

CONSUMER SEGMENT BUYING HABITS DURING COVID-19



Report Overview

- Research Overview
- Food for Thought
- Summary of Respondents
- Research Goals
- Key Themes
- Consumer Buying is Shifting
- Supporting Local & BIPOC-Owned Businesses
- Taking a Stance
- Recovering from a Misstep
- Audiences Want Ads Reflective of Their Experience
- What Now?

Research Overview

The year 2020 is a time in history we will never forget. Amid a global pandemic, the world's racial and social uprising shifted our daily lives including the demand from BIPOC (Black, Indigenous, People of Color) communities for brands to address our nation's racial injustices. The combination of COVID-19's impact with the public's expectation for brands to make public stances regarding social issues has forced businesses to shift how they engage customers. In partnership with Esparza Digital + Advertising, we conducted a survey of 693 American consumers to understand better their expectations concerning brands taking public positions on social issues, their support for local businesses and how the COVID-19 pandemic has impacted their shopping behavior.



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Shopping trends have shifted since the onset of the pandemic, but the nuanced variations across generations and racial groups require a specialized approach in authentic audience engagement.

- DR. BRANDALE MILLS COX

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Summary of Respondents

Using a third party panel provider, we recruited nearly 700 respondents across all generations and racial groups to complete the survey using cross tabulations as a method of analysis.

RACE & ETHNICITY

43 percent of respondents were White and 28 percent African-American or Black, with Asian, Latino and Native Americans comprising the remaining respondents.



REGION

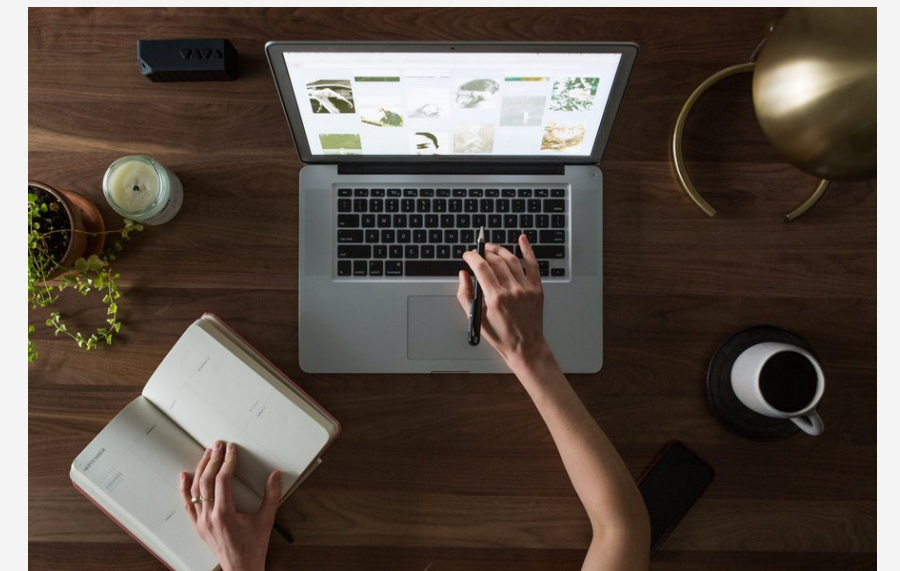
Participants were evenly distributed amongst the south, southwest, mid-Atlantic, Midwest and west coast regions with representation in the New England, Rocky Mountain and Great Plains region.

AGE

Respondents ranged from 18 years old to 75 years and older, with even distribution amongst all groups. (Researchers focused on generations rather than age ranges).

INCOME LEVELS

The annual household income levels were evenly distributed ranging from \$25,000 to more than \$200,000.



Research Goals



CONSUMER BUYING TRENDS

This research aimed to understand consumer buying trends across generations and racial groups to inform brands and organization's marketing strategies, considering the impact of COVID-19 and 2020's racial reckoning.

