How COVID-19 Is Transforming Consumer Shopping Habits This Holiday and Beyond

Consumers plan to shop earlier and give retailers more time to deliver packages - in exchange they want free shipping, clear communication, and flexible fulfillment options.
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The 2020 holiday shopping season is shaping up to be like no other, thanks to the global pandemic, social upheaval, and political uncertainty. Retailers who’ve already pivoted to center their businesses around online selling are now navigating tight crowd controls for in-person holiday shopping and bracing for an even greater spike in online orders and deliveries. And with Amazon kicking off the season with a rescheduled October Prime Day, the only guarantee so far is that the chaos dominating 2020 will continue.

With this in mind, Convey surveyed more than 1,500 U.S. consumers to discover their attitudes and plans surrounding holiday shopping. The results should give retailers hope: consumers are planning to shop earlier and give retailers latitude to deliver more slowly. But in exchange, once a fulfillment timeline has been established, consumers expect retailers to meet the expectations they set and communicate transparently about the process.
COVID-19 Set to Transform the Season

When the pandemic closed stores across the U.S. in March, eCommerce purchases jumped by more than 40%,¹ as consumers used the Web to buy everything from groceries to clothing to school supplies. Now, at the close of the year, online shopping activity remains strong, even as stores have opened their doors again—and many consumers report they’ll stick to home-based gift buying for the holidays. That shift has the potential to radically reshape the season on multiple levels.

Online and omnichannel win the day as stores take a backseat

In recent years, while online sales growth often fueled revenue momentum for the season, total eCommerce receipts usually amounted to a minority fraction of overall retail sales. In 2019, for example, annual growth of more than 13% propelled online purchases to account for 19% of holiday revenues.²

More than 8 in 10 survey respondents (82.4%) report they’ll do some or all of their holiday shopping online, while 29.7% will purchase gifts exclusively online.

In 2020, that equation is set to flip completely, thanks in part to retailers making early announcements of Thanksgiving store closures and tight crowd controls during the ensuing Black Friday weekend. More than 8 in 10 survey respondents (82.4%) report they’ll do some or all of their holiday shopping online, while 29.7% will purchase gifts exclusively online. Shoppers under 45 are more apt than average to embrace online alternatives to the store experience: 86.3% will rely solely or predominantly on the Web for holiday shopping, and 31.5% will shop exclusively online. Perhaps surprisingly, the population deemed most vulnerable to COVID-19, those over the age of 60, will shop in-store in the highest numbers: 23% will shop mostly or entirely in-store, compared with 17.6% of shoppers overall. The upshot: retailers who want to encourage older shoppers to stay safe from the virus by staying at home must do more to persuade them to do so via relevant offers and prominent reassurance that the process will be easy, secure, and cost-effective.

Key Takeaway
Alarmingly, the population deemed most vulnerable to COVID-19, those over the age of 60, plan to shop in-store this holiday in the highest numbers: 23% will shop mostly or entirely in-store.

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How will COVID impact how you purchase gifts this holiday season?

- 100% online: 29.7%
- Both in-store and online, but mostly online: 52.8%
- Both in-store and online, but mostly in-store: 13.4%
- 100% in-store: 4.2%

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4 in 10 to start holiday season early

In addition to relying primarily on the Web to source gifts, the majority of shoppers (55.8%) say the pandemic has forced them to alter the timing of their holiday buying plans. Responses align with attitudes toward in-store shopping: those changing their plans are more likely to shop mostly or exclusively online, while those who plan to stick to their pre-COVID calendar are more likely to shop in-store.

Close to 4 in 10 (39.3%) plan to shop earlier than usual due to the pandemic—a percentage that may well rise given that the survey was fielded in early September, prior to Amazon’s announcement that Prime day would be held in October. Fully 89.7% of these early shoppers plan to shop exclusively or mostly online for gifts.

Another 16.5% of respondents said the pandemic would alter their schedules in the opposite direction, prompting them to shop later in the season. These late shoppers are most likely to rely solely on the Web for their holiday shopping needs, with 35.1% saying they’ll do so—18% higher than the survey average—posing a challenge to retailers struggling to deliver packages on time amidst seasonal spikes.

