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COVID-19 Impact: Retail Innovations

OCTOBER 2020

The Authoritative Source for Consumer
Technology Market Research
Research@CTA.tech | 703-907-7600

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27th Annual Consumer Technology
Holiday Purchase Patterns

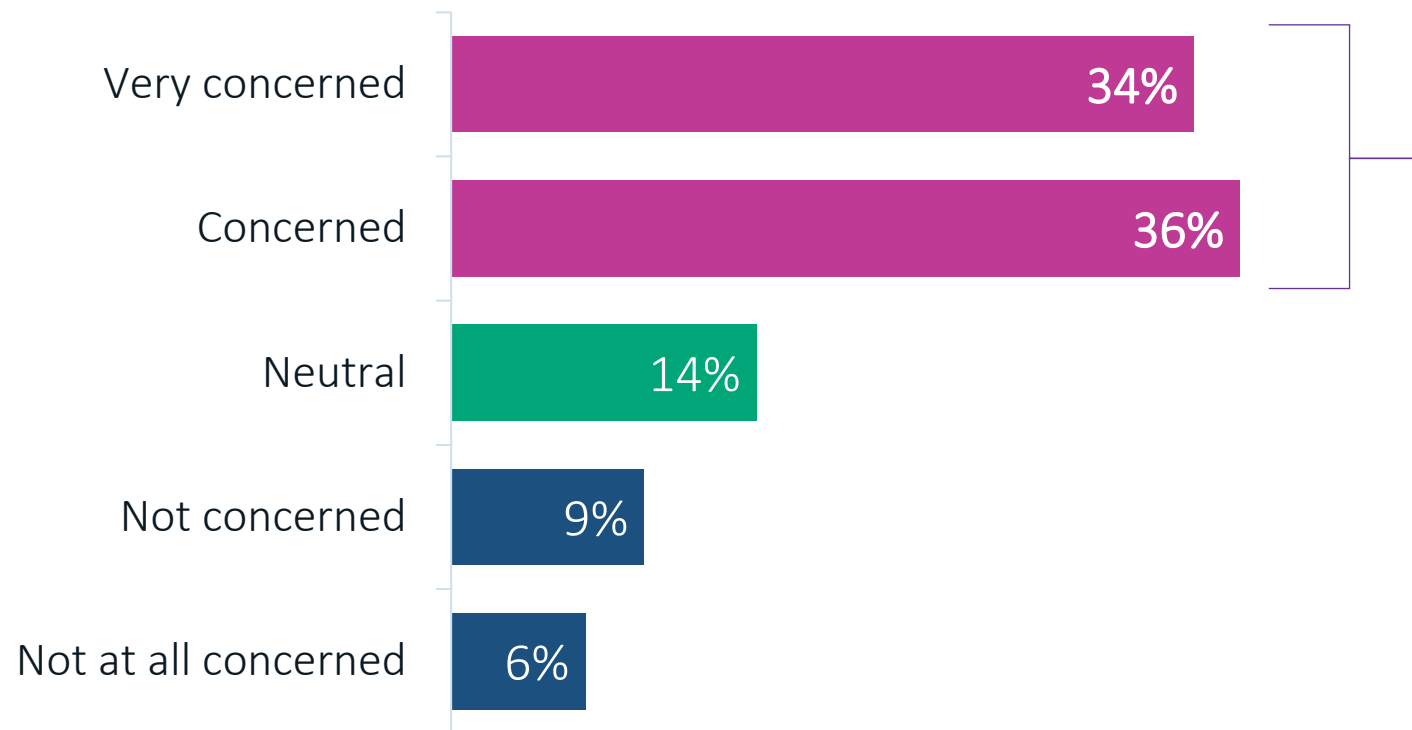
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Concerns About COVID-19 Are Driving At-Risk Shoppers Out of Stores

Level of Concern About Contracting or Spreading COVID-19



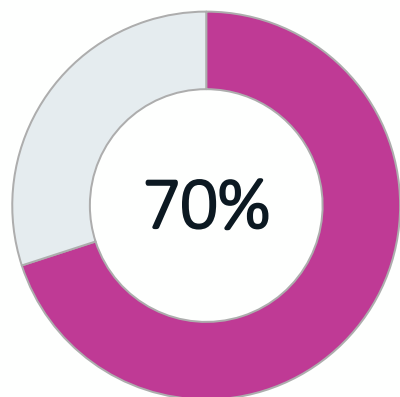
Among those 'Concerned' [NET]...

