



# KANTAR

WEBINAR

## The impact of COVID-19 on the retail landscape

Post-COVID commerce

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Prem Shunmugavelu, VP Digital & Omncommerce

May 1, 2020

# AGENDA

1 Key developments: Week of April 27

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2 Four phases of a post-COVID world

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3 Trends we're tracking

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4 Implications and next steps

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# 1

## Key developments: Week of April 27



**Todd Szahun**  
Senior Vice President





## US weekly jobless claims hit 3.84 million, topping 30 million over the last 6 weeks

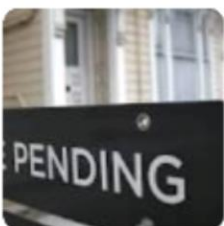
Jobless claims for the week ended April 25 came in at the lowest level since March 21 but bring the rolling six-week total to 30.3 million as part ...



## Pending home sales tank nearly 21% in March, but Realtors claim prices will hold up

The government's mortgage forbearance program, allowing troubled borrowers to delay monthly payments, has added risk to the overall market.

1 day ago



### FURNITURE RETAILING

## Retail stores starting to reopen after COVID-19 outbreak



Anne Flynn Wear // Associate Editor • April 29, 2020



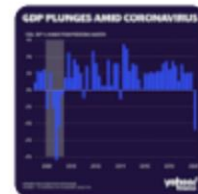
HIGH POINT – As states across the U.S. begin to relax stay-at-home guidelines,

Editors' Picks



## First quarter 2020 GDP: U.S. economy contracted for the first time in six years

The Bureau of Economic Analysis released the advance print of U.S. first-quarter gross domestic product Wednesday morning.



## Instacart hired 300,000 workers in a month. It plans to hire 250,000 more

Instacart hired 300,000 workers in recent weeks to meet surging demand for grocery deliveries spurred by the pandemic. Now, the startup is ...



## Amazon's second-quarter forecast weighed down by \$4 billion in COVID-19 related costs, shares fall

(Reuters) - Amazon.com Inc <AMZN.O> on Thursday warned that it could post a loss in the second quarter as it tacked on about \$4 billion in ...



## Governors incorporating social distancing guidelines into future plans after Trump's decision to not extend

President Trump says his administration's social distancing guidelines that are set to expire Thursday will not be extended further but ...

9 hours ago



# 2

## Four phases of a post-COVID world



**Reid Greenberg**  
Executive  
Vice President



**Prem Shunmugavelu**  
Vice President

# COVID-19 recovery framework



Phase

I



Phase

II



Phase

III



Phase

IV



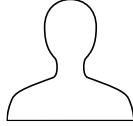
Phase I:  
Acute non-normal



# Phase I: Acute non-normal

Timeline: Now to early summer

## Shopper and Consumer



Shoppers are still focused on **sheltering in place** with the hope of limited opening state by state.

**Economic concerns** significantly outweigh health concerns.

**Unrest** is occurring in some states and communities.

## Brands

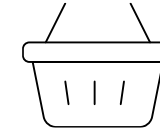


Brands are and should be building out **omni/ecommerce capabilities**.

Advertise and invest in causes.

Priorities are to ensure **in-stock** items and the **health** of workers.

## Retailers

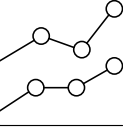


Retailers are facing supply chain challenges. They are adjusting hours for worker and shopper safety, and limiting item quantities.

Retailers that have not built best-in-class **omni/ecommerce capabilities** are feeling the pain.

Spring buying will skip **directly to summer**.

## Major Trends



**Contactless consumerism** is here.

Last-mile delivery platforms continue to accelerate.

**Direct-to-consumer (DTC) brands and omnichannel leaders** will be first in line when the economy returns.



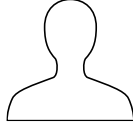
Phase II:  
Semi-normal



# Phase II: Semi-normal

## Timeline: Summer-fall

### Shopper and Consumer



**Masks in place.** Shoppers will slowly emerge from the shadows, curious about the state of their cities, towns, and communities.