A significant minority of respondents, 44.2%, say COVID won’t impact the timing of their shopping. These consumers favor store shopping, with more than a quarter, 25.1%, saying they’ll find gifts mostly or entirely in-stores and 7.6% saying they’ll only shop in person—81% higher than the survey average.

Who’s planning to delay shopping due to COVID?

The 16.5% of respondents who will wait until later in the season to start shopping due to the pandemic are likely delaying for economic reasons, such as saving up for gifts or waiting for deeply discounted last-minute sales—a reminder that for many, COVID-19 is a threat to their financial as well as physical health.

More than 4 in 10 of these shoppers, 46.2%, earn less than $50,000 per year—25% higher than the survey average. Late shoppers are also younger than average, and therefore more likely to be in the early years of their working lives and earning less: 31.5% of early shoppers are in the 18-to-29 age range, compared with 26.5% of respondents overall who are under 30. To convince these shoppers to finish their gift purchases earlier than planned, retailers should consider offering targeted discounts, and they should highlight savings related to using slower shipping methods or store pickup.
Shoppers pledge support, not dollars, to COVID-impacted stores

Shoppers are aware that COVID is hurting the local retail sector—but that doesn’t mean they’ll change their shopping behaviors. More than two-thirds of survey respondents, 66.27%, said it’s important or very important to support local retailers impacted by the pandemic. This percentage goes up with age: 33% of those over 45 say it’s “very important” to support COVID-impacted businesses, compared with 25.9% of those under 45—a 27% difference.

Whatever their sentiments, however, shoppers are unlikely to back up their pledges of support with actual purchases. Just 13.1% of survey respondents say they’ll shop at local retailers or specialty chains for holiday gifts—a percentage that varies little with age.

Key Takeaway
Just 13.1% of survey respondents say they’ll shop at local retailers or specialty chains for holiday gifts.
Amazon Builds on Pandemic Momentum

Whatever sentiments shoppers harbor about COVID-impacted small businesses, their holiday dollars are most likely to go to the company that, for many, represents the antithesis of mom-and-pop retailers: Amazon.

The shift to online shopping during the pandemic has brought exponential growth to the online giant, and 46% of U.S. consumers now say shopping more at Amazon will likely become a permanent habit.

Amazon’s Prime Day mega-sale, rescheduled from July to October 13-14, may well become 2020’s marquee holiday kickoff event—especially for the 150 million U.S. consumers who are already members of the Prime membership club—giving Amazon the opportunity to dominate the season from the get-go.

6 in 10 will shop at Amazon for gifts

More than 6 in 10 survey respondents (60.7%) will shop at Amazon.com for holiday gifts—far and away the most popular option. Mass merchants such as Walmart and Target came in a distant second, at 16.3%, and local retailers ranked a still more distant third, at 7.64%, edging out department stores, at 7.01%.

Millennial/Gen X shoppers ages 30-44 are the biggest Amazon fans, with 63.4% saying they’ll buy gifts there—perhaps because this age segment is likely to have both professional and child-rearing obligations and they find the convenience of one-stop shopping appealing. Shoppers under 30 are the age cohort least likely to shop at Amazon, at 58.9%, and more likely to sample broadly across different types of retailers: they’re the age group most likely to shop at department stores (9.4%) and specialty retailers (9.2%), in addition to mass merchants (15%).

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Which retailers are you most likely to buy from during the holiday? (IN-STORE, ONLINE, OR BOTH)

- **60.7% Amazon**
- **7.6% Local Retailers**
- **7.0% Department Stores**
- **5.5% Specialty Retailers** (Nike, Victoria’s Secret, REI, Bed, etc.)
- **2.1% Clubs** (Costco, Sams, etc.)
- **0.9% Drugstores** (CVS, Duane Reade, etc.)

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Misgivings about Amazon grow—but doesn’t impede shopping

With growing dominance comes growing scrutiny, and recently Amazon has faced criticism for everything from unsafe delivery drivers to a lack of precautions against COVID-19 in fulfillment warehouses. More consumers than ever, 30.7%, say Amazon has had a negative impact on the retail industry overall—up 29% from before the pandemic in January of this year.