65%
have decreased their in-store shopping & purchasing

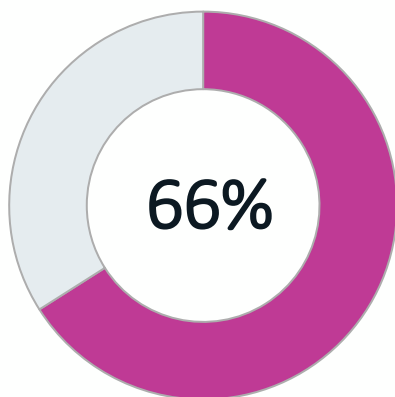
Source: COVID-19 Impact: Retail Innovations, CTA

Consumers Recognize Safety Equipment & Social Distancing Practices In Stores

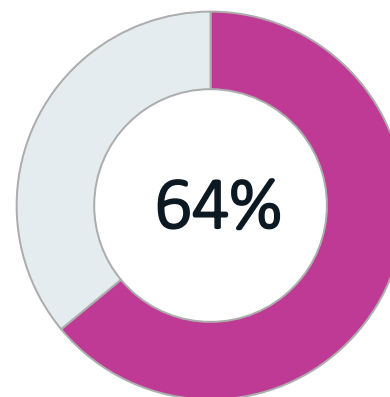
Which of the following in-store shopping precautions/measures to limit the spread of the coronavirus outbreak have you experienced?



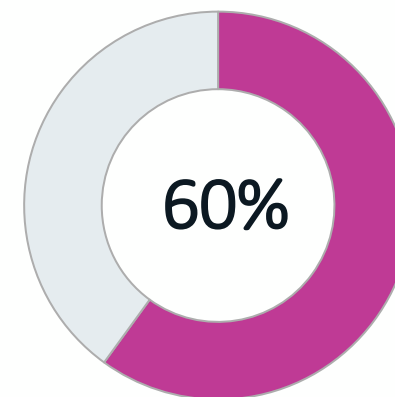
Requirements to wear Personal Protective Equipment (PPE)



Stickers on the floor to indicate how far apart shoppers should stay from each other



