dunnhumby Consumer Pulse Survey U.S. Edition, Wave 5

October 2020

dunnhumby

About the dunnhumby Consumer Pulse Survey

Recognizing that the COVID-19 pandemic could have serious implications on consumer behavior and shopping, dunnhumby launched an international consumer pulse survey in March 2020. The survey was designed to understand how people were reacting to the impacts of the coronavirus, how it influenced their shopping behavior and how they were reacting to the actions taken by retailers as a result of COVID-19.

In North America (Canada, Mexico and the U.S.), this study was repeated in April, May, July and September to understand how consumer behavior was evolving during the prolonged crisis.

As the pandemic progressed, we could see that the next major challenge for retailers globally would be the dual impact of increasing food prices and pressure from pending economic recessions. In this wave of the study, we have looked at how customers are dealing with and adapting to these new challenges.

Summary: Adapting to the “New Normal” with no end in sight

Although the U.S. passed the dismal milestone of 7 million COVID-19 cases in September and contributed more than 20% to the global number of 1M+ deaths, Wave 5 found the impact and concern around COVID-19 amongst those surveyed is declining and certain behaviors are starting to return to pre-COVID days. But, not all behaviors are reverting to “normal.” In particular:

- Online shopping continues to increase
- People are making more trips to the store, but still expect retailers to put specific safety precautions, like social distance markers, in place
- Behaviors such as fewer trips to fewer stores will be less prevalent, but will remain

Nearly seven months into the pandemic, U.S. consumer focus is shifting from safety to food prices while their personal finances are poor, the economy is weak, and they find themselves spending more on each shopping trip-- and their feelings are correct. According to the Consumer Price Index for Food, August food prices were 4.1 percent higher than in 2019. Food-at-home (FaH) prices have increased 3.3 percent and food-away-from-home (FAFH) prices have increased 2.6 percent in the same timeframe.

Retailers take note: most shoppers right now are on the hunt for more value by shopping at stores with regularly low prices and seeking out discounts and promotions.

Methodology

The multi-phased, international study surveyed over 32,000 consumers in 22 countries, via online interviews conducted over five waves:

Wave 1
March 29 — April 1

Wave 2
April 11 — 14

Wave 3
May 27 — 31

Wave 4
July 9 — 12

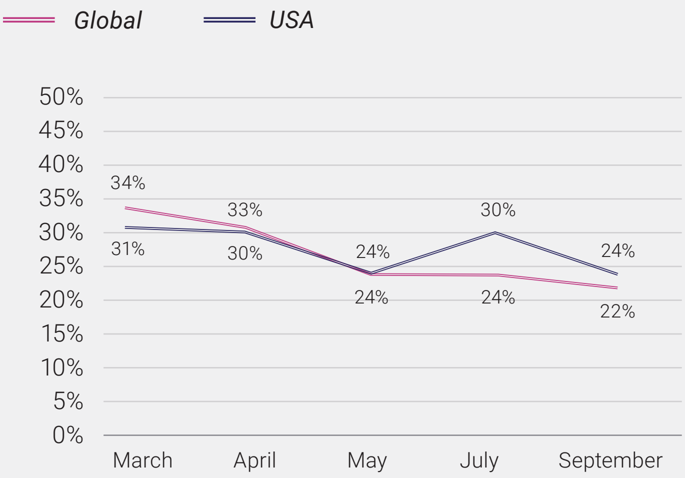
Wave 5
Aug 28 — Sept 3

Each national survey included about 400 respondents per market, about 60% female and 40% male.

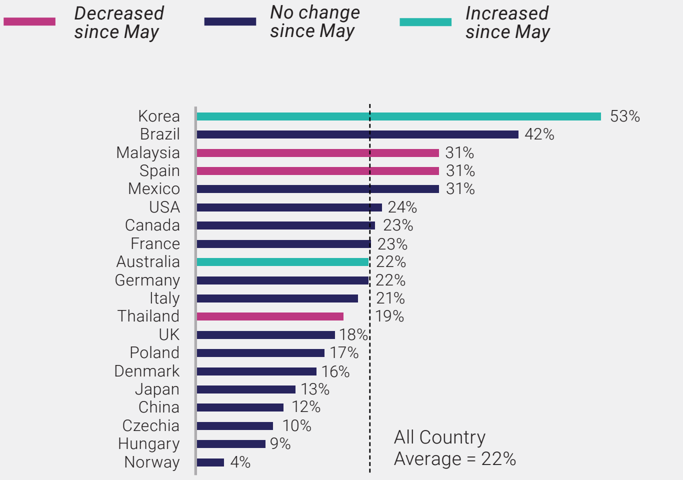
The Worry Index

The dunnhumby Worry Index is a measure of how concerned consumers are about COVID-19. After a bump up to 30% in July (at the height of the resurgence of the coronavirus through the South and West), the Worry score declined back to 24%, higher than the global average (22%) but the same as in May.