But the growing misgivings about Amazon won’t likely impact the bottom line. Nearly half (46.3%) of those with negative opinions about Amazon will buy gifts there anyway; even among the 8.9% of respondents with very negative views of Amazon, 38.6% will still shop there, compared with 28.6% who will shop at local retailers or specialty chains.

How do you feel about Amazon’s impact on retail?
Delivery Leeway Granted to Retailers—With An Asterisk

Amazon’s pervasive influence has set the standard for free, timely delivery of holiday gifts—expectations that haven’t changed in 2020, despite the year’s myriad challenges.

Thanks to the pandemic, consumers are willing to give retailers extra time to deliver packages, but free and fast shipping are still top priorities, and transparency and flexibility are as important as ever.

9 in 10 will grant extra time for package delivery

Overall, 89.4% of respondents said they’d give retailers more time to deliver packages due to the constraints imposed by COVID-19. Three quarters (74%) are willing to grant sellers one to four extra days, while 15% are willing to wait five or more additional days for delivery. Just over 1 in 10, 10.6%, are unwilling to grant extensions.

These responses were remarkably consistent across age cohorts, and regardless of whether shoppers planned to start their own gift buying earlier or later due to the pandemic. Those planning to shop at Amazon also displayed similar flexibility, with 88.5% saying they’re willing to give sellers extra time to deliver goods.

Are you willing to give retailers more time to deliver items this holiday given the COVID pandemic?

- 44.4% Yes, 1–2 extra days
- 29.6% Yes, 3–4 extra days
- 9.3% Yes, 5–6 extra days
- 6.2% Yes, 7+ extra days
- 10.6% No
Free and fast still rule shoppers’ delivery priorities

Even as they’re willing to give retailers breathing room when it comes to gift delivery, free and fast still top the list of delivery-related services shoppers seek when looking for gifts online. More than 4 in 10 shoppers, 43.6%, said they sought free two-day shipping. In distance second place, 18.4% said they wanted to know up-front that shipping on returned items would also be free. The ability to track packages while they’re en route was the third most popular delivery-related service, at 14.3%.

These top-3 rankings are the same, in the same order, as in 2019—evidence that free shipping both ways is an abiding priority. Amazon’s influence is an important driver of shoppers’ priorities; fully 1 in 2 of those who will buy holiday gifts on Amazon said free two-day shipping was important.

**Key Takeaway**

Nearly half of shoppers, 43.6%, will seek free two-day shipping when shopping online for gifts this holiday.
Timing transparency a purchase driver

Not only do shoppers want to be able to track delivery after purchase, as gifts make their way to recipients; they want to know the delivery timeframe before pressing the “buy” button—and are more likely to purchase if that information is available. Nearly 1 in 6 survey respondents, 57.8%, say they’re somewhat or much more likely to purchase if retailers provide an estimated delivery date (EDD) in the shopping cart prior to starting checkout.

Only 1 in 5 shoppers (19.9%) say that seeing an EDD in the cart makes them less likely to purchase. A higher percentage of shoppers who plan to do most of their gift shopping in stores, 26.9%, say an EDD makes them less likely to purchase, suggesting that less experience with online shopping or distrust of the estimate may explain the negative impact on purchasing. The result is a further reminder that retailers can’t be too diligent when it comes to clearly spelling out delivery timelines for each type of shipping service offered.

If an online retailer provides an Estimated Delivery Date (EDD) in the shopping cart, how likely are you to buy the product?

- Much less likely: 7.4%
- Somewhat less likely: 12.5%
- No influence: 22.3%
- Somewhat more likely: 40.0%
- Much more likely: 17.8%
Store pickup more important for early shoppers

Fulfillment services that retailers are highlighting as safe fulfillment options during the pandemic are not as high of a priority as might be expected. Just 13% of survey respondents said in-store or curbside pickup was important, and 6% said they sought contactless delivery.

The exception is for those planning to start their holiday shopping earlier due to COVID-19, 18.3% of whom said curbside or in-store pickup availability was important. Given that nearly 9 in 10 of these shoppers plan to find most or all of their gifts online, it’s understandable that they seek the highest degree of fulfillment flexibility.

