

The 2021 US grocery shopper has adapted by embracing hybrid buying habits

Barbara Connors

Source: WARC Exclusive, Spotlight US, September 2021

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Looks at changes in grocery shopping habits among US consumers as the COVID-19 pandemic stretches on.

- Shopping habits and attitudes have vacillated thus far over the course of 2021, tied to different vaccination rates in different parts of the US, and the surprise of the delta variant, which tamped down early optimism about the US emerging from the pandemic this summer.
- Because of uneven vaccination, different regions of the country are behaving somewhat differently, but many US grocery shoppers look to be hybrid over the long-term, combining in-store, pickup and delivery.
- Especially given the variations in how people shop, winning brands will be those which know their customers better than their competitors and can respond quickly with quality data-driven insights and innovative approaches.

This article is part of the September 2021 Spotlight US series, "How consumers are wrestling with 2021's uncertainties." [Read more](#)

Why it matters

Every development during the era of COVID-19 has resulted in a change in shopping behavior, but now some habits, like hybrid shopping, are becoming established patterns. However, there are regional differences in the US, depending on how COVID is impacting different parts of the country.

Takeaways

- Switching easily between in-store aisles and e-baskets, the new hybrid shopper demands retailers and brands meet them where they are.
- Interest in e-commerce remains, but the reasons people use it remains fluid as the pandemic evolves; while many see less need to rely on e-commerce as a matter of personal safety, they will still turn to it out of convenience.
- With the introduction of vaccines in early 2021, the percentage of pickup and delivery shopping trips began to decline across most states, but the rate of that decline differed from region to region as the gap in case numbers grew between states with high vaccination rates and those with low ones.
- There is continued price sensitivity in the US, with 66% claiming groceries were more expensive than they were the month before, and as many as 87% noticing higher prices for meat and seafood and 67% for produce.

Change, as Heraclitus once said, is the only constant in life. As the impacts of COVID-19 on the grocery industry continue to unfold, those words have never rung more true. Every development – from the spring 2020 lockdowns, to last winter’s surge, to the vaccine rollout, to the arrival of the delta variant – has triggered shifts in shopper behavior and sentiment. And those shifts are becoming more regionalized as the gap in COVID case levels widens between states with high and low vaccination rates.

And that gap is wide. According to September 14, 2021 data from The New York Times, Tennessee, with a 43% vaccination rate, had the highest daily average of cases in the US, at 160 per 100,000; Maryland, with a 63% vaccination rate, had the lowest of the 50 states, with 18 cases per 100,000.

Within this fluid environment, a profile has emerged of the current grocery shopper gleaned from 84.51° behavioral analytics and consumer research. Switching easily between in-store aisles and e-baskets, this new hybrid shopper demands retailers and brands meet them where they are.

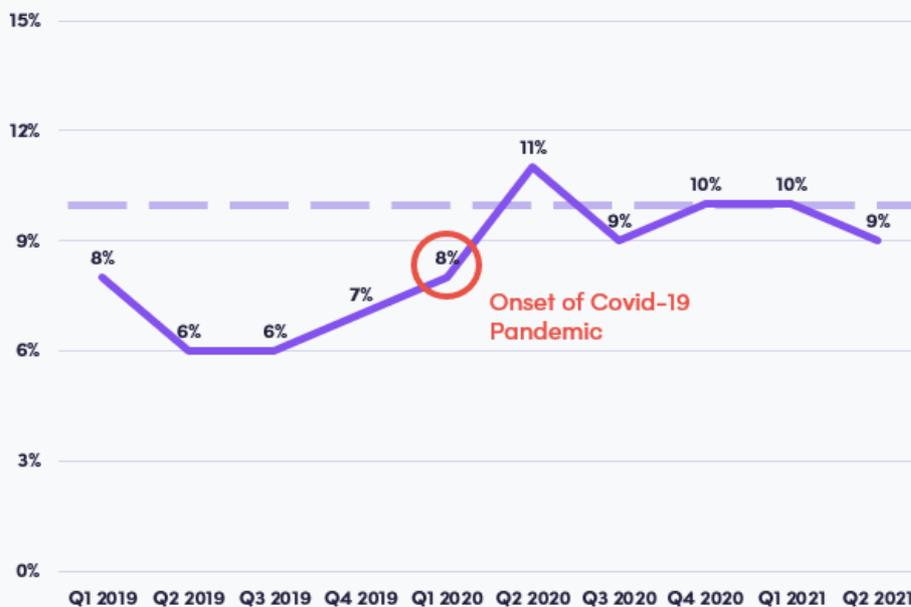
Choice is good. Those who offer frictionless options and customer-first strategies will win.