They will be eager to shop and explore, yet still **extremely cautious.**

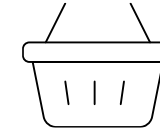
### Brands



Brands will be trying to understand what semi-normal purchase behavior looks like. **Prime Day** is nearing; how are you prepared?

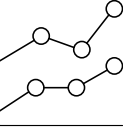
**Holiday shopping** will look different. What will your messaging be?

### Retailers



**Safety first** is the new “**on sale**” message. Retailers will communicate how they clean and sanitize their stores daily, so shoppers can have peace of mind as they do their holiday shopping. The number of shoppers in the store will be limited. Omni is still winning.

### Major Trends



**Technology-to-consumer:** Drones, robots, click-and-collect, and online-to-offline (O2O) will gain traction (still early).

Our learning from the early to mid-COVID phase will continue.

Some parts of the economy like manufacturing will pick up.

Phase III:  
New normal

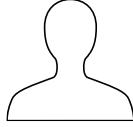




# Phase III: New normal

Timeline: Winter-spring

## Shopper and Consumer



Shoppers cautiously shop. They will reward retailers that offer **store safety modifications**.

Examples: Extended hours, wider aisles, nightly cleaning, limited number of shoppers per store

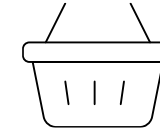
## Brands



Brand communications should be different during this time, still.

Consumers will want brands to talk with more **positivity, reassurance, and help with life today**.

## Retailers

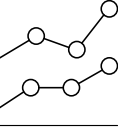


Workers are **hopeful**, but worry about their health.

Key messaging to both workers and shoppers will be about continued **workplace sanitizing**.

Safe shopping messaging is front and center.

## Major Trends



The major themes we saw previously will become stickier.

Ecommerce will continue to accelerate. In-store shopping will begin accelerate.

The **thrifty consumer** will emerge, seeking to do more with less.



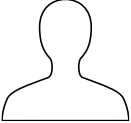


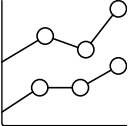
Phase IV:  
Totally normal





# Phase IV: Totally normal, or the ‘great awakening’

Timeline: Spring-summer

Shopper and Consumer 	Brands 	Retailers 	Major Trends 
<p>Post COVID-19 habits and expectations are now ingrained.</p> <p><b>Speed, value, and convenience</b> are the new table-stakes in retail.</p> <p>Some shoppers will habitually include PPE. <b>Cleanliness, health, and safety</b> are paramount.</p>	<p>Messaging will convey <b>new hope, togetherness, and transparency</b>.</p> <p>Brands with higher levels of product safety will be the leaders.</p> <p>Brands that <b>made a difference</b> during the crisis will remain top of mind.</p>	<p>Retail just emerged from the most rapid and forced transformation in the history of the world.</p> <p>Those that rode into COVID-19 <b>with strength</b> remain leaders: Walmart, Costco, Target, Amazon.</p>	<p><b>BOPIS, O2O, and technology-to-consumer are at 2025 levels.</b> Click-and-collect will dominate.</p> <p>Wider store aisles, more distanced seating, and every other seat will become normal.</p> <p>Caution: <b>Replacement brands may stay popular.</b></p>