USA Worry Index Over Time

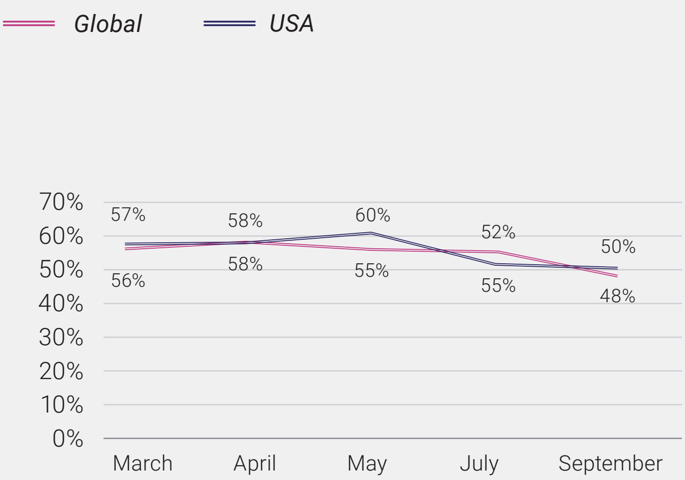


Worry Index — September

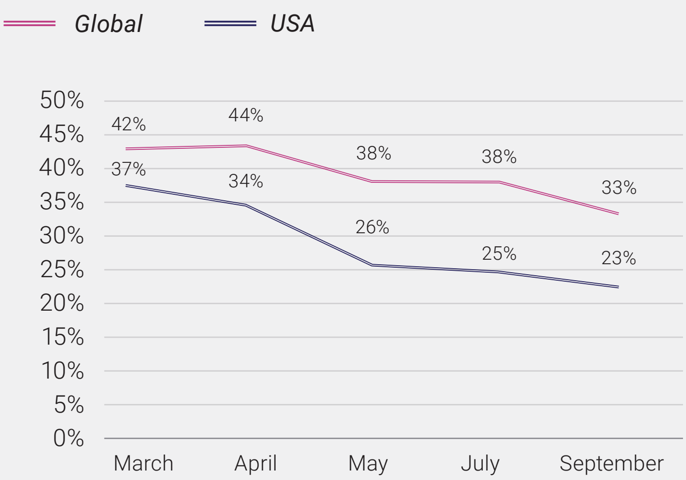


While the Worry score may be at a low point, the same cannot be said of how people view both retailers and governments. As noted in earlier reports (add link to last PR), consumers seem to be tiring of the virus-led restrictions and this is impacting opinion of how well both stores and the government are doing amid the pandemic. Half of U.S. consumers believe stores are doing a good job (above the global average), while just 23% believe the national government is doing a good job (well below the global average).

Stores Doing a Good Job



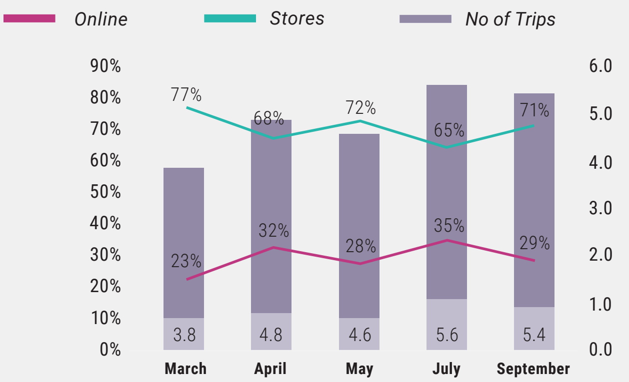
Government Doing a Good Job



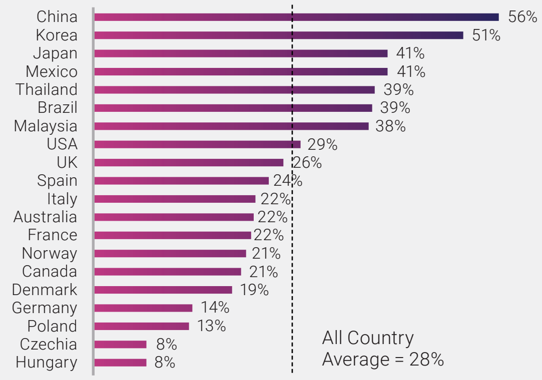
Consumer Shopping Behavior and Attitudes

As consumer worry decreases, the number of shopping trips is increasing (5.4 up from 3.8 in March). The pandemic caused online shopping to reach the “tipping point” as consumers became more comfortable with the channel, and weekly usage hovers around 30%. In the U.S., levels of online shopping are comparable to the global average (28%).

