



# The Early Effects Of COVID-19 On Online Shopping

## Consumer Survey 2020

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Sponsored By:

**YOTTAA**

## The Top Line

At the end of March 2020, no one can say how long the global outbreak of the novel coronavirus, COVID-19, will last. Since the first reported case emerged in the Wuhan region of China in December 2019, the virus has spread to virtually every corner of the world, bringing with it sickness, sadness, and panic.

RSR set out to quantify the effects the outbreak of this virus is having on US-based shoppers – and their shopping behaviors – in the final days of March 2020, conducting a survey of nearly 1,200 American consumers ages 18 and up. The results clearly indicate that even at a time when the vast majority of US inhabitants are not infected, their sense of responsibility to stop the unwitting spread of the disease is keeping them at home – causing their shopping behaviors to be drastically affected.

Read on to learn just how.

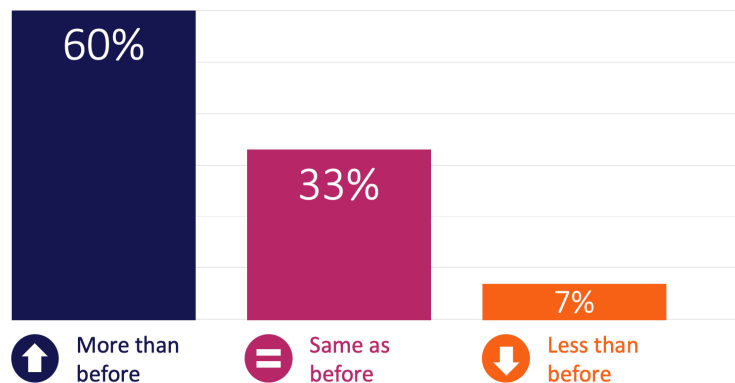
## Coronavirus: An Unexpected Intrusion To Nearly All Aspects Of Human Life

The first thing we wanted to know: how often will shoppers be turning to eCommerce as a result of this outbreak. As you can see in Figure 1, the effects are already quite stark.

Figure 1: Online Shopping Is Increasing - Quickly

### In the Wake of this Pandemic, Online Shopping is Increasing

We asked shoppers how the Coronavirus outbreak would affect how often they would be shopping online:



Source: RSR Research, March 2020

More than half of respondents expect it will be necessary to fulfill their daily needs by turning to online sources. But what does this mean for brick and mortar-based retailers in the early days of the pandemic?

Figure 2: When Will I Visit A Store? Only When Absolutely Necessary

## Brick & mortar stores: either a no go or last resort



Source: RSR Research, March 2020

One of the first things this crisis has exposed to most US residents: just how social most of us have been in the past. We’ve long been accustomed to having the freedom to visit museums and amusement centers, attend concerts and sporting events as often as we choose, all of which are now non-options. But even smaller things - visiting individual stores, shopping centers, restaurants – these have become part of the fabric of our daily routine, and as it turns out: entertainment.

While it is easy to see how events, restaurants, and social events will bounce back, the question is: will store-based shopping return to its prior glory? Or will consumers’ newfound requirement to fulfill their needs online form a lasting behavior for whenever this crisis ends? Either way, it is clear that shoppers are eager to find alternatives to Amazon in the meantime (Figure 3).

Figure 3: Amazon: Cracks Beginning To Show?

## Amazon: solid but cracks are beginning to show



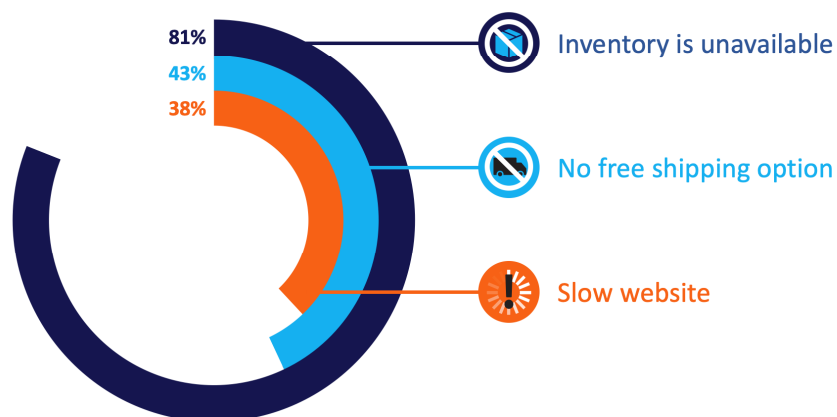
Source: RSR Research, March 2020

Amazon has been wracked with challenges early on in this crisis. Massive out of stocks, publicly-exposed cases of price-gouging – even reports of COVID-19 spreading among employees in the Distribution Centers it uses to fulfill orders – all have been headline-worthy.