Protective shields at check-out counters / registers

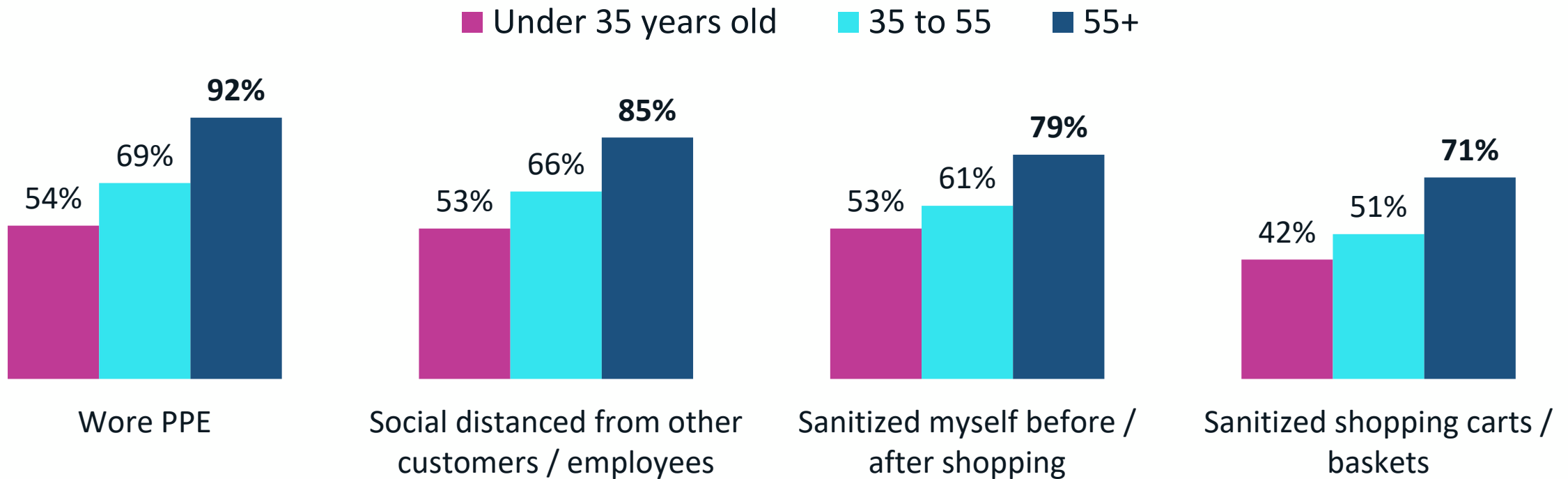


Limitations on the number of in-store customers at a time

Source: COVID-19 Impact: Retail Innovations, CTA

Older Shoppers More Likely To Take Personal Precautions & Shop Dedicated Store Hours

*Which of the following in-store shopping precautions have you taken as a result of the coronavirus outbreak?
[Top 4 Shown]*



Source: COVID-19 Impact: Retail Innovations, CTA

In-Store Shopping Sentiment Remains Favorable

2 in 3 consumers feel that **retailers** are taking the right amount of **precaution** when it comes to limiting the spread of coronavirus.

Nearly **3 in 4** consumers are **satisfied with the precautions** that retailers are taking in stores.



Consumers Want To See Faster, Simpler Shopping With Minimal Contact

*Which of the following aspects of retail shopping do you believe needs the most improvement?
[In order of mentions]*

