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CONSUMER ATTITUDES TO IN-STORE RETAIL DURING THE COVID-19 PANDEMIC

A Cennox Report | July 2020

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INTRODUCTION

For many years now the biggest challenge facing retailers has been retaining loyalty in the face of changing consumer habits. The rise of eCommerce created a new battleground for bricks and mortar retailers who were no longer simply competing with one another, but the comfort and convenience of shopping from home.

In response there came new and innovative loyalty schemes to attract customers in-store – and keep them coming back time and again.

When the Covid-19 pandemic hit in early 2020 and many countries went into lockdown, the industry was split in half. On the one side there were essential stores that remained open – and those deemed non-essential that were forced to close their doors.

As these measures began to lift, shoppers returning in-store have been met with a vastly different experience in order to meet Government guidelines and stop the spread of infection.

This has now become the 'new normal' for stores large and small and it isn't going to change any time soon. Retailers need to adapt fast to give consumers and staff confidence in the safety measures installed, while finding innovative ways to minimise disruption to the shopping experience to ensure business continuity is upheld and sales maximised.

To better understand attitudes to in-store safety, working with independent research house Vitreous World, we have polled 2,000 UK consumers – and the results are emphatic.

Providing retailers with unique insight into the trends that are affecting consumer decision making during the Covid-19 pandemic, this report finds it is no longer just about loyalty cards, points or price drops. Safety and security are now the ways to win the hearts and minds of shoppers.

At Cennox, we have a proud history of innovation and building solutions to meet a changing world. Seldom has this message been so important for the modern retailer.

We hope you find these results helpful.

Nick Cockett
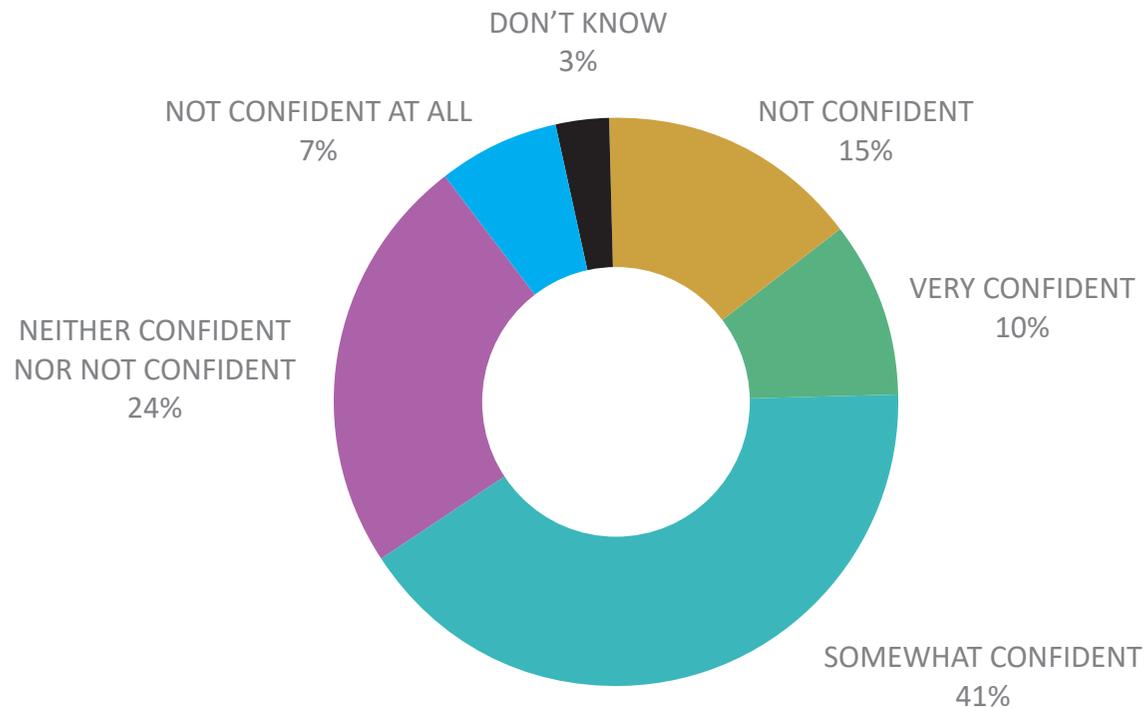*Chief Operating Officer, Cennox*

PART ONE: THE RETAIL MISCONCEPTION

Since lockdown was introduced, essential retailers have remained open, albeit with a vastly different look and feel. As measures eased in the early part of the summer, other retailers both large and small have had to consider how they can begin to reopen, while maintaining customer safety.

