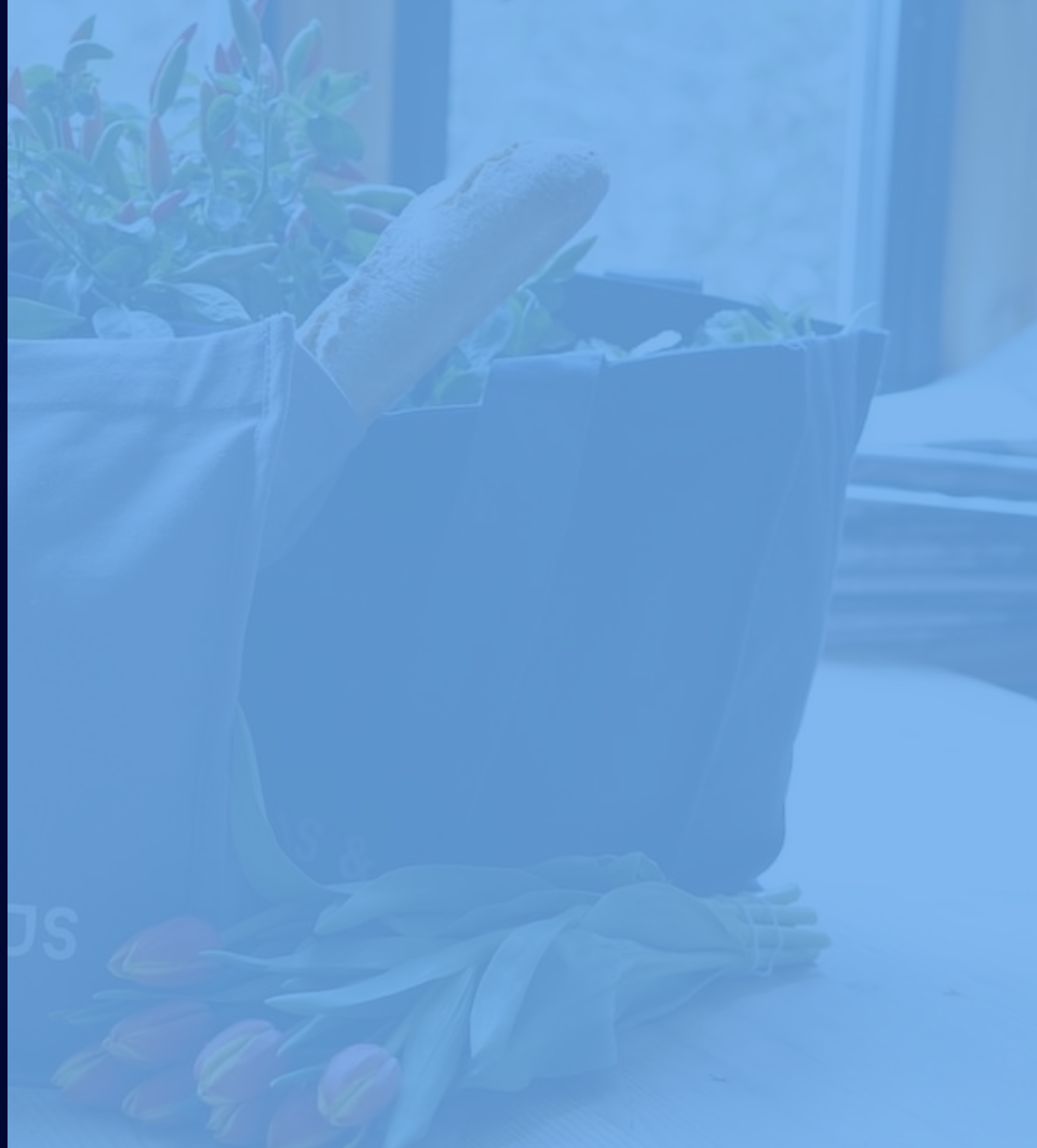


The evolution of consumers' in-store journey

May 2023

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Introduction

Consumers have always been adaptable and resilient. They shift their behaviors in response to the world around them and are constantly making decisions based on what makes the most sense for their households, budgets, schedules and more. In the past few years, consumers have had to take health and hygiene, shipping delays, higher prices and countless other factors into consideration as they decide where and how to shop.