28%

Improved Product Returns



24%

Improved Payments & Checkout



23%

A Better Overall In-Store Experience

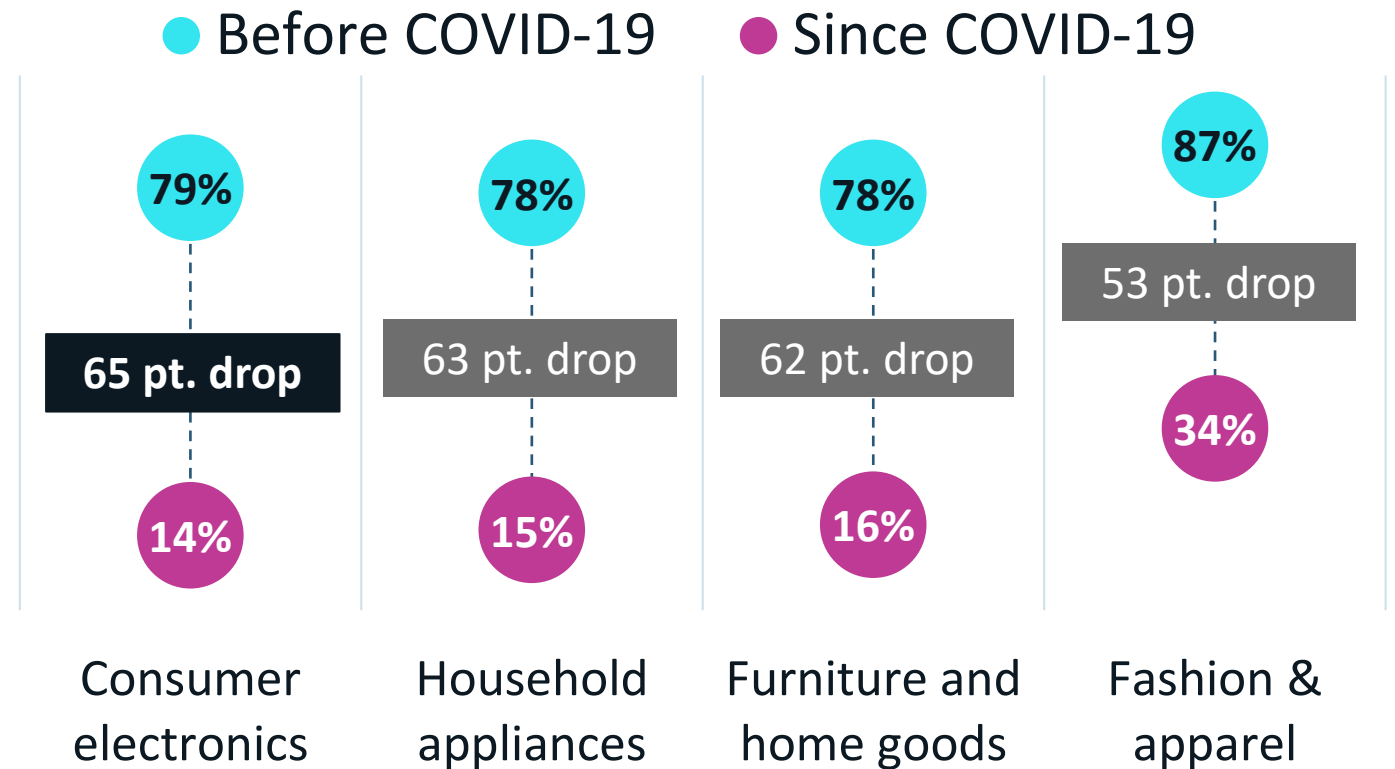


Source: COVID-19 Impact: Retail Innovations, CTA

In-Store Shopping has Decreased Dramatically Since the Coronavirus Outbreak

3 in 5 state their online purchasing has increased since the Coronavirus outbreak.

Percentage of consumers who have shopped in-store for products
[Ranked by point gap]



Source: COVID-19 Impact: Retail Innovations, CTA

In-Store Shopping Is Still Preferred For Certain Categories Consumer Technology Association | Research

“

There has been an **increase in traffic in some subsets of retail** including essentials such as **grocery stores, pharmacies, and home improvements**. So there have been a handful of retailers that have benefited through this period of time.

President & CEO

The Revenue Optimization Company (T-ROC)



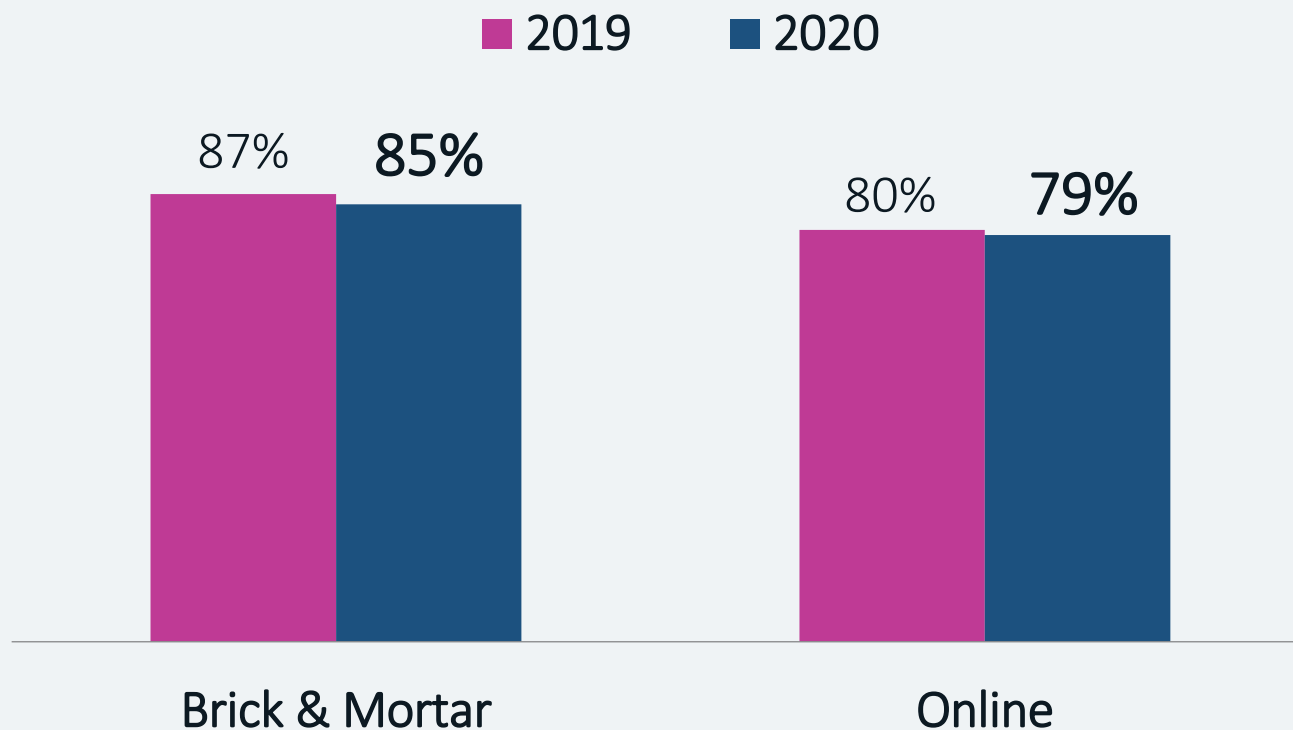
For the week of April 20, Home Depot's store visits saw a **31%** jump above its typical baseline, while Lowe's experienced a **72%** rise.”