Supermarkets in particular have had longer to adapt and learn how best to service customers, but for others it has been a sudden and uncomfortable time, often with considerable expense in order to meet Government guidelines for safe shopping.

Despite the range of measures adopted by retailers, there remain many areas of concern for shoppers and an equally alarming lack of knowledge around what will (and won't) keep them safe.

Only a relatively small number (10%) of consumers polled described themselves as "very confident" the current Government guidelines for retailers will be effective in reducing the spread of Covid-19, highlighting just how important it is that retailers step in to build consumer trust in these uncertain times.

DON'T KNOW
3%

NOT CONFIDENT AT ALL
7%

NOT CONFIDENT
15%

VERY CONFIDENT
10%

NEITHER CONFIDENT
NOR NOT CONFIDENT
24%

SOMEWHAT CONFIDENT
41%

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THE STORE ENVIRONMENT

Taking on the guidelines from central Government and applying their own innovations to adapt the in-store experience, one of the tasks for retailers is to recognise the most high-risk areas of stores and find practical, effective solutions to improve safety. Failure to protect shoppers at these critical points could leave consumers feeling anxious about returning in future. Our poll found that consumers had clear views on this.

Baskets and trolleys (66%) are considered the most high-risk area for the spread of Covid-19, followed by the checkout (51%) and aisles (49%).

66% **51%** **49%**
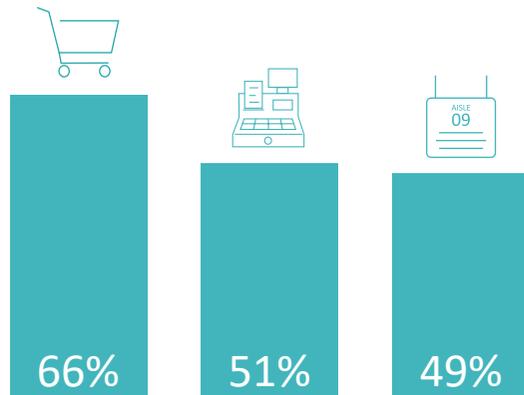
AREAS CONSIDERED THE MOST HIGH-RISK AREA FOR THE SPREAD OF COVID-19

Let's take the supermarket as a prime example here. Before stepping foot into the store, shoppers are most likely going to be handed a paper towel or wipe, sprayed with some kind of anti-bacterial solution to clean the basket or trolley they are about to use. The trouble with this approach is that bleach and other alcohol-based solutions take as long as ten minutes to be effective against coronavirus, meaning shoppers go throughout the store in the belief that they are protected.

> **50%** OF SHOPPERS BELIEVE CLEANING SOLUTIONS SUCH AS ANTI-BACTERIAL WIPES OR BLEACH IMMEDIATELY KILL TRACES OF COVID-19.

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CHECKOUT CHALLENGES

This misconception that traditional cleaning solutions kill coronavirus is perhaps most keenly felt at the checkout. While a trolley or basket will frequently go at least ten minutes before it is used again (therefore benefiting from cleaning by bleach or alcohol solutions), the same cannot be said of payment terminals. Regardless of the social distancing measures adopted, shoppers will still converge at the checkouts, using them in a regular procession, making such solutions largely ineffective.

Almost two thirds (63%) of shoppers are concerned about the spread of Covid-19 at the point of sale, highlighting the concerns that customers have when visiting this particular part of the store.

> " JUST **38%** OF SHOPPERS TRUST STAFF TO CORRECTLY DISINFECT PAYMENT TERMINALS AFTER EVERY USE.

An alternative measure commonly being installed is shop assistants requested to disinfect payment terminals after every use, which aside from being impractical and relying on staff to be extremely diligent 100% of the time, would lead to a significant increase in wipes and other cleaning products sent to landfill. As retailers strive to hit their ambitious sustainability targets, this is undoubtedly a backwards step.