Number of Shopping Trips & Online vs Store Share



Online Shopping — September

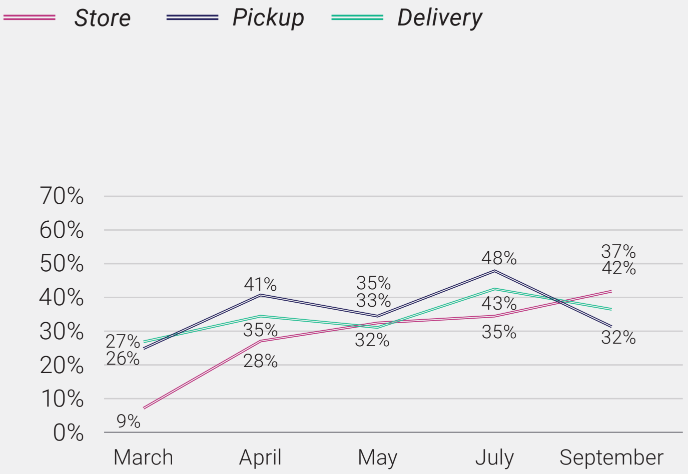


Retailers have taken many steps to implement safety measures and adjust to the realities of retailing amid a pandemic. Customers feel that all actions are necessary, except “raised prices on virus-related items.” Several of the actions that have been associated with an unsatisfactory in-store shopping experience (in red below) are less noticed by customers, and trending downward.

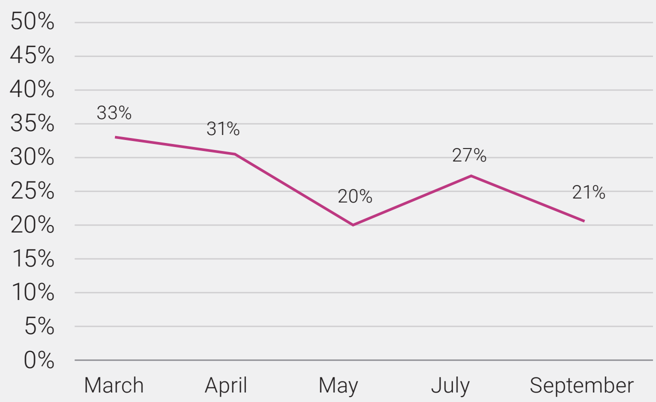
	% who noticed	Trendline noticed	% is it necessary	Trendline necessary
Tape & Stickers for social distancing	64%		79%	
Clean store more often	49%		90%	
More disinfecting wipes	44%		88%	
Raise prices on virus relatd items	37%		28%	
No samples	37%		73%	
Communication with me about changes	22%		85%	
Reduce hours	49%		54%	
Quantity limits on some items	52%		74%	
Fewer employees in fresh departments	19%		68%	
Out of stocks	**52**		**NA**	

Net satisfaction with shopping experiences has increased since March, across in-store (42%), pick-up (32%) and delivery (37%). The increases are due, in part, to customers feeling safer from infection in stores (21%) and fewer disruptive or negative measures in place with retailers.

