazon, is to provide free shipping on returns. Free returns, in general, give online shoppers the security to take their business to the web. With online purchases at their highest levels for many shoppers, combined with tighter budgets for many, free shipping on returns will go a long way, with nearly 70% of shoppers saying that they would buy from their favorite retailers rather than Amazon if they offered free shipping on returns.

Now that your favorite stores have re-opened, are you planning to shop at their physical locations?

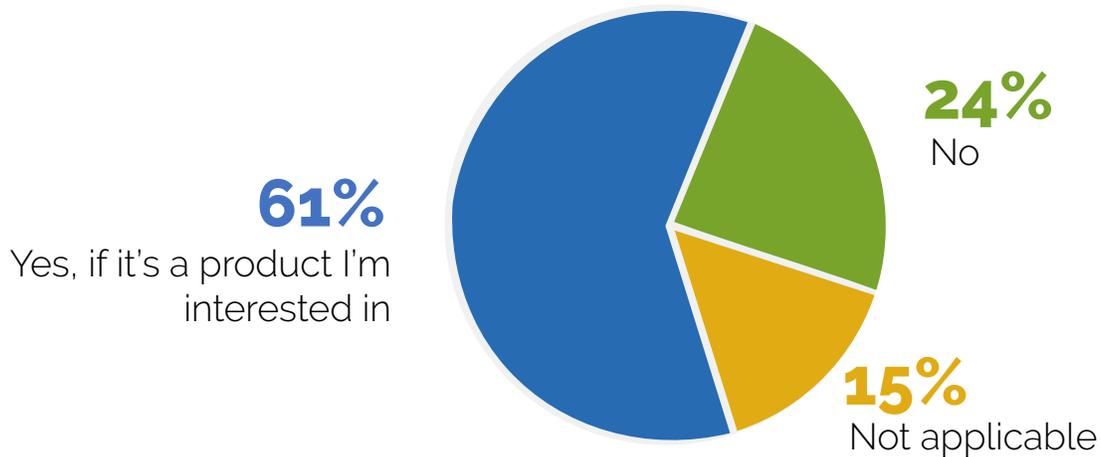


An encouraging sign for retailers is that more than half of the respondents do plan to shop at physical stores now that they are opened. Based on respondents' comments, it appears that a key factor in getting shoppers back into stores is a policy that requires shoppers to wear masks.

Respondent Comments:

- "I can't afford to risk my life for shopping in person. I have already lost a friend so this is very real."
- "Only as absolutely necessary for something I need immediately."
- "I'm not comfortable yet."
- "Not while people aren't adhering to proper social distancing and mask wearing protocols."
- "I will start shopping once I find a need to do so."
- "Perhaps, if safety measures are implemented ."
- "Depends on how crowded they are. I don't anticipate shopping at physical locations very often."
- "Not until surge has lessened or vaccine is developed."
- "Not until this pandemic is over and there's a vaccine."
- "I am hoping to more, but probably will not significantly until it is safer."
- "I will go back to physical stores when I feel it is safe. Too many people refuse to wear masks and social distance."
- "Only for things that I don't want to spend shipping costs on."

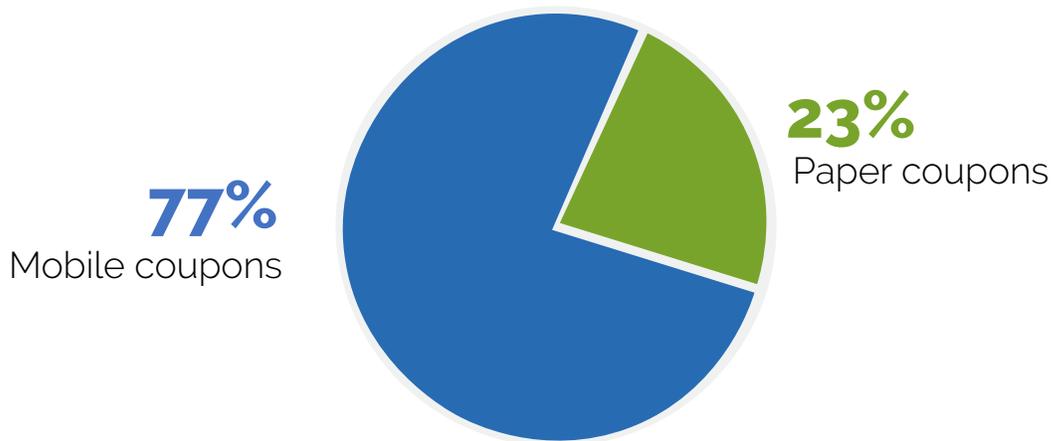
If you're not planning to shop at your favorite stores' locations, would high-value mobile or digital coupons for in-store use get you to change your mind and visit?