FACTORS INFLUENCING PURCHASING

With an increased public accountability for brands and organizations, the research's goal aimed to determine the values and factors influencing buying decisions, particularly for communities of color, during the pandemic and analyzing its implications on industries and marketing efforts to diverse communities.

STRATEGIC RECOMMENDATIONS

The public's demand to hold brands accountable for their stance on racial and social justice issues combined with the continuous changes to shopping restrictions because of the pandemic, created circumstances for brands to figure out the "right" way to respond to with little guidance. This research hopes to fill that gap.

Findings Key Themes

CONSUMER BUYING IS SHIFTING ONLINE

Although in-person shopping is still the preferred way of purchasing groceries and apparel, consumers have increased their online shopping through apps like Instacart and Postmates, with many respondents noting their new way shopping is here to stay.

COMMUNITIES OF COLOR SUPPORT LOCAL & BIPOC-OWNED BUSINESSES

More than half of the respondents said they intentionally support locally owned businesses with many of them saying larger corporations should also support locally owned businesses. Black and Hispanic consumers across all generations overwhelming say it's important for large corporations to support smaller BIPOC businesses, carrying their products or sourcing directly from them.

BRAND SHOULD TAKE A STANCE

The nation's demographics are shifting to become more multicultural, so brands must adjust to the demands of these consumers. Nearly half of the respondents, particularly millennials, expect their preferred brands to take a public stance regarding social issues such as police brutality and racism.

RECOVERING FROM A MISSTEP IS POSSIBLE

Despite our current "cancel culture," only a small percentage of respondents said they would absolutely discontinue using a product if a public misstep occurred, noting that the best way to recover would be to issue a public statement.



Consumer Buying is Shifting

KEY FINDINGS

Trends indicate shoppers are comfortable with the convenience of their new shopping habits. Although people across all generation and racial groups continue to shop in person, we're noticing a shift to more online shopping particularly for apparel/clothing and groceries.

TAKEAWAYS

- 50% of Black consumers purchase apparel/clothing online, up from 21% pre-pandemic
- Shopping on apps such as Instacart has more than doubled since before the pandemic
- Hispanic/LatinX consumers across generations have remained the most consistent in their shopping trends before and post the pandemic



Supporting Local & BIPOC- Owned Businesses

Key Findings:

Communities of color overwhelmingly support local & BIPOC-owned businesses and expect larger organizations to do the same.

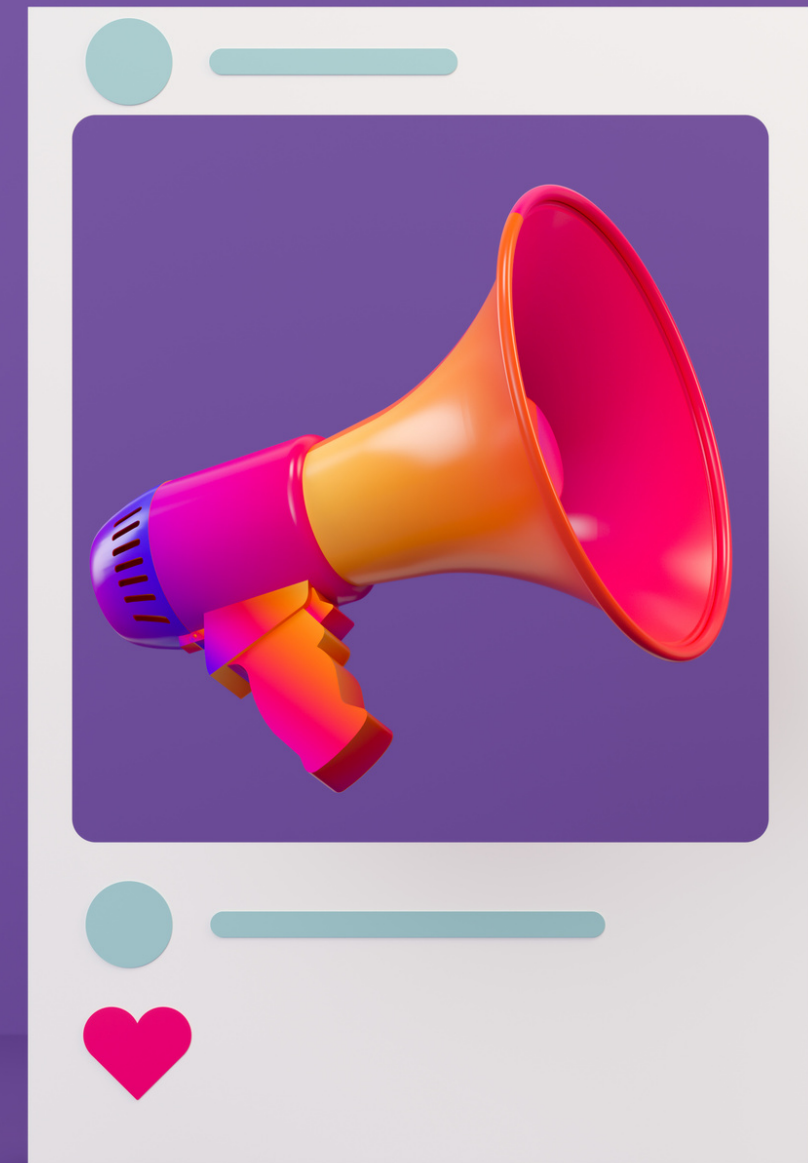
Takeaways:

- 85% of Black millennials agree that it is important to them that their local stores carry products from BIPOC businesses, compared to 76% of Hispanic millennials, 73% of white millennials and 88% of Native Americans
- 81% of Black Baby Boomers agree that businesses should carry BIPOC products, with 76% of them saying large businesses should support locally owned companies
- 80% of Hispanic Baby Boomers say large businesses should support locally owned companies
- 88% of Black Generation Xers believe it is important for stores to carry BIPOC-owned products



Taking a Stance

When asked to choose a single approach that brands should take to respond to social issues, respondents were split between saying brands should use their platforms to speak out, saying they should donate to relevant causes, and hiring more diverse employees. Brands must continue using social media platforms, websites and other communications materials such as advertisements to address social issues, in addition to donating money to relevant social causes and hiring more diverse employees – all things respondents mentioned as important characteristics of the brands they interact with.



63%

OF BLACK CONSUMERS EXPECT THEIR
PREFERRED BRANDS TO SPEAK OUT
AGAINST ISSUES SUCH AS RACISM AND
POLICE BRUTALITY

36%

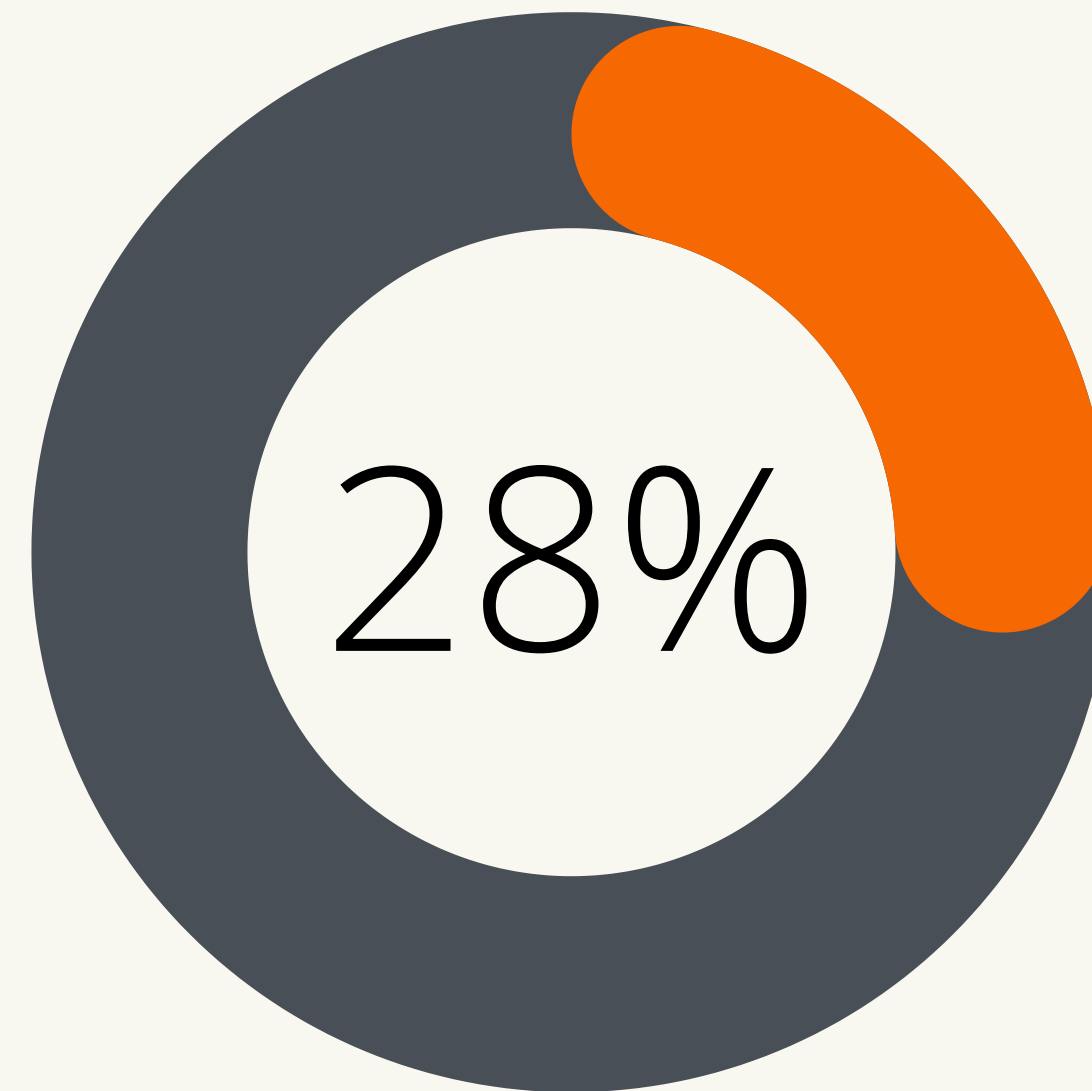
OF WHITE CONSUMERS EXPECT THEIR
PREFERRED BRANDS TO SPEAK OUT
AGAINST ISSUES SUCH AS RACISM AND
POLICE BRUTALITY



Recovering from a Misstep

ACCOUNTABILITY

According to respondents, recovering from a public misstep is possible and consumers don't want a performative response; they want a statement that reflects a genuine understanding of social issues and its impact on society. The statement should illustrate accountability and actionable steps of improvement, followed-up with a transparent approach.



Of respondents said they would discontinue a brand after a public misstep.



Audiences Want Ads Reflective of Their Experience

There isn't a singular aspect of advertisements respondents noted as important; instead, there was an equal distribution between wanting to see diverse representation, including content that addresses social issues that is trustworthy with elements of authentic audience engagement. Brands should consider creating advertisements that aren't simply reflective of racial diversity, but also gender diversity. Images should stray from the Eurocentric standard of beauty, embracing the nuances that exist within different cultural and ethnic groups. Additionally, using your advertising platform to address social issues, standing in solidarity with marginalized groups helps create that authentic connection customers want.

What Now?



Consumers do not want cookie-cutter public responses with limited follow-through.



People, particularly millennial shoppers, expect brands to use their platforms to speak out against social issues



Buying habits have shifted tremendously and consumers do not anticipate reverting back to their old practices.

WEB

www.inclusivemarketresearchgroup.com

EMAIL

brandale@inclusivemarketresearchgroup.com

PHONE

832-368-4424

