

# SEEING & DECODING CRISIS SHOPPING AND CONSUMPTION BEHAVIOR WEEK 3

This report has been prepared by NAILBITER in  
collaboration with RB Shopper Insights

- ▶ IN-STORE & ONLINE PURCHASE DECISIONS
- ▶ AT-HOME DELIVERY, STORAGE & CONSUMPTION
- ▶ MOST MAJOR CPG CATEGORIES
- ▶ US FOOD, DRUG, MASS, DOLLAR AND CLUB



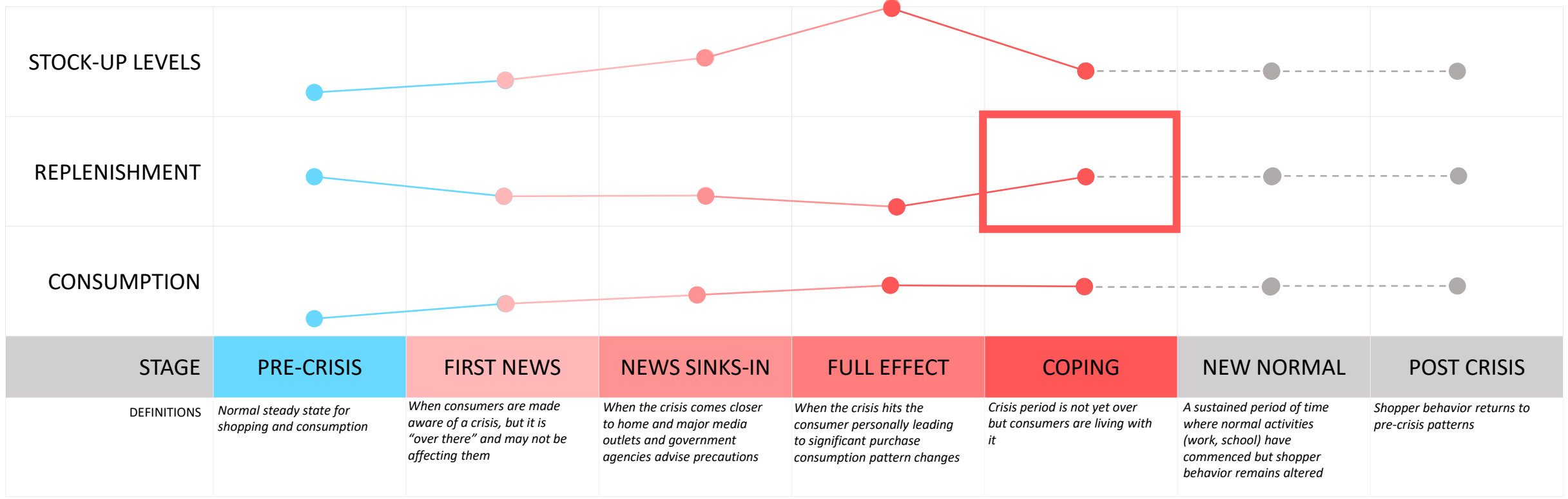
WEEK 1: March 15<sup>th</sup> to March 21<sup>st</sup>

WEEK 2: March 22<sup>nd</sup> to March 29<sup>th</sup>

WEEK 3: March 30<sup>th</sup> to April 6<sup>th</sup>



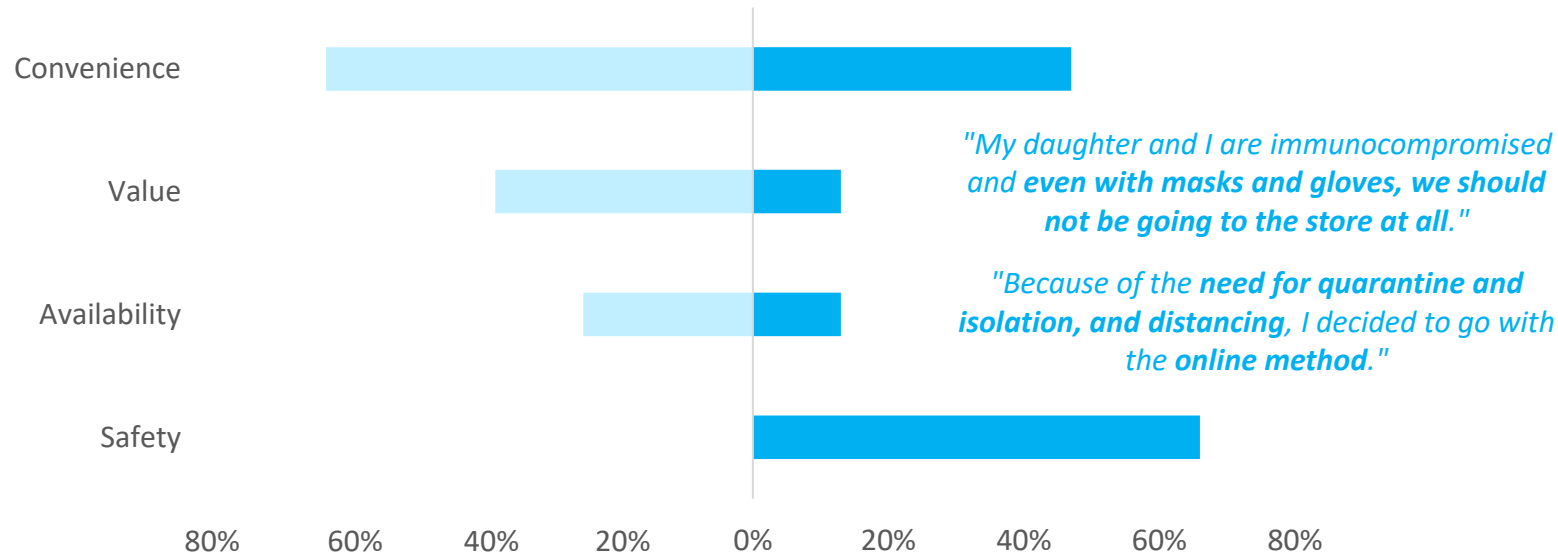
*As shoppers begin to cope with the crisis and move towards a 'New Normal,' eCommerce is playing a key role as their shopping behavior evolves more towards replenishment*