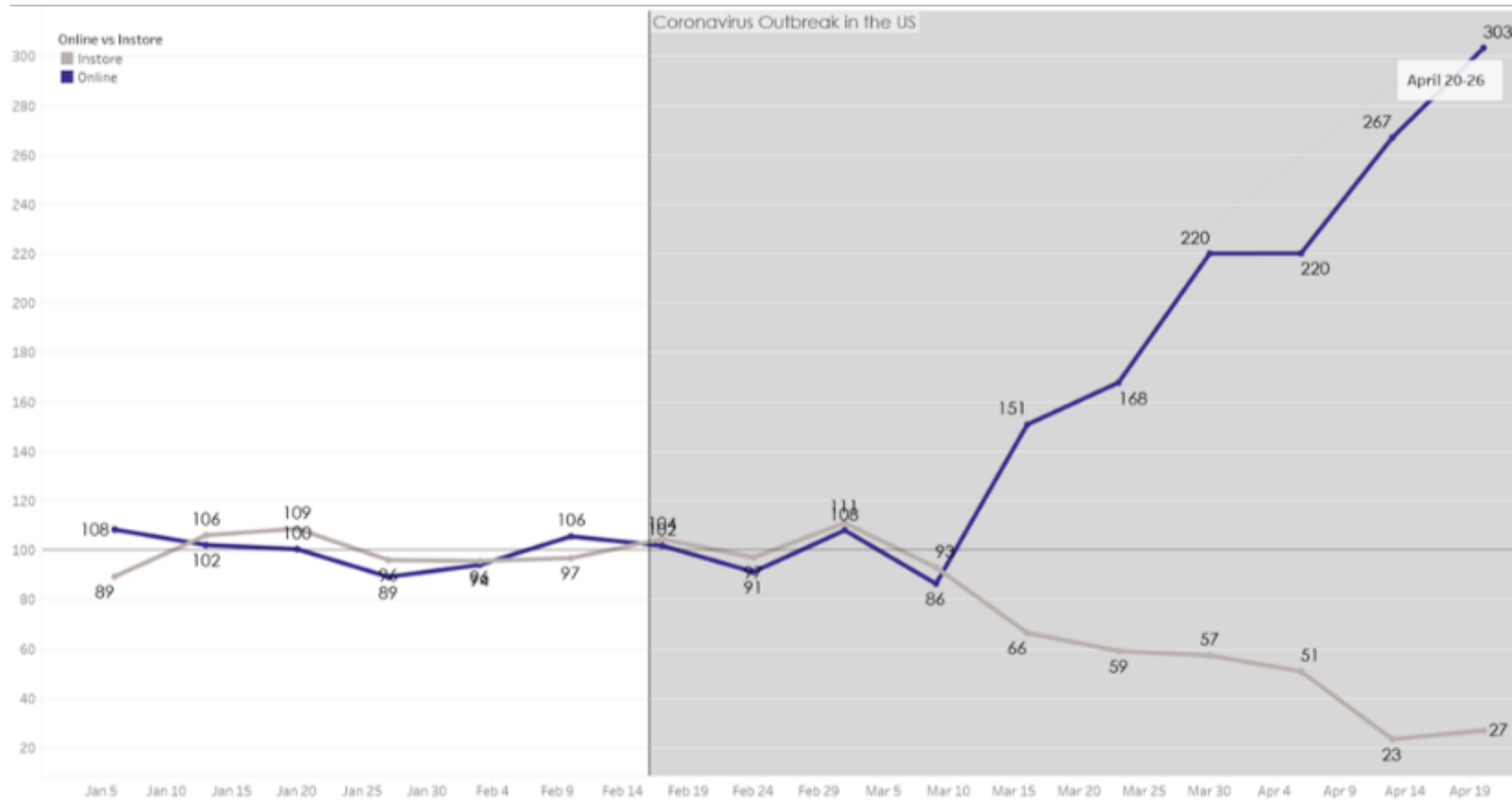


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