Net Satisfaction with Past Week Shopping Experiences

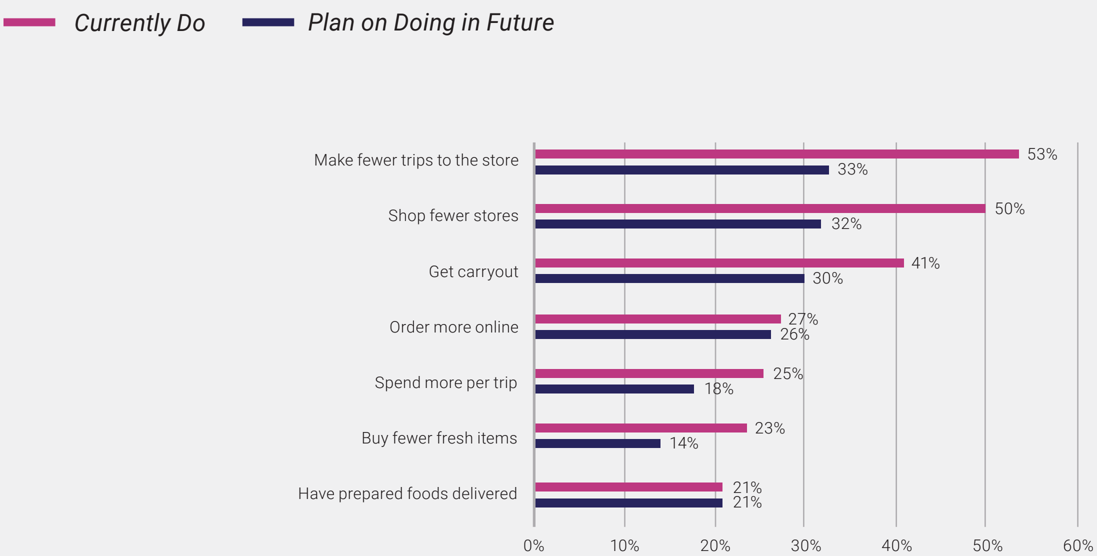


% who do NOT feel safe from infection while shopping



As noted since Wave 1 of the study in March, customers adapted to COVID-19 by minimizing possible exposure in stores. Since lockdowns and restrictions began, they generally visited fewer stores and made fewer, but larger trips. In the future, consumers plan to change most of their COVID behaviors. The two that may stick around post-COVID are online shopping and food delivery.

Customers Are Adapting to the Virus



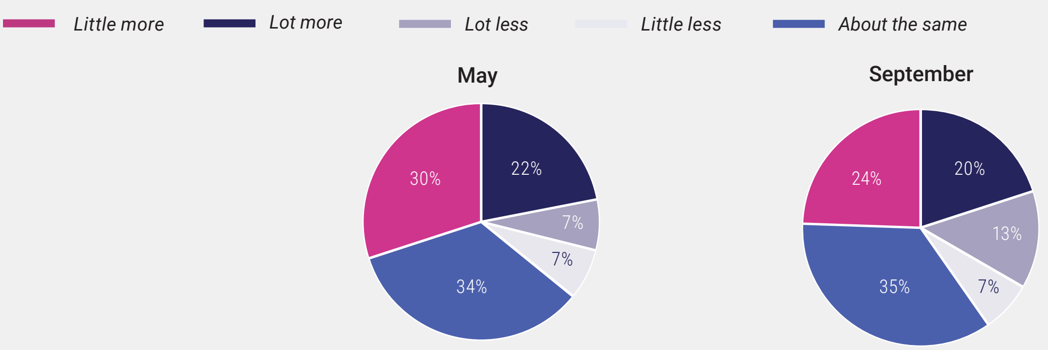
How Customers Will Adapt to the post-COVID Future

Nearly half of U.S. consumers feel food prices have gone up (above 41% global average), and most feel their personal finances are poor and the national economy is weak. Together, these factors are putting new pressures on consumers' budgets and making price a fast-emerging trend.

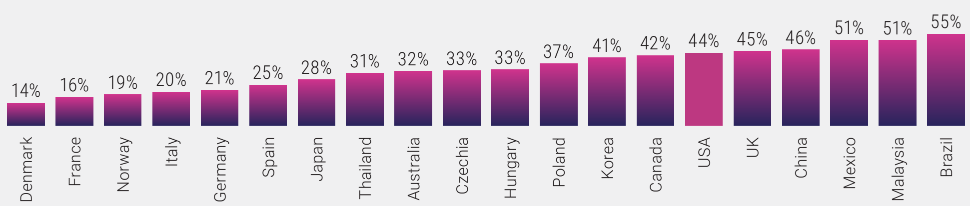
% who feel prices have gone up - September

Consumers reporting they are spending more on food fell from 52% to 44% since May. However, the U.S. exceeds most other countries surveyed.