High-value coupons will get consumers back into stores. This is an opportunity for retailers to leverage their CRM systems to send personalized coupons and offers to customers based on their shopping history. It's also an opportunity to drive traffic among new customers by offering very attractive discount offers. With high-value offers, many retailers will want to employ [single-use coupons and offers](#) to ensure that:

- The customer always receives the same barcode regardless of the number of times, or channels in which, she requests the coupon.
- Once the coupon is used, it expires simultaneously across all channels.
- It is impossible for a customer to obtain a second copy of the coupon unless allowed by the retailer.

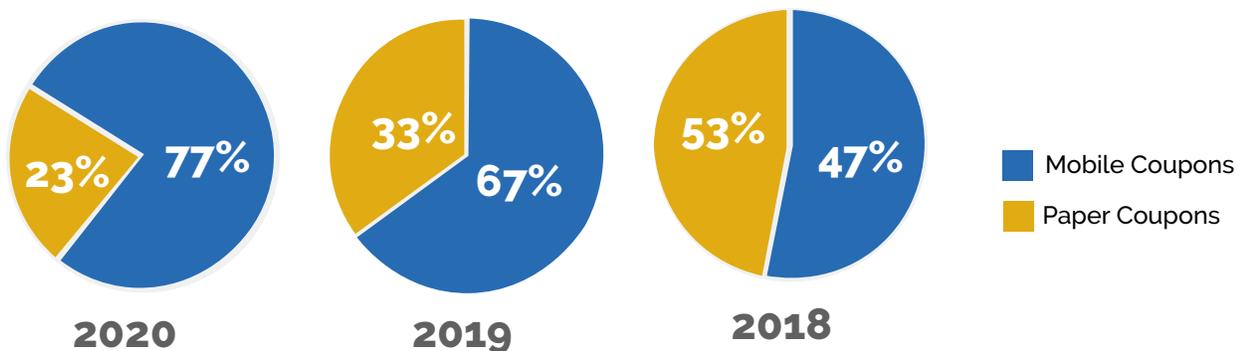
When you receive a coupon for use in physical stores, do you prefer mobile or paper coupons?



It's no surprise that consumer demand for mobile coupons has surpassed traditional paper coupons. Consumers are embracing mobile for the entire "coupon" experience: access, storage and redemption. Mobile coupons not only give more consumers what they want, but mobile coupons present marketers with new and improved possibilities for collecting data, tracking usage, and using that data for ongoing targeting.

Key Trend: Mobile Coupon Preference

Consumer preference for mobile coupons over paper consumers has been trending upward. In CodeBroker research conducted in 2019, 67% of respondents indicated that they prefer mobile coupons over paper coupons for in-store use. In 2018 CodeBroker research, only 47% preferred mobile over paper coupons.



In the same research, consumers indicated their preferred method for receiving mobile coupons:

- Email 41%
- Text message 38%
- Mobile App 21%

Where to Go from Here

CodeBroker invites you to learn about our enterprise-class solutions for mobile offer and coupon marketing and text message marketing. CodeBroker's solutions are used by many of the largest retailers and brands to enable an omnichannel approach to mobile marketing, with exceptional customer engagement and revenue results.

Contact CodeBroker today to learn more.

Email: info@codebroker.com

Phone: 800.928.7315

Website: www.codebroker.com