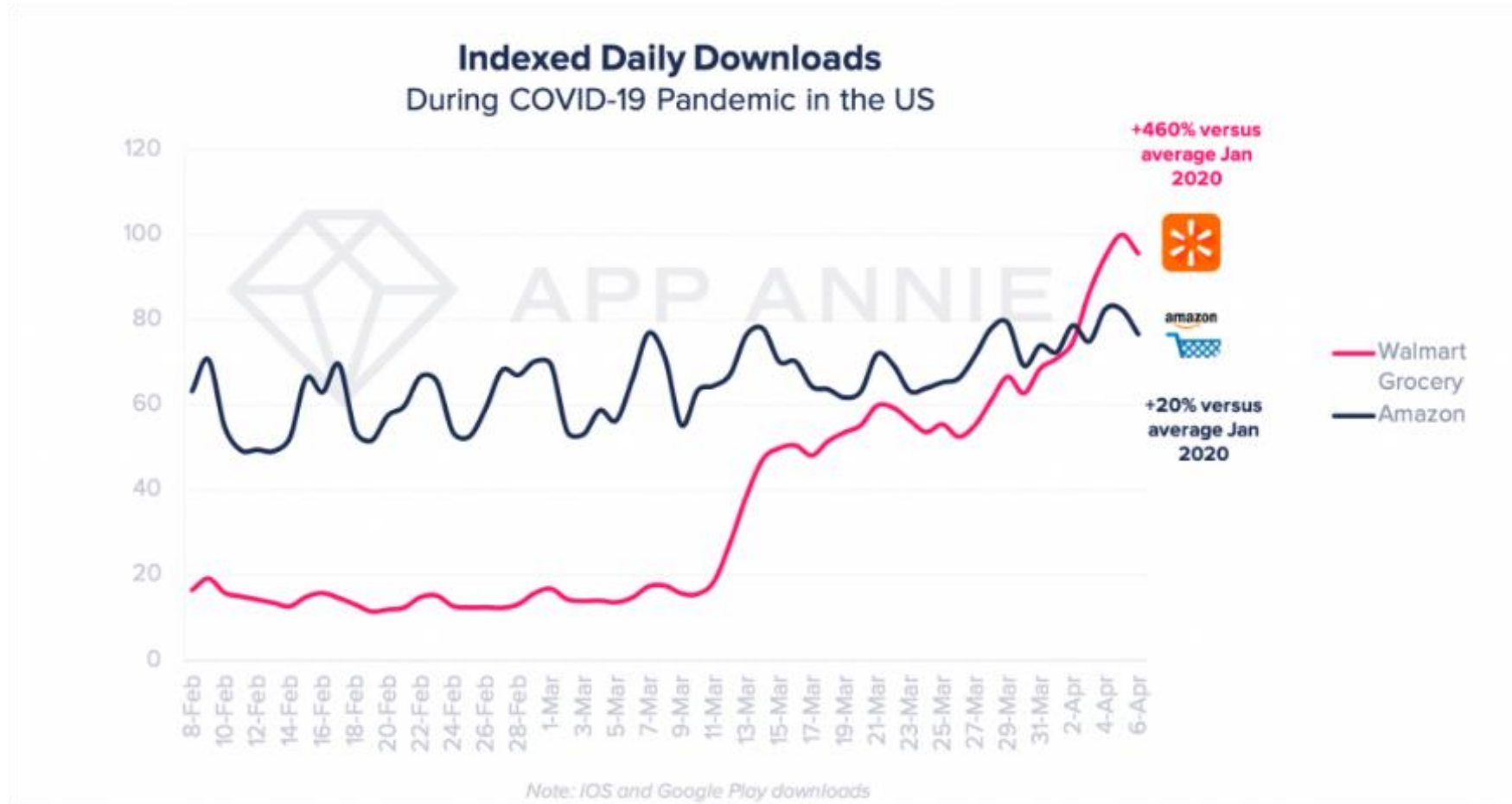
Trends we're tracking