Measures such as the increased limit for contactless payments have increased customer confidence, yet only half of shoppers feel it has gone far enough. Concerns still remain over engagement with payment terminals. Three-quarters (75%) of shoppers have increased the use of contactless payments in order to avoid having to touch surfaces.

63%
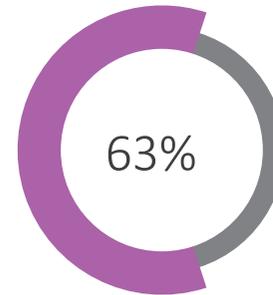
63% of shoppers are concerned about the spread of Covid-19 at the point of sale

75%

75% of shoppers have increased the use of contactless payments in order to avoid having to touch surfaces

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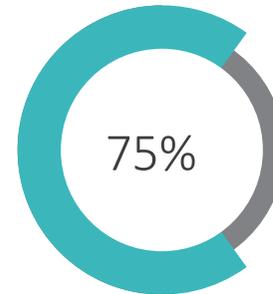
SAFETY FIRST

Ensuring continuity for consumers while maximising safety standards is a critical challenge for retailers as they adapt store environments.

It would be understandable, however, for retailers to urge caution in order to ensure that customers receive a seamless in-store experience. However, fears around how customers might react to in-store disruption appear to be unfounded.

Eighty-nine per cent of shoppers, for example, would accept a small delay of up to 30 seconds if it ensured a thorough clean between transactions.

By and large, it has been left to shop assistants to carry out regular cleaning exercises during opening hours. However, it appears shoppers may see the flaws in this plan.

When asked, the majority (53%) of consumers believe that the responsibility of disinfecting payment terminals should be taken away from shop assistants and passed to trusted technology solutions.

This further supports the view that, for the time being at least, shoppers prioritise safety over anything else and retailers must listen to customers who appear willing to accept what are admittedly minor delays if it guarantees a greater level of safety.

> **89%** OF SHOPPERS WOULD CONSIDER A SMALL DELAY OF UP TO 30 SECONDS IF IT ENSURED A THOROUGH CLEAN BETWEEN TRANSACTIONS.

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PART TWO: THE CHANGING FACE OF LOYALTY

The battle for customer loyalty has of course raged for decades, but in recent years tech-assisted solutions, from loyalty cards to personalised offers, have changed the game. The supermarket sector has really been ground zero in this regard and is a good example of how loyalty is shifting.

For example, the unstoppable rise of eCommerce and the increased popularity of so-called budget supermarkets makes it clear to see the changing nature of threats that makes retail one of the most competitive sectors in the world.

But understandably, no retailer was prepared for Covid-19, which has truly changed the nature of consumer decision-making.

Our research finds that with the increased focus on in-store safety, the measures a retailer puts in place will be a determining factor in winning or losing customers.

To further illustrate the point, 67% of shoppers admit loyalty to their favourite retailers would be impacted by the measures they have to put in place to limit the spread of Covid-19.

DON'T KNOW
13%

NO
20%

YES
67%
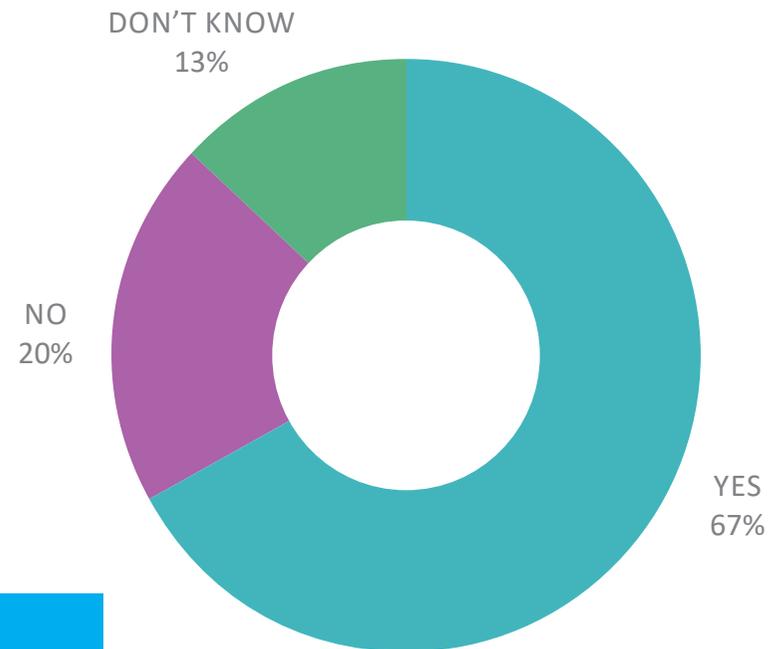
66% OF SHOPPERS SAID THE SAFETY MEASURES A RETAILER HAS IN PLACE TO PROTECT THEM AGAINST THE SPREAD OF COVID-19 WILL DETERMINE WHETHER THEY SHOP AT A PARTICULAR STORE.