**CATEGORY SHOPPERS "STOCK-UP STATE OF MIND"**



*Shoppers concerned with Safety and maintaining social distancing are opting to shop online rather than going into the store. Meanwhile, Convenience still drives people into the store and Value is becoming increasingly important*



*"My daughter and I are immunocompromised and even with masks and gloves, we should not be going to the store at all."*

*"Because of the need for quarantine and isolation, and distancing, I decided to go with the online method."*

CHANNEL SELECTION

To further adhere to best practices, shoppers are opting for Home Delivery over Click & Collect. They do not want to leave their home if they do not have to.



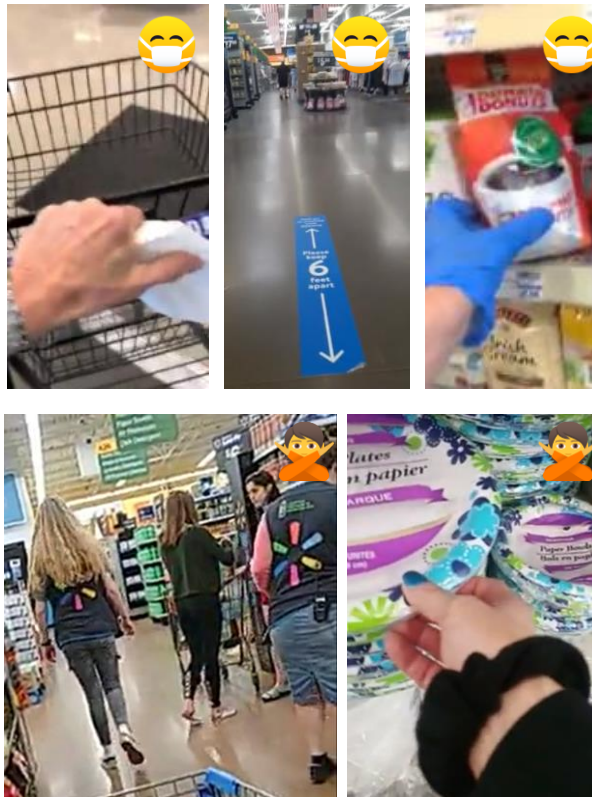
FULFILLMENT METHOD



*In-Store, shoppers are less in control of the environment. Even though retailers are making an effort, other shoppers are still touching products and not maintaining a social distance. With home delivery, shoppers can minimize contact with others and proactively sanitize and disinfect their products*




*While stores are trying to create a safe environment, like marking 6' distances on the floor or encouraging the use of gloves, some shoppers are still touching products without gloves or failing to maintain distance*



*Almost half of eComm shoppers are using safety measures, like gloves, immediate sanitization, or contactless delivery*



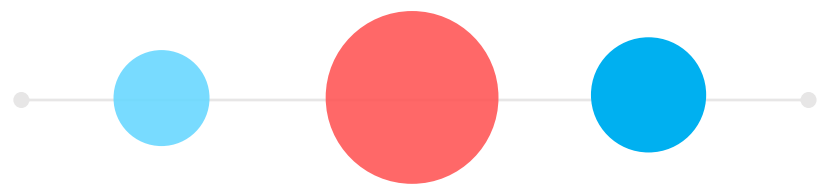
 **CLICK TO PLAY VIDEO**



*Overall satisfaction with the eCommerce fulfillment process is low, especially among shoppers who have shopped for groceries online before the crisis. Despite the dissatisfaction, however, online grocery shopping is still expected to grow post-crisis, as many shoppers plan to continue using eCommerce options*