[Source: Business Insider]



Brick & Mortar Remains Strong During 2020 Holiday Shopping

% respondents very or somewhat likely to shop via each channel



2 in 3 state their ability to **socially distance from others** will be a key factor when deciding how & where to shop

Source: 27th Annual Consumer Technology Holiday Purchase Patterns, CTA



Luxury Retailer Uses UV Light Sanitization on Escalators

“The adoption of these [innovative retail] technologies is growing. The pandemic once again has forced people to be more accepting, and they have more of a desire to adopt versus a really slow adoption process pre-pandemic.”

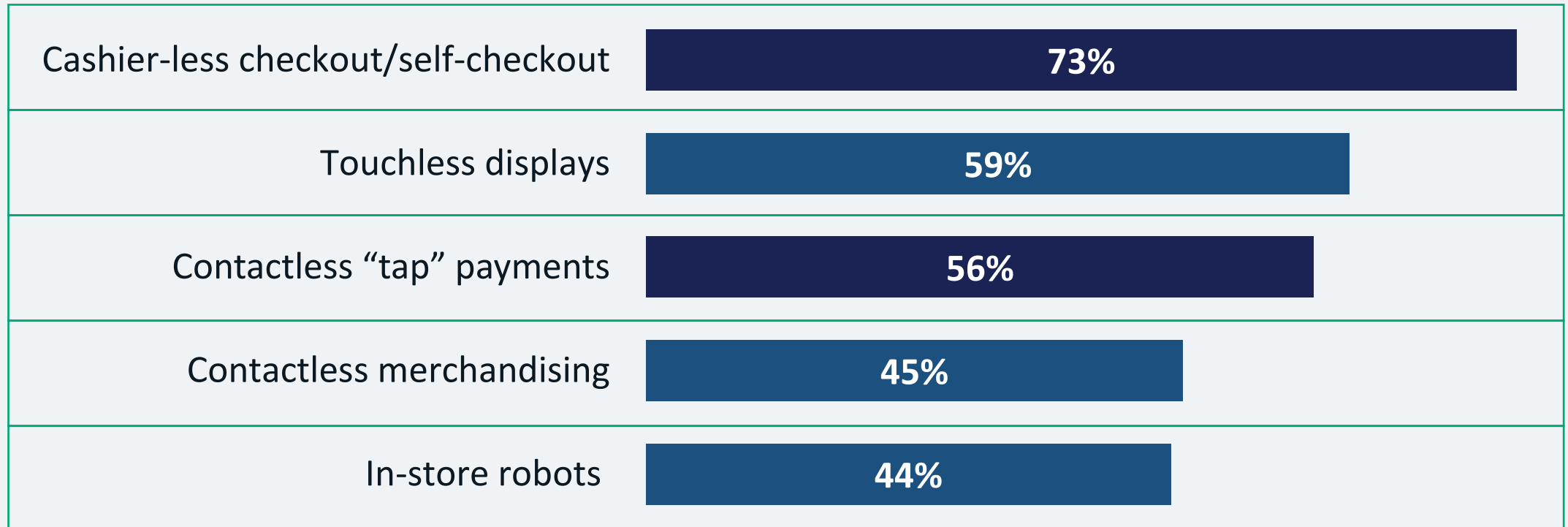
President & CEO

The Revenue Optimization Companies (T-ROC)