# Making up the loss of in-store sales

Omnichannel retailers' online sales climbed 203% for the week ending April 26



# Significant surge in mobile shopping apps since March 11

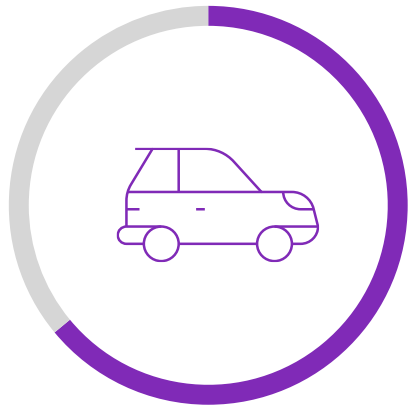




# Pandemic = Permanency

We will see a long-lasting shift in the way people shop post-COVID

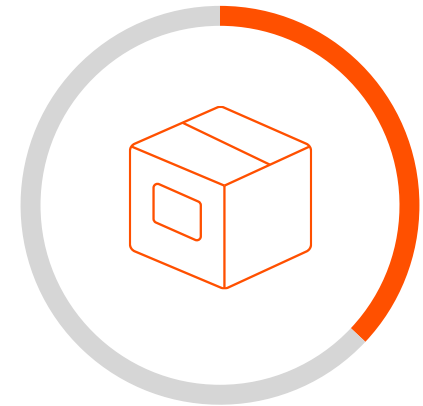
Post COVID: Shoppers state they will continue ...



**64%**  
Curbside



**59%**  
In-store pickup

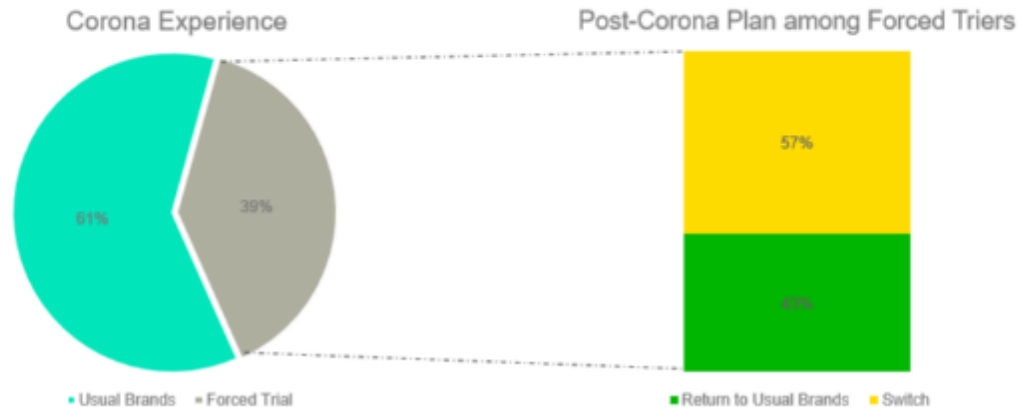


**37%**  
Home delivery

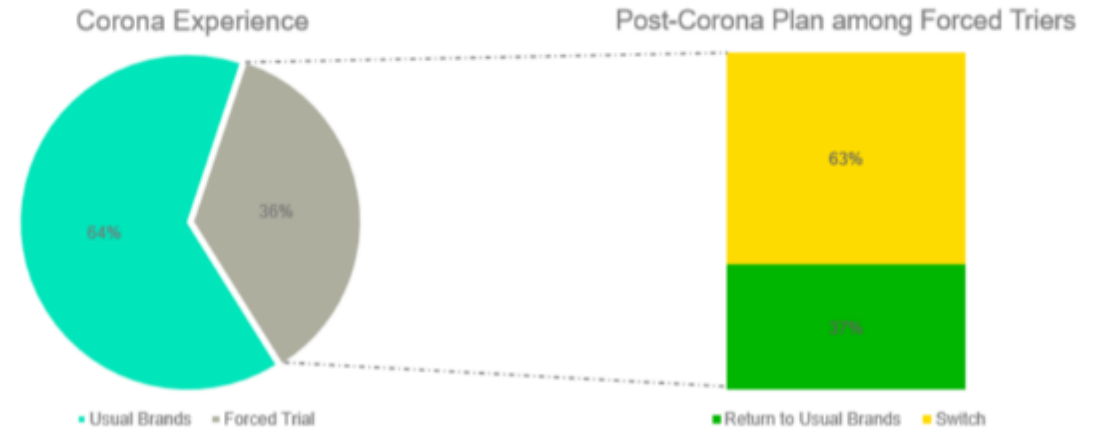
# Several forced-trial categories are in danger of long-term switchers