The hybrid shopper is here to stay

E-commerce was already gaining a foothold before COVID-19 (usage more than doubled between late 2019 and early 2020), but the arrival of the pandemic greatly accelerated its adoption. Digital sales grew 116% throughout 2020, as shoppers became more comfortable with all the options available to them: in-store, pickup, delivery and ship. The second quarter of 2020, in fact, saw a huge surge in multimodality shopping as consumers stayed home, stocked up and searched for items in short supply (Source: 84.51° Stratum – Modality Reports).

As COVID vaccination rates increased throughout spring 2021, we saw growth in e-commerce begin to slow. Still, while e-commerce is no longer as pervasive as it was in the early days of the pandemic, it remains elevated over pre-COVID levels. In the chart below, there is a clear spike in e-commerce activity – increasing to 11% of total shopping trips – as the pandemic took hold, and dipping to 9% of trips this past spring, demonstrating that this behavior is still far higher than it was pre-COVID. This will continue to be very fluid over time as the pandemic evolves; as shoppers have less need to rely on e-commerce as a matter of personal safety, they will turn to it out of convenience.

% of HHs hybrid shopping



84.51° Insights and 84.51° Stratum. Multiple Modality Shoppers are those who shopped more than one of In-Store, Pickup, and Delivery during the quarter. Quarters are calendar year.

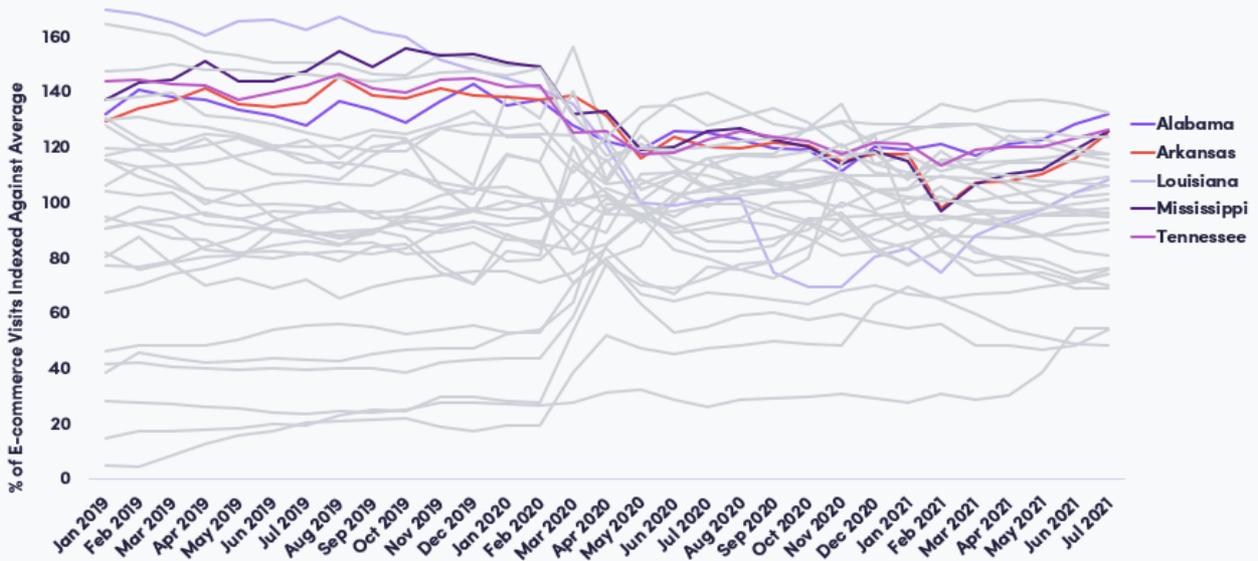
COVID rates drive e-commerce usage regionally

Throughout 2020, e-commerce usage trends generally followed COVID caseloads, falling and rising as the pandemic slowed and surged. With the introduction of vaccines in early 2021, the percentage of pickup and delivery shopping trips has started to decline across most states. The rate of that decline has differed from region to region as the gap in case numbers grows between states with high and low vaccination rates.