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RISK & OPPORTUNITY

The changing nature of consumer loyalty driven by Covid-19 presents significant risk and opportunity for retailers. Continuing to use the supermarket sector as an example, more than two-thirds of shoppers (69%) said they would consider switching from their regular supermarket if safety measures did not meet their expectations.

According to figures from the Office for National Statistics, the average weekly family food shop in the UK is £60.60. Played out over months and years and you can see just how valuable it is to retain customers. Indeed, it is why the retail battle has been such a fierce one.

But the picture has now become a rather simpler one. Put customers at ease, show the measures taken to reduce the spread of infection are best in class and you will win their business.

The research has demonstrated the pathway to success both during – and after – the Covid-19 pandemic. The clearest point of differentiation is in the safety measures a retailer adopts. While it is true that loyalty to supermarkets is not as tribal as it once was, this still represents a significant opportunity for them and other retailers – and a greater risk if the demands of customers are not adhered to.

> " MORE THAN **TWO THIRDS** OF SHOPPERS SAID THEY WOULD CONSIDER SWITCHING FROM THEIR REGULAR SUPERMARKET IF SAFETY MEASURES DID NOT MEET THEIR EXPECTATIONS.

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THE TRUST ISSUE

Having established that shoppers often have misconceptions about common cleaning techniques and would place greater trust in automated, tech-driven solutions to keep them safe, it is important to set out how successful consumers feel retailers are at keeping them safe.

Less than half (46%) of shoppers feel the safety measures put in place by supermarkets and retail stores have been inadequate or poorly managed.
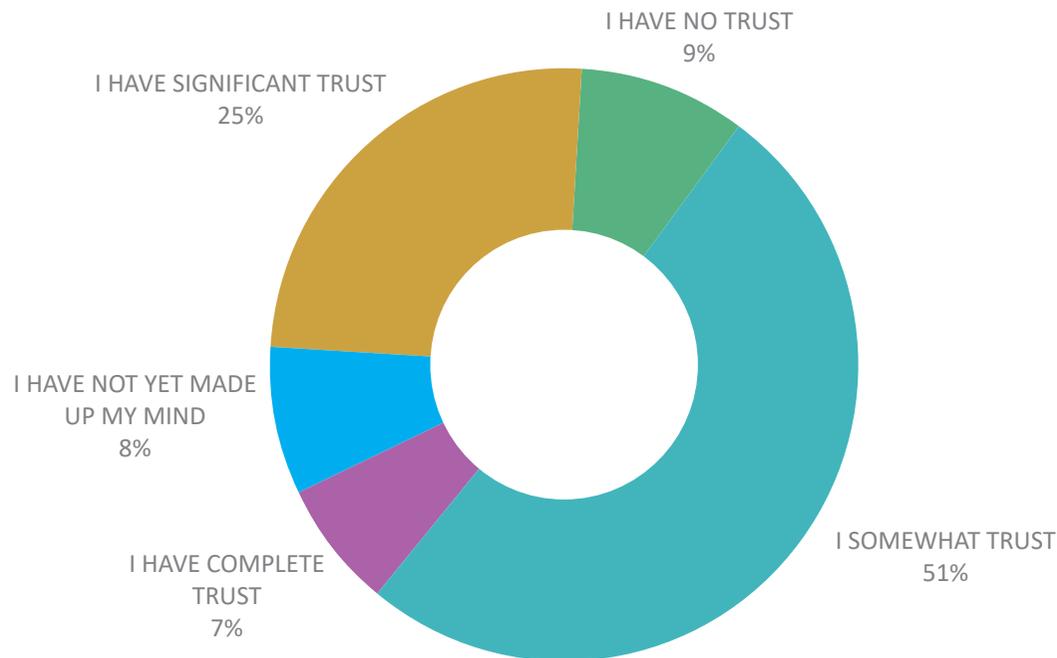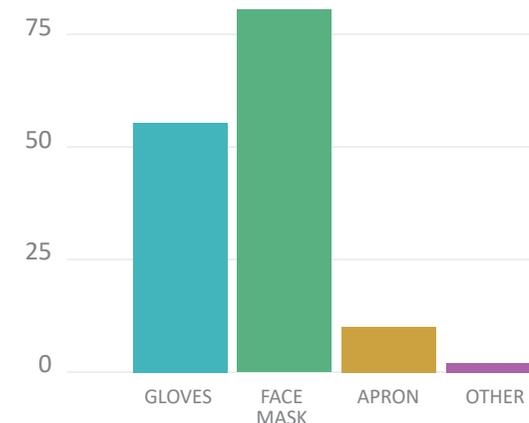
Worse, only seven per cent of consumers said that they have 'complete trust' in the current measures retailers have adopted to keep them as safe as possible from infection. The majority (51%) would put themselves in a category where they 'somewhat trust' retailers. This demonstrates that the loyalty battleground is a level one, showing the opportunity for savvy retailers at this critical time.