Those willing to tolerate slower shipping need more transparency

The 15% of shoppers willing to give retailers an extra 5 or more days to deliver gifts due to COVID-19 are an attractive bunch: nearly a quarter are apt to shop for gifts at local and specialty retailers (24.5%), and just 12.8% blame retailers if shipments are late, 34% lower than average. But to earn this tolerance, retailers must be more transparent about delivery, not less: Fully two-thirds of these shoppers, 67.2%, say they’re more likely to buy from a site that displays the EDD in the shopping cart—16% higher than the survey average.

And the ability to track packages en route is critical, ranking behind only free shipping as an important service for retailers to offer. Store pickup is also more important than average for patient shoppers, ranking third on the list of fulfillment services, ahead of free returns.

Retailers seeking to entice shoppers who place a lower premium on speed should thoroughly vet their messaging around order fulfillment to ensure a high degree of communication and transparency, and spotlight the variety of fulfillment options on offer.
Accurate Timing Is Crucial for Brand Trust

However flexible shoppers may be about accepting later-than-usual deliveries, once an estimated timeline is set, it's more critical than ever for retailers to keep their promises. The timing of holiday shipments is top of mind, and for good reason: during last year’s holiday season, a full 43.8% of packages missed their original estimated delivery dates, 1.7x higher than the prior year, so shoppers likely have the perception that late gift deliveries are on the rise. Add to that the current news headlines about slowdowns at the U.S. postal service, and it's no wonder that consumers rank late deliveries as their top concern.

Nearly 9 in 10 say on-time delivery is important

On-time delivery plays an increasingly critical role in the overall shopping experience. Fully 88.7% of respondents say delivery is important, a 6% increase from 2019 and 21% higher than in 2018. Despite a willingness to allow shipments to take longer in 2020, the trend is toward a higher emphasis on fulfillment of delivery promises; multiple delays after a date has been communicated will have a negative impact.

The percentage is higher still for Amazon shoppers: 92.9% of those who will buy gifts at Amazon this year give importance to on-time delivery. The correlation suggests that the online giant’s investment in a vast delivery network is paying off, making it the go-to retailer shoppers trust to get packages under the tree on time.5

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Late delivery is top holiday shipping concern

Given the importance of on-time delivery, it’s no surprise that packages arriving late is shoppers’ top fear surrounding holiday shipping. More than 4 in 10 (41.5%) say they’re worried gifts won’t make it under the tree in time, up 7.5% compared with last year.

Fears over porch piracy took second place, as they did last year—although the percentage dropped from 21.9% in 2019 to 17.4% this year, perhaps reflecting the fact that many consumers are out of work, working at home, or attending school online this fall and winter, making it less likely that packages will be stranded on doorsteps for hours at a time. Similarly, fewer than 1 in 10 shoppers said they worried about being home for delivery, a 7% drop from last year.

Concerns about high shipping costs likewise dropped this year, although they still represent the third most common worry, at 16%. Free shipping is increasingly the norm—comScore estimates that upwards of 4 in 5 transactions pre-COVID included free delivery⁶—so shoppers may assume they’ll either meet the order threshold to qualify, obtain a promo code, or use their Prime membership to avoid extra shipping charges.

Relatively few shoppers worried about risk of COVID transmission from packaging—5.6%—but the pandemic may account for the uptick in concern over reaching customer service. With support staff cutbacks and stores that have reopened operating on reduced schedules, 6.1% of shoppers said they fear not being able to reach someone with questions about delivery—up 36% compared to last year.

Key Takeaway

More than 4 in 10 (41.5%) say they’re worried gifts won’t make it under the tree in time, up 7.5% compared with last year.

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7 in 10 won’t return after poor delivery experiences

Given the high importance of delivery and consumers’ concerns about late holiday packages, it’s no surprise that shoppers are unwilling to return to a retailer after a poor delivery experience. Nearly 7 in 10 (67.6%) respondents are not at all likely or somewhat less likely to give retailers another chance following a shipment snafu, with more than 1 in 5 (21.2%) said they definitely would not do so.