Louisiana, Mississippi, Tennessee, Alabama and Arkansas are among the states that saw lower relative use of pickup going into early 2021 but increasing use more recently as COVID cases have spiked in those states and concern has grown. In fact, as of September, 50% of customers in the Southeast are expressing a very high level of COVID concern. Additionally, the six states that saw an increase in their rate of e-commerce usage in June and July – Mississippi, Arkansas, Louisiana, Montana, Nevada and Missouri – were all in the bottom half when it came to vaccination rates at that time.

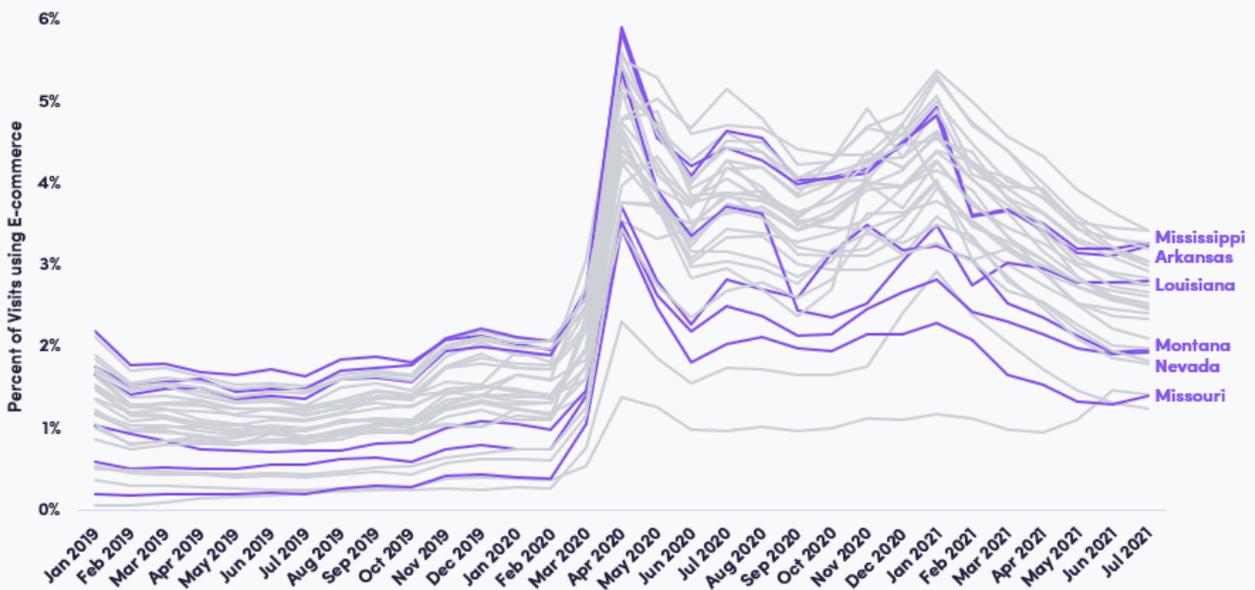
Meanwhile, states with high vaccination adoption – like California, Washington, Oregon, Colorado and New Mexico – are experiencing a drop in e-commerce as consumers grow more comfortable grocery shopping in person.

States with low vaccination rates are increasing their relative rate of e-commerce usage when indexed against the average as COVID-19 cases mount.