% OF SHOPPER SATISFIED WITH ONLINE SHOPPING EXPERIENCE



USE OF ONLINE GROCERY SHOPPING



*"We weren't able to find everything we were looking for today. There were a lot of substitutions and there was some stuff that just didn't make it in."*

*"That has really made me think about if I should just subscribe and really save the time and money, because it is a bit unnecessary to go to the store just for stuff we always get. I definitely will continue to buy from them."*



*When a shopper's order is entirely fulfilled, packaged well, and safely delivered, satisfaction is highest*

*However, frequent out of stocks, poor communication, and long wait times for delivery cause frequent disappointment*

*Enhanced communication options, especially around substitutions and delivery ETA can help resolve many pain points*

WHAT'S WORKING

- Complete Order
- Safety
- Notifications
- Well-Packaged

*"These products were **packaged very nicely**. Stacked, secured, had bubble wrap on it. It is great **I get a text notification, a picture**, the delivery guy with the picture of it at my door, **within seconds, I know it arrived.**"*

WHAT'S NOT WORKING


- Incomplete Order / Substitution
- Poor Communication
- Longer Delivery Times

*"I ordered fresh bananas and blueberries. They were supposed to be part of my order. I also ordered 5 of these Georgia peach drinks and received one, so **I did not get everything that I asked for.**"*

HOW SHOULD RETAILERS FIX IT

- Better Communication
- Retailer Branding for Deliveries
- Delivery Estimates

*"I wish there was a **little more consistency with the substitution and the communication**. They had bad communication today with the shopper."*

 [CLICK TO PLAY VIDEO](#)



*Many shoppers are thankful for the Value some online retailers offer, like free delivery at Walmart or the deals on Instacart; however, limited delivery times, out-of-stocks, and few available delivery windows are pain points for retailers outside of Amazon. Stronger communication and more accurate delivery estimates would improve the experience across all retailers*

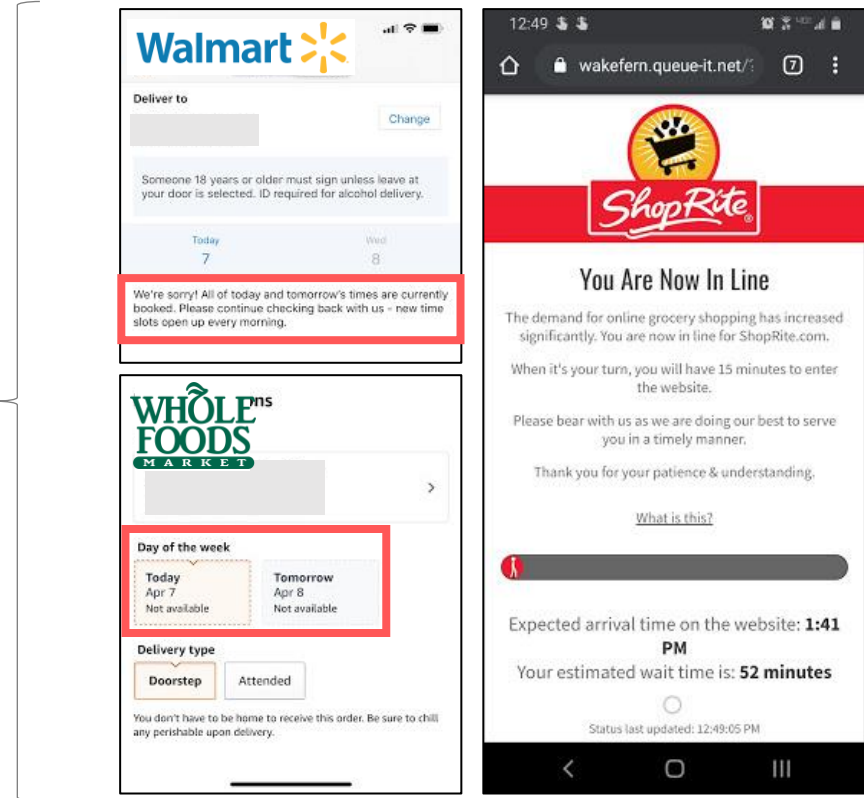
	WHAT'S WORKING	WHAT'S NOT WORKING	HOW SHOULD RETAILERS FIX IT
	Delivery Time Delivery Method Return Policy	Prices	Delivery Estimates
	Price Free Delivery	Unable to Order Delivery Time Minimum Cart \$ Customer Service	Branding for Deliveries Communication
	Variety/ Assortment Low Cost Delivery	Limited Delivery Options Out-of-Stocks	Delivery Estimates Communication
	Deals	Delivery Time	Delivery Estimates