The reluctance to risk another poor delivery experience stems in part from consumers’ belief that retailers are responsible for late arrivals. While the majority of shoppers believe the carrier is to blame for missed deliveries, just under 1 in 5 survey respondents, 19.4%, say merchants are at fault. That percentage only rises for heavy online shoppers: 25% of those who plan to shop exclusively online for holiday gifts believe retailers are to blame for missed deliveries.

While few retailers aside from Amazon control delivery networks, these findings suggest that consumers believe retailers play an active role in delivery management, from setting accurate estimated delivery dates to proactive communication about potential delays. Those retailers who don’t take that responsibility seriously are likely to disappoint shoppers and fail to earn lasting loyalty.

Key Takeaway

Nearly 7 in 10 (67.6%) respondents are not at all likely or somewhat less likely to give retailers another chance following a shipment snafu.

How likely are you to shop with a brand again after a poor shipping experience?

- **2.9%** Extremely likely
- **12.6%** Somewhat likely
- **16.8%** Shipping has no impact on my brand loyalty
- **46.4%** Somewhat unlikely
- **21.3%** Not at all likely
3 To-Dos for Thriving in 2020’s Peak Shipping Season

Retailers face challenges like no other this holiday season—and consumers are willing to work with retailers on the timing of delivery gifts, so long as merchants can meet the expectations they set and communicate transparently. To maximize the chances of success, retailers should:

- **Communicate early and often**
  Spotlighting delivery cutoffs prominently across touchpoints starting immediately, displaying the EDD in cart, and then delivering prompt and regular post-purchase status updates are crucial to convince shoppers to buy and then to earn their satisfaction. Incentivizing slower shipment methods early in the season may well appeal to the 4 in 10 shoppers planning to kick off holiday shopping early.

- **Have a Prime Day holiday plan**
  With Amazon’s holiday dominance only likely to be enhanced by a mid-October Prime Day event, retailers should strategize how to position themselves—whether selling through Amazon’s marketplace or not—and be prepared to court the holiday-curious before Halloween with gift guides and promotion of gift cards and holiday services such as gift wrapping.

- **Diversify carrier options to ensure on-time arrival**
  Even with extra leeway for gift delivery, retailers are being held to high standards when it comes to fulfilling their shipping promises. To ensure their reliability, merchants should add regional carriers to their mix of options so they have alternatives when major carriers are running late. The ability to anticipate exceptions and re-route deliveries on the fly is crucial so that packages arrive at customers’ doorsteps—and under the tree—right on time.

  Retailers with tight-knit, streamlined internal communications and the fulfillment flexibility to stay agile through ongoing disruptions and uncertainty will be well-positioned to thrive during the holiday peak, and to earn the trust that will keep customers coming back in 2021 and beyond.
Convey conducted a survey of more than 1,500 U.S. consumers to discover their attitudes and plans surrounding holiday shopping. This survey was conducted on SurveyMonkey and you can find more detail on the respondent mix below.

### Audience Demographics

#### PERCENTAGE OF EACH AGE GROUP REPRESENTED
- 18-29 years of age: 26%
- 30-44 years of age: 24%
- 45-60 years of age: 35%
- >60 years of age: 15%

#### PERCENTAGE OF EACH GENDER REPRESENTED
- Male: 41.6%
- Female: 59.4%

#### PERCENTAGE OF EACH US REGION REPRESENTED
- Pacific: 17.4%
- South Atlantic: 17.4%
- East North Central: 16.5%
- Middle Atlantic: 15.3%
- West South Central: 9.3%
- Mountain: 8.0%
- West North Central: 5.6%
- East South Central: 5.2%
- New England: 4.8%

### HOUSEHOLD INCOME

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About Convey

With explosive growth in online shopping and Amazon’s market domination, brands cannot leave deliveries to chance. Convey is the global leader in Delivery Experience Management (DEM) and powers exceptional customer delivery experiences for some of the world’s most recognizable brands in retail and logistics, including The Home Depot, Walmart, Build.com, C.H. Robinson, and Ingram Micro. The company’s DEM platform combines estimated delivery date in cart, real-time visibility in-transit, post-purchase communications, and AI-driven insights to create a solution capable of perfecting last mile delivery. Founded in 2013, Convey is backed by Silverton Partners, Techstars Venture Group, RPM Ventures and based in Austin, Texas.

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