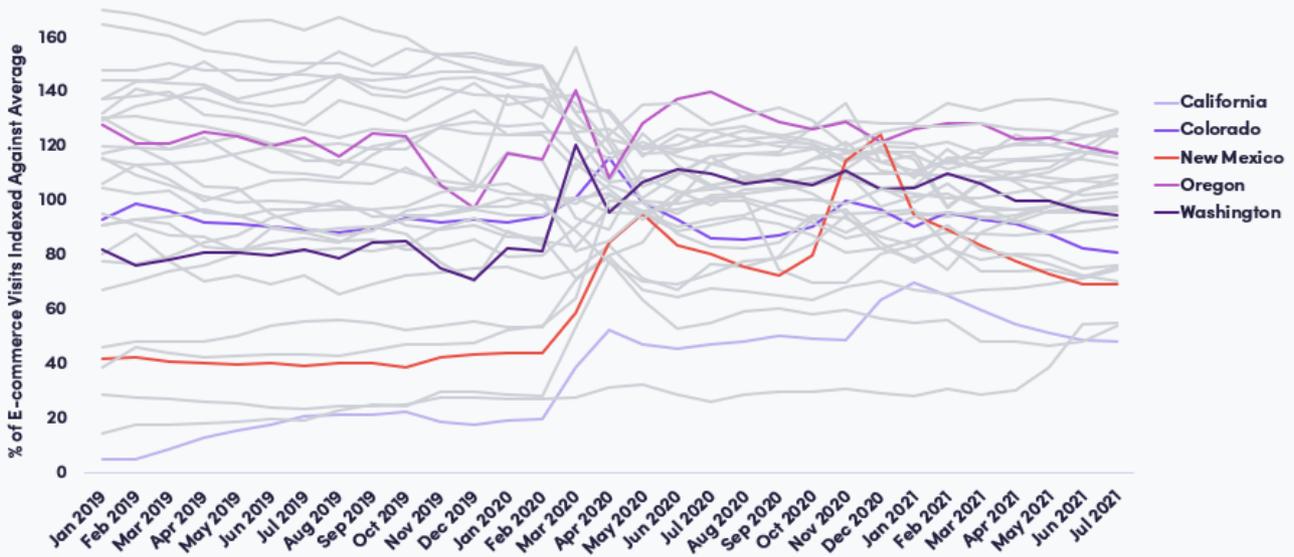
Source 84.51° Insights

Only six states increased their rate of e-commerce usage from June to July 2021. All six fell in the bottom half of states by vaccination rate.



Source 84.51° Insights

States with high vaccination rates are decreasing their relative rates of e-commerce usage when indexed against the average as shoppers feel more comfortable returning to the store.



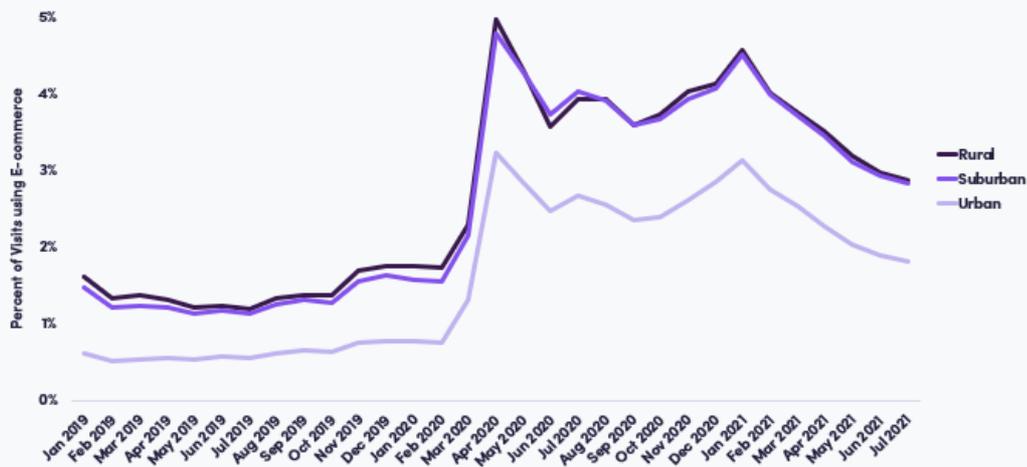
Source 84.51° Insights

Throughout 2020, there was a clear skew towards health-oriented shoppers using pickup in all regions. That trend is now declining across states with fewer COVID cases. It remains a significant over-index, however, in states that are experiencing caseload spikes as shoppers concerned about safeguarding their health avoid the store.

Urban grocery shoppers are less likely to use e-commerce

While city dwellers have the edge in digital adoption over their country counterparts, they are surprisingly less likely to shop for groceries online. Urban shoppers under-indexed in e-commerce visits compared to rural and suburban shoppers before COVID's arrival and they continue to do so now. One possible explanation: denser neighborhoods provide more opportunities for residents to drop by the grocery store for an item or two while people living in rural areas must travel farther and therefore plan larger shopping trips, making the convenience aspect of e-commerce more compelling.

Shoppers have been following very similar e-commerce usage trends since the pandemic's onset, regardless of whether they live in the city, suburbs or rural areas.