Changes in Food Spending

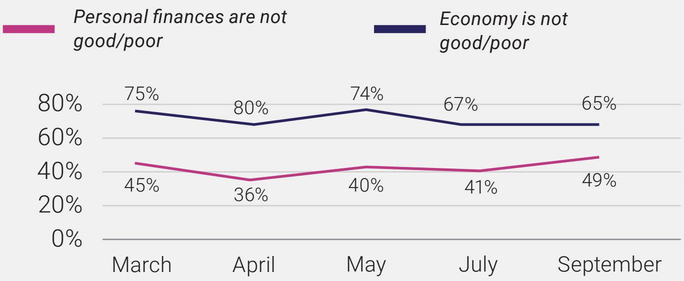


% who say they are spending more on food/September

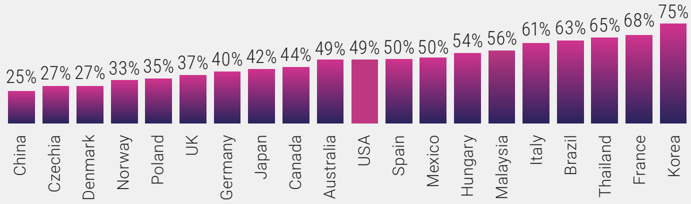


Since April, the majority of people concerned about their financial situation jumped (from 36% to 49%) and is slightly above the levels at the beginning of lockdown measures in March (45%). Consumers are more likely to think the national economy is in worse shape (68%) than their own finances. U.S. consumers have a better economic outlook than Mexico (50%) or France (68%) but worse than our friends to the North (Canada, 44%) or across the pond (UK, 37%).

Consumer Confidence



% who think personal finances are not so good/poor — September

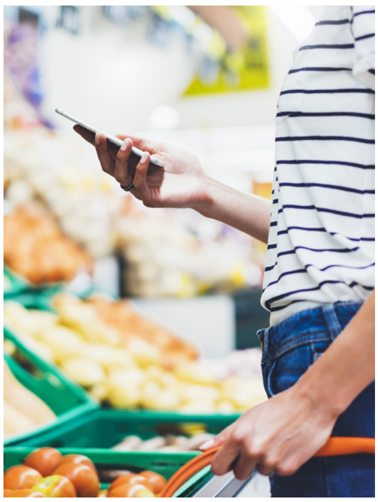


Adapting to life amid COVID, U.S. customers are currently quite focused on price… and at higher levels than consumers anywhere else. But there is also a segment seeking high quality to be served by retailers. On a positive note, customers feel they will be less price sensitive in the future.

	Current	Future	Current - Global Average	Future - Global Average
Shop where regular prices are low	58%	35%	51%	25%
Buy lowest prices products	43%	29%	41%	23%
Shop stores with best quality	38%	28%	38%	23%
Use coupons on products I regularly buy	36%	32%	45%	24%
Search online for best sales	34%	24%	40%	23%
Search for coupons on products I regularly buy	29%	26%	31%	22%
Buy local	28%	29%	34%	25%
Buy organic	24%	26%	29%	26%
Pay more for quality	22%	22%	28%	22%
Buy more own label	21%	18%	26%	20%

When thinking about pre-COVID behavior, U.S. consumers show the same focus on price and value, with a segment seeking quality. In the U.S. and on average globally, just 9% of consumers "don't pay attention to prices."

	USA	Global Average
Shop same store	45%	43%
Stock up when on sale	38%	35%
Buy only what is on list	34%	35%
Buy own label when available	33%	24%
Buy low price brand	32%	26%
Only buy some brands on sale	30%	33%
Large pack sizes	28%	30%
Compare prices	26%	32%
Pay for quality	24%	25%
Try new products	22%	22%
Use lot of coupons	17%	22%
Don't pay attention to prices	9%	9%



And the Leader is…

When it comes to the retailer offering the best value, Walmart (34%) dominates customers' minds. Aldi (12%) and Kroger (9%) are second and third, respectively, but trail behind in mentions.

Which grocery store where you live do you think provides the best value for money?

Walmart	34%
Aldi	12%
Kroger	9%

Markets surveyed

Asia	Europe	Latin America	North America
• Australia	• Czechia	• Brazil	• Canada
• China	• Denmark	• Mexico	• **United States**
• Korea	• France		
• Malaysia	• Germany		
• Thailand	• Hungary		
• Japan	• Ireland		
	• Italy		
	• Norway		
	• Poland		
	• Spain		
	• United Kingdom		

dunnhumby THE WORLD'S FIRST CUSTOMER DATA SCIENCE PLATFORM

dunnhumby is the global leader in Customer Data Science, empowering businesses everywhere to compete and thrive in the modern data-driven economy. We always put the Customer First. Our mission: to enable businesses to grow and reimagine themselves by becoming advocates and champions for their Customers.

With deep heritage and expertise in retail — one of the world's most competitive markets, with a deluge of multi-dimensional data — dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Science Platform is our unique mix of technology, software and consulting enabling businesses to increase revenue and profits by delivering exceptional experiences for their Customers – in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's, L'Oreal and Monoprix.

Connect with us to start the conversation

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