But other retailers have their fair share of challenges, as well (Figure 4).

Figure 4: Even The Online Channel Has Its Problems

## Top 3 things that will make shopping online more difficult during the coronavirus outbreak:



Source: RSR Research, March 2020

A search for paper products is all the proof one would currently need to see that inventory being unavailable force a once-loyal shopper to find another retailer, both online AND in-store. It is safe to predict that many brand-loyal customers will be trading their loyalty post-

crisis to those who were best able to provide them with the necessary goods during this trying time.

And it only makes sense that in order meet these increasingly dire needs, even brick-and-mortar shoppers are having to turn to online channels. Put simply: people will turn to whomever can best deliver the goods that most put them at ease (Figure 5)

*Figure 5: The Ability To Shop Online Becomes Necessity*

The verdict is in: online shopping will be very important for consumers in the coming months



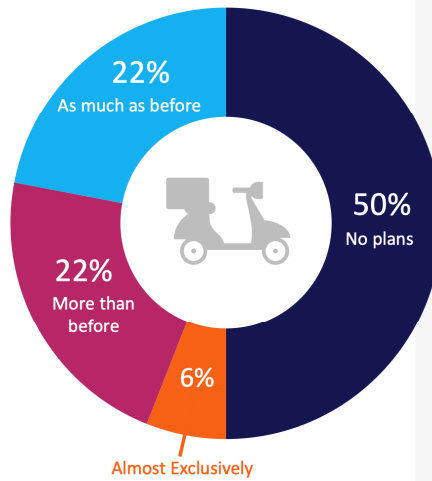
*Source: RSR Research, March 2020*

Lastly, we wanted to know what shoppers' dining plans look like in an age when going to a restaurant is simply not an option. Will they cook at home more, or will the new hassle associated with getting groceries cause them to look at more delivery options? Figure 6 shows that, even this early on in the pandemic, online food delivery has drastically increased.

Figure 6: Online Food Delivery Doubles - Already

## Online Food Delivery Grows Two-fold

We asked shoppers to what extent do they plan to utilize online food delivery services (Uber Eats, Grubhub, Peapod, etc.) during the Coronavirus outbreak:



Although the amount of shoppers that are planning to use food delivery services has doubled from before the outbreak, 50% are still concerned and have no plans to let their food be handled by 3<sup>rd</sup> parties.

Source: RSR Research, March 2020

This is excellent news for restaurant owners. Though their dining rooms are currently closed, online demand for their dishes will hopefully help carry them through this difficult time.

### In Conclusion

*With most experts predicting the effects of this outbreak to continue for several months, it can clearly be expected that the trends exposed in this research will only increase in the days and weeks to come. Store-based retailers are in for a long and difficult journey.*

*Lastly, we wish safety and health for all readers. Our individual sacrifices during this once-in-a-century event make all the difference for the group at large. Be well.*

## Appendix A: About The Sponsor

# YOTTA

Leading brands such as Ann, Inc., Carter's, Express, Lands' End, Mattress Firm, Nutrisystem, Party City, Ralph Lauren, and Samsonite rely on Yottaa to accelerate, optimize, and control 3<sup>rd</sup> party eCommerce technologies, high resolution images, and other website elements, resulting in superior customer experiences, up to 60% faster web performance, and up to 20% increases in online conversion. To learn more about how Yottaa can optimize every page load on your eCommerce site and increase conversions, please visit [www.yottaa.com](http://www.yottaa.com) or follow [@yottaa](https://twitter.com/yottaa) on Twitter.

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## Appendix B: About RSR Research



Retail Systems Research ("RSR") is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, providing thought leadership and advice on navigating these challenges for specific companies and the industry at large. We do this by:

1. **Identifying information** that helps retailers and their trading partners to build more efficient and profitable businesses;
2. **Identifying industry issues** that solutions providers must address to be relevant in the extended retail industry;
3. **Providing insight and analysis** about a broad spectrum of issues and trends in the Extended Retail Industry.

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