Source: *COVID-19 Impact: Retail Innovations*, CTA

Consumers Open To More Independent, Contact-Free Shopping In-Store

*In the next 12 months, how likely are you to use the following while shopping online or in store?
[Top Two Box]*



Source: COVID-19 Impact: Retail Innovations, CTA



Cashier-less Shopping is On the Horizon

6%

of consumers surveyed have experienced an autonomous or “unmanned” store, but...

39%

say they would be likely to use one in the next 12 months.

“If I can walk into a store, get what I need and walk out on a contactless basis, meaning I do not have to interact with a checkout person or a payment terminal, I think that is probably what would have the biggest impact.”

Anonymous

Mass Retailer

Source: COVID-19 Impact: Retail Innovations, CTA

Customers Eager for a Larger Rollout of Delivery Innovations

■ Favorability

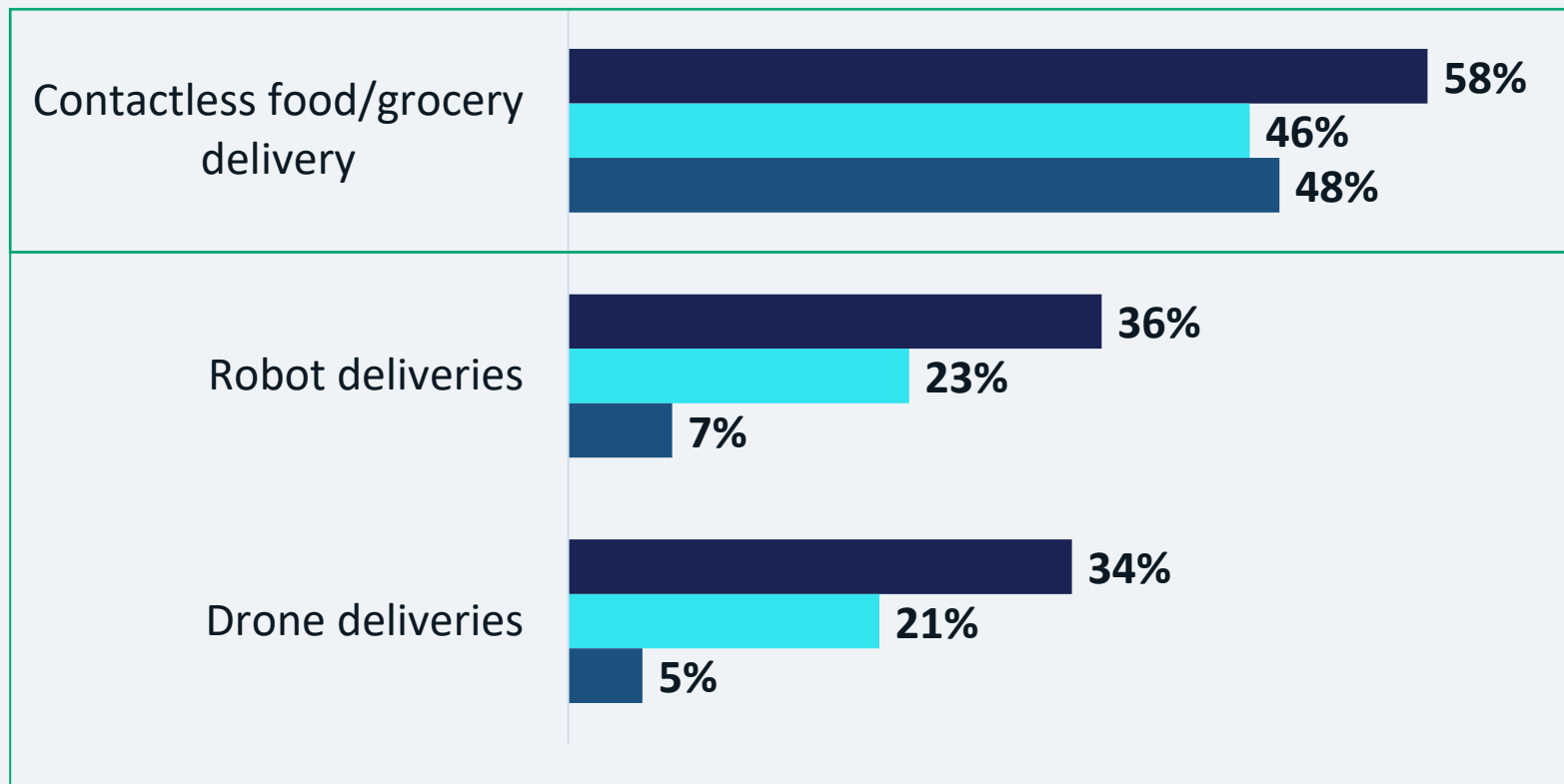
("Very" + "Somewhat favorable")