*‘Whoever can deliver, wins’ is the new mantra for eCommerce retailer selection. If a certain online retailer cannot fulfill an order as quick as another option, shoppers are willing to make the switch. As a result, shoppers are trying online grocery options they may have never considered before*

### ONLINE RETAILER SELECTION

*With the rise in online grocery shopping, retailers have become overwhelmed, leading to longer wait times and fewer available delivery windows.*



### RETAILER SELECTION

*“I tried to get a Publix delivery this morning and **the earliest date was 6 days out**, so I was shocked that **Whole Foods had delivery for today**. There was **one time window and I grabbed it.**”*





*Consumers love their CPG brands, but not their retailers to the same extent. This is a meaningful inflection point for winning new buyers and building new relationships!*

9 in 10

shoppers plan to return to the typical brand after the crisis

*"I would not purchase these [private label paper towels] again because they're not nearly as soft as the Viva towels I normally use."*



3 in 10 shoppers plan to return to their original online retailer

*"Prices are **way high**, and the **delivery date is too long**, so I did not get anything on Amazon. So I **switched** to Walgreens."*

*"This **delivery was free**, and my Publix delivery sometimes incur a fee, so **there is a likelihood that I will continue to use this in the future.**"*

Value will be a key deciding factor for shoppers going forward for their retailer choices



CLICK TO PLAY VIDEO



## The Stock-Up Frenzy was real & seen widely across categories & retailers

- No retailer or manufacturer was prepared to handle the demand
- Brick & Mortar stores and supply chains performed far better than eCommerce ones



## Consumption patterns have changed across most stocked-up categories

- People are consuming more of everything, they are running out of categories faster than they expected
- Consumption is driven by usage frequency and is likely to stay high for most categories



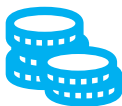
## eCommerce has finally taken hold in CPG

- Prior to the crisis, eCommerce was small % of the CPG business, especially in food
- Shoppers have permanently changed their behavior towards eCommerce
- Brick & Mortar will make a come back and will be driven by the Value shopper



## Consumers LOVE their CPG brands (not so much for Retail brands)

- Consumers appear to get real comfort from their CPG brands and can't wait to switch back
- Their loyalty to retail brands, especially eCommerce ones, is low and utilitarian



## The new normal is (almost) here – and it's going to be the recession Shopper

- Shoppers are taking a sharp turn away from stock-ups towards replenishments
- Value is becoming a big driver of retailer selection
- This will have implications for CPG brands

3 WEEK  
RECAP OF LEARNINGS

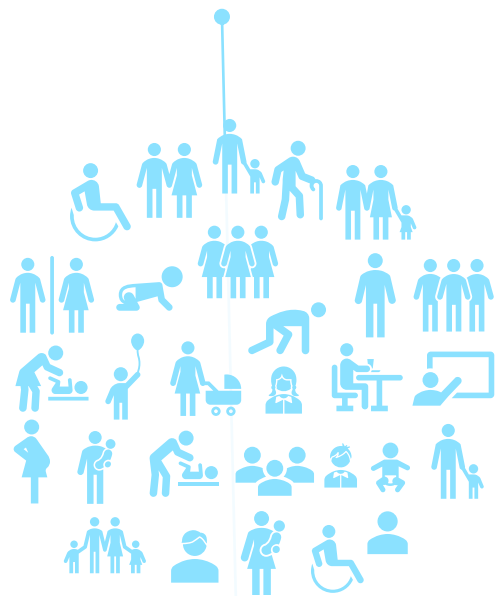
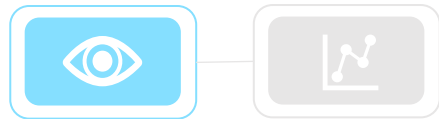
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# ABOUT NAILBITER



REAL SHOPPERS AND CONSUMERS



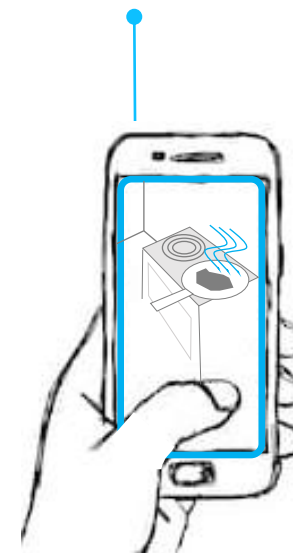
ANY GEOGRAPHY LOCATION, RETAILER, PREMISE



IN STORE



E-COMMERCE



HOME/PREMISE

LIGHT INSTRUCTIONS SHORT VIDEOS OF ACTUAL PURCHASE AND USAGE BEHAVIOR