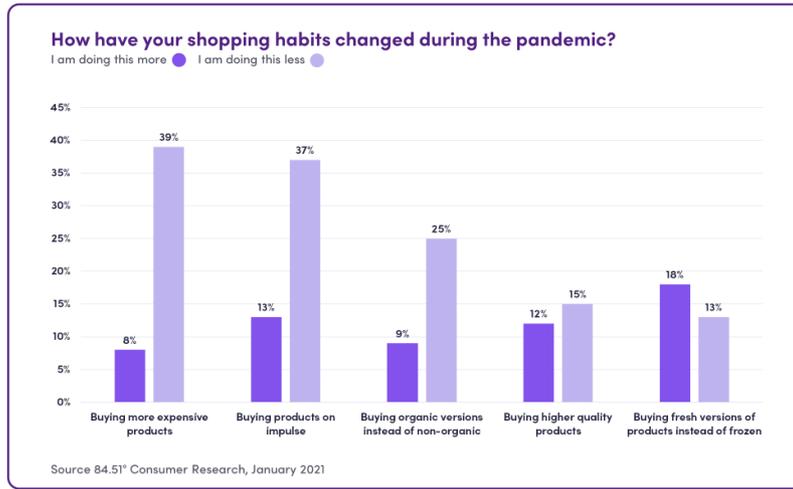
Source 84.51° Insights

The pandemic shapes shoppers' 2021 priorities

COVID's significant impacts continue to inform shoppers' concerns and priorities today, ranging from budget concerns to sustainability to safety:

- **Budget:** Nearly half of shoppers experienced financial difficulties related to COVID by summer 2020 and a year later price sensitivity is still an issue. In August 2021, 66% claimed groceries were more expensive than they were the month before, with as many as 87% noticing higher prices for meat and seafood and 67% for produce.

- **Value:** Shoppers report they are buying fewer expensive and impulse products than they were before COVID, but they are prioritizing high-quality products and more fresh foods.



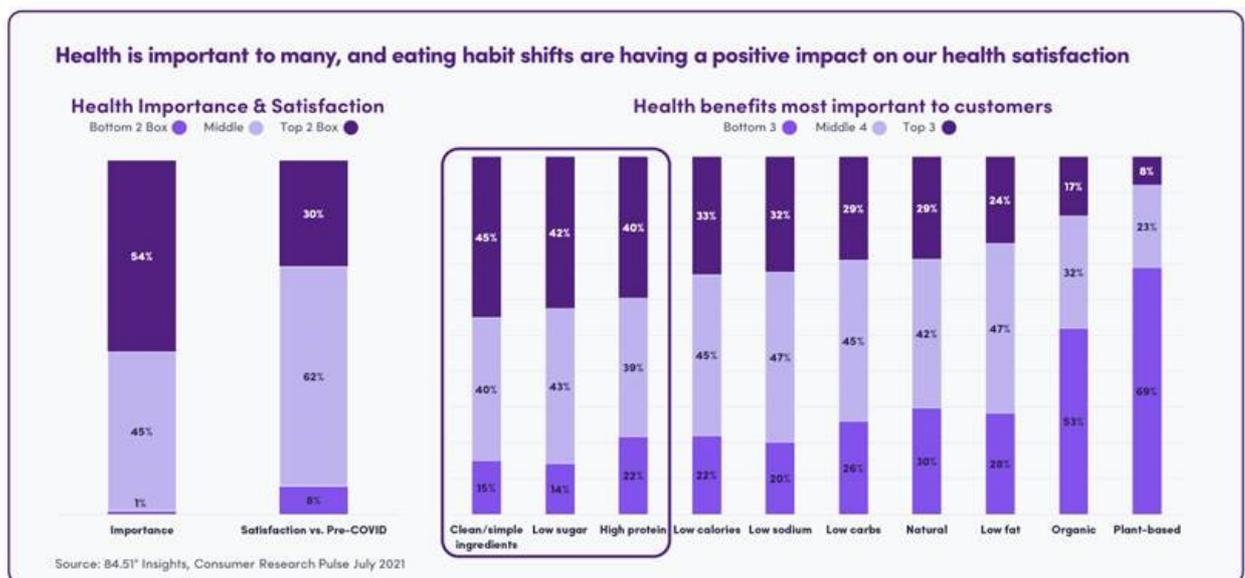
- **Waste:** Consumers are more conscious of packaging and food waste. Sales of sustainably packaged products grew 14% in 2020 over 2019 and household spend on such products increased from \$52.72 in 2016 to \$67.40 in 2020.
- **Health:** About 60% want to exercise more, 57% plan to eat healthy food more, 43% want to snack less and 55% want to eat less junk food. That said, only one in four is currently eating healthy food more often than they did pre-pandemic.
- **Safety:** In January 2021, 56% of shoppers worried that others would return to normal too quickly with the vaccine rollout. By May 2021, more than a third were very/extremely comfortable with the lifting of mask mandates, and only one in four claimed to be highly concerned about the virus. But with the emergence of the delta variant, the number of those highly concerned has risen to one in three.
- **Community:** One in three shoppers is prioritizing buying more locally made products in the wake of COVID's devastating impact on small businesses; of those, 97% say they will continue to do so in the future.