■ Future use

("Definitely" + "Probably will use in the next 12 months")

■ Prior Experience

("Used" + "Experienced")



Source: COVID-19 Impact: Retail Innovations, CTA

New Retail Promotional and Delivery Programs Taking Hold

*Q. Which of the following promotional programs do you plan to take part in when shopping for consumer technology products this holiday season?
Multiple responses accepted.*

41%

Shipping programs

39%

Online retailer sales

23%

In-home delivery

(Such as Amazon Key or Walmart Delivery)

20%

Contactless delivery

19%

Curbside pickup

Source: 27th Annual Consumer Technology Holiday Purchase Patterns, CTA

Consumers Are Ready to Use Mixed Reality and Voice Shopping Tech

*Q: How favorably do you feel toward each of the following retail innovations?
[Top Two Box]*

27%

AR shopping
(7% have experienced while shopping)



26%

Voice shopping
(11% have experienced while shopping)



25%

VR shopping
(6% have experienced while shopping)



Base: Total respondents (n=1501)

Source: *COVID-19 Impact: Retail Innovations*, CTA

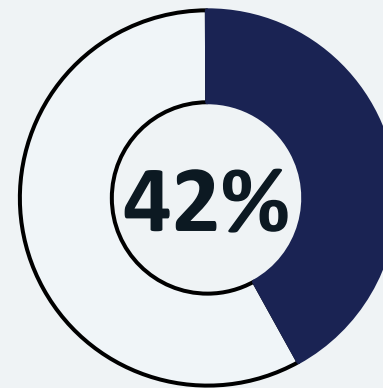
Digital Assistants Helping Gift Buyers Shop

3 in 10 believe technology makes shopping during the holiday season more convenient.

Q. Are you very likely, somewhat likely or not at all likely to do each of the following this holiday season?

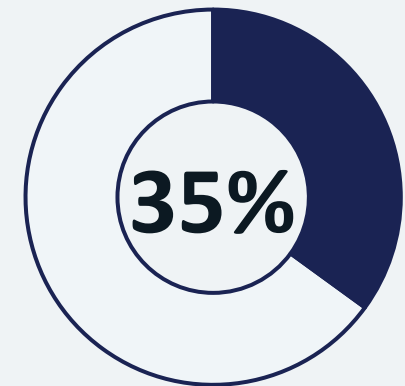
Multiple responses accepted.

Research Products or Find Sales



will use a digital assistant to research products or sales

Purchase Products



will use a digital assistant to make a purchase

Source: 2020 Pre-Black Friday Week Survey, CTA

Source: 27th Annual Consumer Technology Holiday Purchase Patterns, CTA

Key Takeaway: *Retail Success Through an Omnichannel Experience*



Consumer retail touchpoints:

- **Shopping modes**
 - Online, mobile, in-store, etc.
- **Delivery methods**
 - Contactless delivery, curbside pickup, etc.
- **Engagement approaches**
 - Marketing, social media, product demos, etc.