In many ways, shoppers are taking measures into their own hands when it comes to in-store safety. While there is no single set of unified rules, more than half (54%) of shoppers wear some form of Personal Protective Equipment (PPE) when at the supermarket, for example.

Of those, the most popular form of PPE is a facemask, closely followed by gloves in second place.

This helps paint a picture of a concerned shopper that is doing their bit to reduce the spread of infection, and they have even greater expectations of retailers to keep them safe.

I HAVE NO TRUST
9%

I HAVE SIGNIFICANT TRUST
25%

I HAVE NOT YET MADE UP MY MIND
8%

I HAVE COMPLETE TRUST
7%

I SOMEWHAT TRUST
51%

GLOVES   FACE MASK   APRON   OTHER

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CONCLUSION

For essential and non-essential retailers, this has been an unprecedented time for the industry. Whether being forced to close, or completely overhaul the in-store environment to safely accommodate customers, retailers have shown their ability to adapt in order to meet the changing requirements of consumers.

However, it has also helped focus attention on the things that really matter and provide a clear pathway to succeed in key areas including customer loyalty. As the in-store environment continues to adapt to cater for the safety measures consumers will increasingly demand, decision making must accelerate to capitalise on the opportunities and avoid significant pitfalls.

At Cennox, we are proud of the agility and innovation shown by our team to develop solutions that meet the changing demands of the retail industry. But we are also proud of the impact we are having on the environment.

Our focus on solutions that use UVC light to neutralise COVID-19 help reduce the amount of waste sent to landfill, enabling retailers to be more sustainable, while serving customers and maintaining the highest standards of safety. Working in partnership with our retail clients, we listen to consumers to devise practical solutions.

The mandate consumers have for retailers has never been clearer: give shoppers the best experience while keeping them safe.

> " WE ARE PROUD OF THE **AGILITY** AND **INNOVATION** SHOWN BY OUR TEAM TO DEVELOP SOLUTIONS THAT MEET THE CHANGING DEMANDS OF THE RETAIL INDUSTRY.

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NEXT STEPS

Having heard the expectations of shoppers when it comes to in-store safety, why not find out more about Cennox's range of products and services designed to meet the needs of a changing world?

For example, our recently launched UVC Keypad Cleaner designed to neutralise Covid-19 present on keypads using UVC lighting beneath a flip lid. This ingenious, patented solution attacks surface clinging viruses from POS terminals after each transaction.

Visit www.cennox.com