Example: Diaper and pasta shoppers will *consider* remaining with new brand post-COVID-19

Diapers – COVID 19 forcing brand trial, with potential long-term impact



Pasta – COVID 19 forcing brand trial, with potential long-term impact



# Pandemic = Accelerating the inevitable

The strong are getting stronger and will continue to do so





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# Implications and next steps

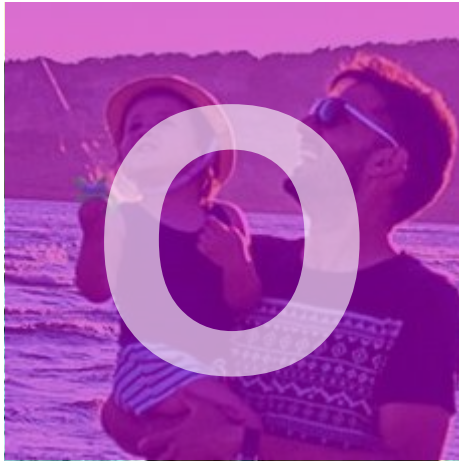
# 1: Shoppers: HOPES is a strategy

Shoppers are scared, hesitant, anxious, and worn out

To remain relevant during and after COVID, brands must act differently:



Health



Optimism



Purpose



Empathy



Safety

## Brands that demonstrate HOPES now will benefit in the future



## 2. Retailers: Profitability

Profitability pinch is accelerating

### Assortment



**Situation:** Most shopper baskets are lower margin and OOS

**Implication:** Private label growth, stay in stock!

**Opportunity:** Grow basket, make your brand irresistible (and stay in stock!)

### Investments



**Situation:** Click-and-collect, delivery, cleaner stores, lifestyle experiences, human capital

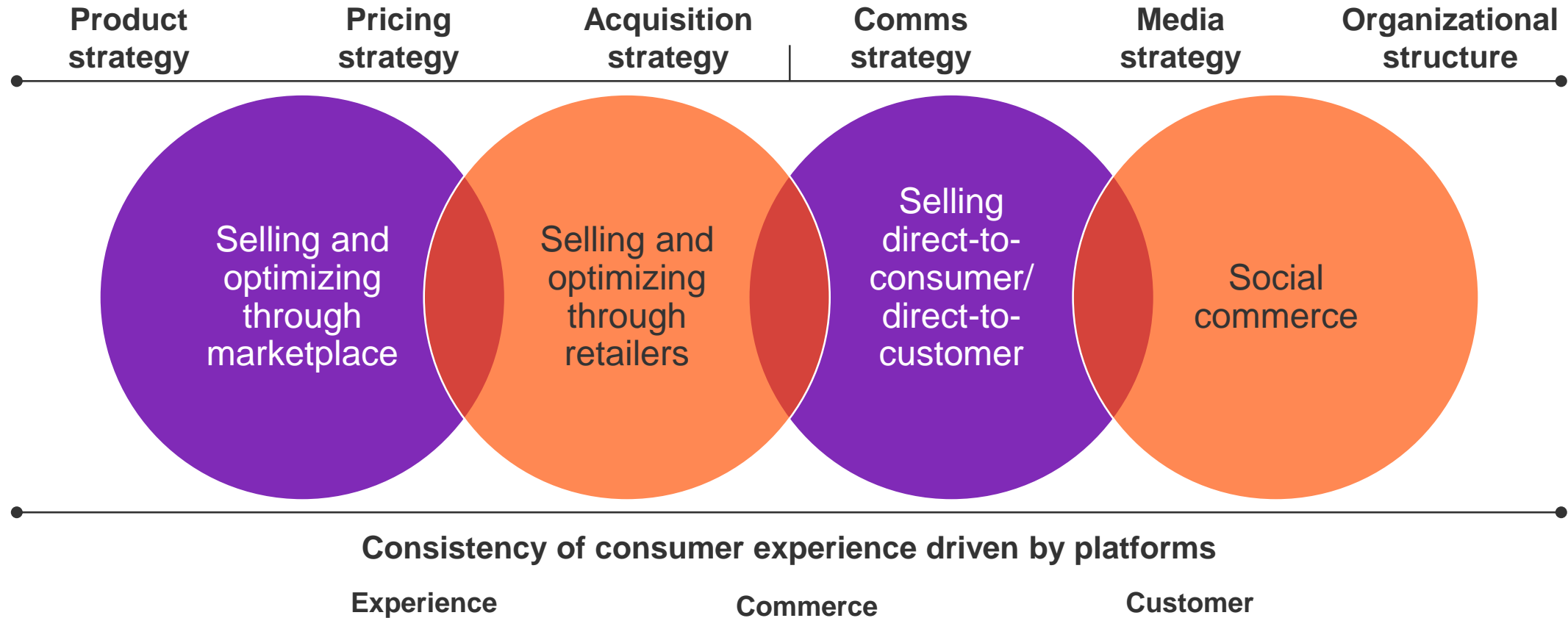
**Implication:** Need to find additional revenue sources (retailer media, merchandising opps, trade funding)