2021 trends balance health and comfort

A number of shopper trends shaped by the early days of the pandemic remain significant in 2021, offering opportunities for enterprising retailers and brands:

- **Shoppers are finding comfort in drink.** Shoppers began buying alcohol at record rates during the spring 2020 lockdown, momentum that has continued into 2021. Beer, wine and spirits all peaked in sales in May 2020. Spirits, in particular, posted a 56% year-over-year increase in dollar sales in May 2020, followed by beer at 43% and wine at 38%. While sales have declined since then, they remain higher than they were from May 2019 for all three.

- **They're snacking – for now.** Demand for meat snacks has grown during the pandemic, reaching a high of 6.74% of households this spring (compared to 5.83% in spring 2019 and 2020) before dipping to 6.02% this summer. Meanwhile, demand for popcorn, which enjoyed an early pandemic peak of 15% of households in spring 2020 has declined to just under 10% this summer—a figure in line with pre-pandemic levels. A cautionary note for brands: customers polled in July 2021 said they would be willing to curb their snack habit if they had to tighten their budget.
- **Home is where meals happen.** As COVID concern increases, customers who were venturing out to restaurants are returning to the kitchen table. 32% are already eating out less in August 2021, and more than half said they will go out even less if COVID cases rise.
- **They're safeguarding their health.** Over 50% of respondents in July 2021 say that health is important or very important. The top health benefits that consumers are looking for in their food choices are clean/simple ingredients, low sugar and high protein.
- **Shoppers want help with healthier meals.** Asked how retailers can help them eat better, healthy recipes (53%) and healthy read-to-eat options (50%) topped respondents' wish lists.



- **Some are still baking.** Sales of staples like flour, oil and sugar have slowed a bit since last spring's shutdown-inspired home baking craze. Notably, flour posted a year-over-year growth index of 378 in April 2020; sales remained elevated in March 2021 but at a lower growth index of 159. That said, here are still opportunities for brands to encourage new bakers with helpful tips.
- **Breakfast is (literally) hot.** Spring 2020 saw a surge in sales of pancakes, bacon, sausage and oatmeal as remote work and school meant more time to sit down for a morning meal. Except for oatmeal, hot breakfast items continue to sell well in 2021.

Delivering for customers

Armed with insights into the behaviors, needs and aspirations of today's grocery shopper, brands have a wealth of opportunities to earn their trust and loyalty. Here are just a few:

- Meet the hybrid shopper where they are with customer-centric, seamless shopping experiences across modalities.
- Shoppers are looking to retailers and brands for mealtime inspiration. Motivate them with recipe suggestions that help them healthy at-home meals with confidence.
- From reducing waste to buying local, shoppers are prioritizing sustainability. Gain their loyalty by providing outlets for them to help the environment and their communities.

Looking forward, brands need to reach the hybrid shopper

Spring optimism has given way to summer uncertainty with the rise of the delta variant. Fall promises even more unpredictability. If the delta variant continues to spread, or a new variant emerges, will an upturn in e-commerce follow? Or will rising vaccination rates and comfort levels keep it in check and on the decline? No matter what the coming months bring, one thing is clear: the hybrid shopper is here to stay and the winning brands will be those who know their customers better than their competitors and can respond quickly with quality data-driven insights and innovative approaches.

About the author

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Barbara Connors is VP, Commercial Insights at 84.51°. A subsidiary of Kroger, the company is a retail data science, analytics and media company that works with the grocer and other companies.

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