The pandemic is altering what, how, and where consumers are shopping

Article



The news: The pandemic, along with inflation and supply chain issues, has had a sizable impact on consumer shopping behaviors. For example, 62% of consumers said their in-store shopping habits have changed over the past year, per a new survey by Shopkick.

80% of consumers said price increases have made them more likely to wait on making a
purchase until there is a sale or coupon.

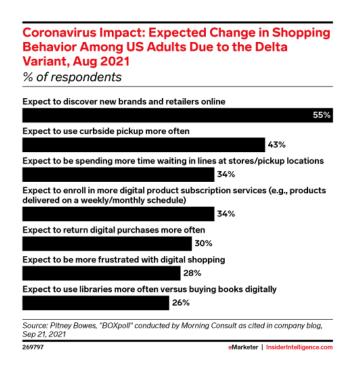




- 65% would buy the next-best option if their favorite brand was sold out or low in stock.
- 49% are buying less overall.

The pandemic has also altered the items that people buy, per Catalina's Buyer Intelligence Platform reported on by Supermarket News.

For example, beauty and personal care sales rebounded in 2021 from 2020, but remain depressed over the longer term. Take face cosmetics sales, which rose **21**% last year, but remained down **14**% when looking on a two-year basis.



More on this: The large share of consumers who now work from home at least part of the time has had a pronounced impact on shopping behaviors.

• 60% of consumers expect to work from home at least 50% of the time, and 40% plan to about 25% of the time, per a 2021 WD Partners survey that was <u>presented</u> at NRF 2022. Moreover, no consumers expected to return to the office five days a week. Those results have far-reaching implications as they help explain why there are a number of vacancies in prominent urban shopping districts such as San Francisco's Union Square where Crate & Barrel, The Gap, DSW, and H&M have all recently shuttered their stores.

- With all these workers staying at home, ecommerce is now the preferred method of shopping going forward for **68**% of respondents, up from less than 30% before the pandemic in 2019.
- And if these shoppers do visit a physical store in the future, 37% of respondents said they'd be most likely to choose "local," or within a three-mile radius.
- That puts the onus on retailers to locate stores where their customers are. Some retailers have already taken steps to do so, such as **Target**'s local stores, convenience store and delivery service **Foxtrot**, which operates in urban neighborhoods in Chicago, Dallas, Washington, DC, and Virginia, as well as **Ulta Beauty**'s locally focused stores.

The big takeaway: Retailers need to recognize and adapt to evolving shopping behaviors. While there are numerous short-term issues that have driven consumers to shop online, shop locally, and shift the items they purchase, once formed, those habits are likely here to stay.