

How COVID-19 has transformed global shopping habits

A worldwide pandemic is certain to change many things that were seemingly standard. According to Winning Omnichannel and their recent research into how the retail environment has reacted to COVID-19, the world's shopping habits have shifted dramatically within a period of three months.

Temps de lecture : minute

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During COVID-19, eCommerce grew 41% in just three months, versus 22% growth in 2020. In France, the UK, Spain and China the average share has moved from 8,8% to 12,4%. China represents one of the biggest online markets with eCommerce accounting for ¥1 in every ¥4 spent on FMCG, while the UK, the next biggest market, represents £1.13 in £10 spent on groceries.

In China, Alibaba rose from 5.7% share to 10.9% at the end of April, with more than one in three Chinese shoppers making an FMCG purchase through WeChat.

Supermarkets and convenience store formats also grew during the lockdown as proximity and store footprint have become key factors in success.

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OOH spend boosts shopping at home but not enough

Out-of-home consumption disappeared overnight with the closure of restaurants and cafes. With the average spend per meal significantly lower, the transfer from out-of-home to in-home spending has not been enough to generate incremental growth.

Although shopping for in-home consumption increased by double digits in most countries, the combined out-of-home and in-home consumption dropped between 10% and 30% during the lockdown.

New occasions outside of core moments

The dynamics behind meals eaten in the home have been significantly disrupted by the lockdown. With the majority of people working from home and children being out of school, there has been a focus on certain occasions.

Families have been spending more time preparing and eating breakfast together. People are also snacking more between meals as they look for 'pick me up' moments throughout the day. Health advice has also led to a surge in sales of hygiene and health-related products.

All signs point to a tough H2 2020

Growing unemployment levels around the world suggest the FMCG landscape will struggle to bounce back in the short-term. Lessons from previous economic downturns suggest that we will see a number of trends.

'Brand downtrading' will create an opportunity for retailers' own brands - particularly in Asia and Latin America where FMCG own brand value share is lower than in Europe. Although in-store promotions declined during the lockdown period we forecast that supermarkets will activate promotions to win back share.

"Through the rest of this year and in to next the FMCG market will see less demand and more competition. To succeed retailers will need to rethink their ranging, as well as price and promotional strategies and accelerate their digital transformations. Manufacturers will need to adjust their product portfolios to cater for new behaviours and routines. Both will need a clear understanding of price elasticity, pack sizes and the promotion mechanics that are critical to attracting shoppers."

- Gaëlle Le Floch, Strategic Insight Director Kantar Worldpanel



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