**Opportunity:** Focus on shopper, holistic retailer planning





### 3. Brands and manufacturers: Shopper-centricity = Omnichannel



# Key takeaways: The routes to the shopper will have changed forever

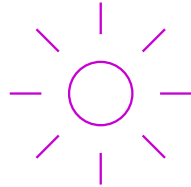


## Retailer: New dynamics

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Retailer profits are facing significant pressure in the **assortment** and overall **investment** space.

Shoppers are now visiting 5.1 retailers (+1) as COVID began. Help them capitalize on the areas that drive shopper satisfaction/traffic while investing for performance and growth for your business.



## Shopper: HOPES strategy

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Understand that shoppers are **scared, hesitant, anxious, and worn out**. Post-COVID fears will take years to dissipate.

Nearly 60% of consumers said they are impressed by brands providing a necessary service, and 55% said they value brands that have made changes to help consumers during COVID-19.



## Brands: Shopper-centric

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E-superiors and e-adaptables will continue to grow and accelerate. If you fall into the e-inferior category, NOW is the time to invest in these capabilities.

New habits will stick: **72% of consumers “plan to do more shopping online to ship directly to their homes.”**

# How are your retail response strategies addressing climatic channel shifts?

Our team is here to help you build omnichannel and digital capabilities

## Omnicommerce insights

Who to **target**? How to **influence**?

## Omnicommerce strategy

Where to **play**? How to **organize**?

## Omnicommerce analytics

How to **optimize** retail?



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**Carey  
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Vice President



**Lei  
Duran**

Senior Vice  
President



**Tory  
Gundelach**

Senior Vice  
President

**“Omnichannel is more impactful and important than ever. Kantar gives us a 360-degree point of view — especially as it relates to the shopper’s path to purchase.” – Sales director for a Fortune 100 manufacturer**

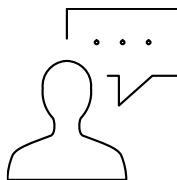
# COVID-19 updates, insights, and implications

Upcoming research, virtual engagements, and custom opportunities



## Actionable Data

Since COVID-19, US shoppers have expanded their retailer set, tested new fulfillment methods, and reprioritized elements of the retail experience. In the coming weeks, ShopperScape® clients will receive additional analysis, insights, and ongoing pulses from the COVID-19 tracker.



## Illuminating Engagements

With record unemployment, stressed shoppers, and supply chain breakdowns, the COVID-19 crisis has caused unprecedented levels of global retail disruption. To help you navigate the crisis, we have expanded our virtual engagements and are weaving COVID-19 insights into everything we do.



