

The COVID-19 Impact on Shopper Insights

The Covid-19 crisis has drastically altered all aspects of the retail and consumer landscape, including how we understand shopper behavior.

 **InContext** 

This pandemic is not the first time difficult situations have required process changes. Earthquakes, hurricanes, and economic recessions are just a few examples of circumstances that can wreak havoc on in-store planning. But it is unique in that the panic buying behavior so often seen before natural disasters like hurricanes has shifted into a long-term buying behavior driven by people confined to their homes, losing jobs, and ultimately a major recessionary landscape to follow.

In today's volatile retail environment, online research, paired with virtual shopping simulations, provides a way for retailers or manufacturers to accurately access and evaluate their in-store strategies—without the unpredictability of an unstable retail environment. Through validated consumer research during this time, InContext Solutions has proven that you can continue to test your strategic retail hypothesis through online testing.

The changing shopper

We are all consumers and shoppers, and we know how our own behavior has changed since businesses began to close and we were ordered to shelter in place. Grocery stores have seen an enormous uptick in sales. Ahold Delhaize estimated a comparable sales growth of 34% versus a year ago, the Kroger co. Reported a 30% increase in identical store sales for March.

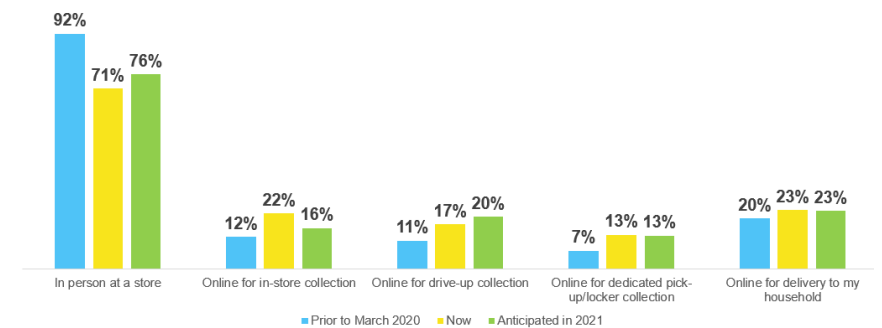
But as consumers, we are also urged to go to the store less—which means stocking up on food and supplies. It also means more reliance on online shopping.

A survey conducted by the InContext research team confirmed that notion. We found that physical store shopping has decreased by 21% since the end of February, while online shopping for in-store pickup increased by 10%, and online for drive-up collection went up 6%. Additionally, 3 out of 4 shoppers believe they will purchase household goods and groceries online the same or even more as the year goes on.

What this data tells us is that there are significant and, most likely, long-term changes in shopper behavior that will affect how brands and retailers go to market. With that, retail teams need to have the right tools that can help them better understand those changes today—and better predict what lies ahead.

We quickly set out to conduct research on research that would enable our customers to continue to get accurate, real-life results in a virtual testing environment. With some tweaks to our process, we were able to do just that.

Which of the following best describes how you shop for household goods and groceries?



Source: InContext Solutions Survey – Week of April 7, 2020

How we do it

We were able to rapidly field studies using our own past research to understand the adjustments we needed to make in our surveys and our trip missions in order to reflect pre-pandemic shopping behavior.*

Our method asks shoppers to shop for occasions or situations that are different than what they might be currently experiencing: this might include shopping for back to school supplies in march or shopping holiday displays in July. In this case, it was reasonable to expect shoppers would be able to take into account their need for more meals at home and larger households, as well as their future shopping needs when business and restaurants reopen.

We were able to create a control cell based on a study we ran in December 2019, which focused on a category that had been heavily impacted due to COVID-19. We took respondents through that same study with the same trip mission, and then ran it again with a new trip mission.

After the first wave of testing, there were two important impacts:

1. The respondent profile changed in Wave 1, including gender, households with kids, urbanity, number of brands purchased, and income.
2. Buying behavior in virtual has changed to mirror the current reality.

**Guidance based on InContext Solutions research on research conducted the week of 3/23/2020 and 3/30/2020.*

December 2019


- **Control Cell**
Trip Mission: Shop Category as you normally would – **used a heavily impacted category**

Week of March 23, 2020

- **Same Control Cell**
Same Trip Mission
- Same Control Cell**
New Trip Mission: Shop Category as you normally, not when you are stockpiling because of Covid-19

Week of March 30, 2020

- **Same Control Cell**
New Trip Mission
Added quotas to correct sample composition, additional questions about changing behaviors
- Different Category Same Design**
Control Cell Same Trip Mission
Control Cell Different Trip Mission
Added quotas to correct sample composition, additional questions about changing behaviors – **2nd category expected to be less impacted than 1st**



As a next step, we fielded a second wave of analysis, adding quotas to correct sample composition, along with added questions about changing behaviors:

The sample composition was cleanly corrected with weighting, and in subsequent fielding with quotas. The second reflected the real changes in sales occurring in real stores showing virtual shopping behavior is matching in-market behavior. This proves that our approach is effective to understand how shoppers will shop at a given point in time during the Covid-19 crisis without changing our methodology.

What we've learned

We now know that virtual shopping studies can be successfully executed today, using adjusted trip missions. By including questions about the COVID-19 impact on shopping, we can help to fully explain behavior, as well as understand what behavior will become the new normal. Therefore, we have some best practices and takeaways that we can share with our customers:

- Determine the objectives for either current or future shopper behavior first.
- All categories have been impacted by COVID-19, but some will continue to be impacted (including cleaning supplies, Cold/flu medicine, Facial tissue, Bottled Water, etc.). Testing these categories should proceed with caution, as the behavior is in flux and scarcity can cause behavioral changes.
- Categories not as heavily impacted by COVID-19 can proceed with the recommended changes and/or adjustments.
- We will continue to monitor both behavior in stores and virtual shopping behavior on a regular basis and will update recommendations weekly.

With virtual research methods, in-store planning doesn't have to stop. Our online 3D simulation software, along with our one-of-a-kind virtual research methodologies, has always allowed our clients to proceed with confidence when it comes to understanding the impact of their concepts on shopper behavior. But now you can be certain our research can provide you with accurate, valuable insights even during an unprecedented crisis.

WE ARE INCONTEXT SOLUTIONS

InContext Solutions is the [global leader in 3D simulation software for retail](#). First, to market, we've built and honed our expertise by boldly challenging the traditional processes that have been in the market for years. The data speaks for itself, we currently work with the top brands and retailers across the globe as they look to stay competitive and relevant in a rapidly changing landscape. Our aim is to drive ideas and innovation with a platform that enables teams to [ideate, evaluate, and activate at speed, scale, and cost](#).

FOR MORE INFORMATION, PLEASE CONTACT:
info@incontextolutions.com