## Custom Analysis

How are shoppers responding to retail scarcity and how are they adapting to the new normal for commerce? The COVID-19 Commerce Snapshot reveals shopper sentiment and choice, category impacts, and new shopper dynamics.

### WHAT TO EXPECT?

- Trips and occasions | Now available
- Online grocery study | [Preview](#)
- COVID-19 data by retailers' shopper bases | Early May

- Retail realities of COVID-19 | [View on demand](#)
- Walmart virtual event | [May 12-13](#)
- Digital commerce leadership | [June 10](#)

- Commerce Snapshot study | [Preview](#)
- COVID-19 FLASH report | [Preview](#)
- Customized implications for your organization | [Schedule today](#)



# Thank you

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# The COVID-19 crisis

Our experts will guide you through this tumultuous time in retail

## COVID-19 WEBINAR SERIES: Commerce Snapshot

Presented by  
Leigh O'Donnell  
and Ted Riedel

April 17 at 1 pm EDT

[Watch on demand](#)

## COVID-19 WEBINAR SERIES: Post-COVID commerce

Presented by  
Reid Greenberg  
and Prem Shunmugavelu

May 1 at 1 pm EDT

[Watch on demand](#)

## COVID-19 WEBINAR SERIES: Forecasting the future

Presented by  
Patrick Fellin  
and Jim Leonard

May 8 at 1 pm EDT

[Register here](#)

## COVID-19 WEBINAR SERIES: Assortment

Presented by  
Christina Anderson

May 15 at 1 pm EDT

[Register here](#)

## COVID-19 WEBINAR SERIES

Presented by  
Todd Szahun  
and Doug Hermanson

May 22 at 1 pm EDT

[Register here](#)



## Digital Commerce Leadership

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10 June 2020  
Virtual

[REGISTER NOW](#)

## Canadian Retail & Ecommerce

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23-24 September 2020  
Toronto, ON

[REGISTER NOW](#)

## Retail Insights Conference

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9-10 December 2020  
Atlanta, GA

[REGISTER NOW](#)

# Key planning implications and ways Kantar can support

## 1. Short term

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Assess base business

### Areas of consideration:

- Modular timing
- Feature plans
- Inventory

## 2. Medium term

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Plan scenarios for the new norm

### Areas of consideration:

- Downshifting
- Trade out
- Seasonal impacts
- Channel mix

## 3. Long term

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Evaluate portfolio mix with new shopper sentiment

### Areas of consideration:

- Assortment assessment
- Brand positioning
- Shopper communication
- Org structure and capabilities

### LEVERAGE KANTAR TO:

Track shopper behavior  
Understand retailer strategy  
Keep tabs on macro indicators

Optimize channel positioning  
Guide strategic planning  
Diversify supply chain

Benchmark org performance  
Track shopper sentiment  
Evaluate brand equity



# ShopperScape® provides topical deep dives

Comprehensive data that speaks to key issues in today's shopper landscape

## DTC, subscriptions, and omnichannel



How do new business models like direct-to-consumer brands and subscriptions influence shopping behavior? What factors influence online purchases?

NOW AVAILABLE

## Trips and occasions



For consumables shopping, which factors drive shopper satisfaction and store choice? What happens on trips to key retailers?

APRIL 2020

## Online grocery



What are the category opportunities and brick-and-mortar implications of a growing online shopper base?

APRIL 2020

## Home improvement



How do shoppers approach home improvement projects and home improvement shopping?

MAY 2020

## Amazon



How does Prime membership impact shoppers' general approach to shopping? How is use of the "Amazon ecosystem" evolving?

AUGUST 2020

## Beauty



How are shoppers' beauty routines and beauty shopping evolving?

SEPTEMBER 2020

## Health and wellness



How are shoppers managing their physical and mental health? What role can retailers and brands play?

OCTOBER 2020

## Beverage and spirits



What's the new path to purchase for alcohol?

DECEMBER 2020

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