Now that many of the external factors that defined the pandemic fade away, it is becoming clear that many of the behaviors that were expected to become entrenched habits were actually just momentary shifts in consumer behavior. Instead, the trends that continue – like buy online, pick up in store – were in play well before the onset of COVID-19 and are driven by more enduring factors like the desire for convenience. At the same time, shoppers are also reacting to new concerns like the impact of inflation and dwindling savings rates.

To understand the continuing demand for convenience through options like buy online, pick up in store as well as the consumer response to the current economic environment, the National Retail Federation and Foursquare took a closer look not only at what consumers are saying but also what they actually do.

NRF National Retail Federation

The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

FOURSQUARE

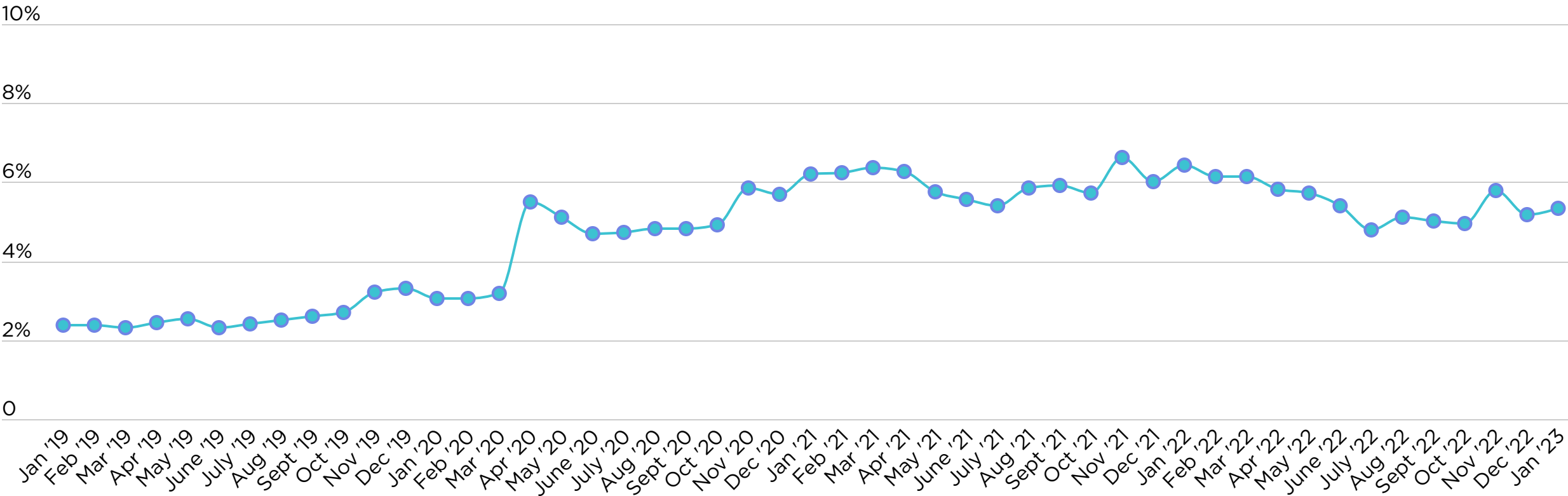
Buy online, pick up in store in the time of COVID-19

One of the many ways consumers responded to the onset of the COVID-19 pandemic was by making use of multichannel shopping methods. Now, after becoming more widely used during the pandemic, usage of buy online, pick up in store services to purchase groceries has leveled off. However, using online purchase data, dwell time, and frequency of store visits, we can glean insights into consumers' adoption of this shopping method and which consumers have continued using BOPIS now that the pandemic has eased.

Online's share of grocery sales point toward stabilizing BOPIS adoption

There was a noticeable increase in online shopping, which includes BOPIS orders, within the grocery sector in March 2020 at the beginning of the pandemic. However, since then, e-commerce's share of grocery sales leveled off rather than continuing to grow exponentially. While online's share of grocery has more than doubled in the last four years, it still represented only 5.34% of total grocery sales as of January 2023.

Online's share of grocery sales (2019 - 2022)

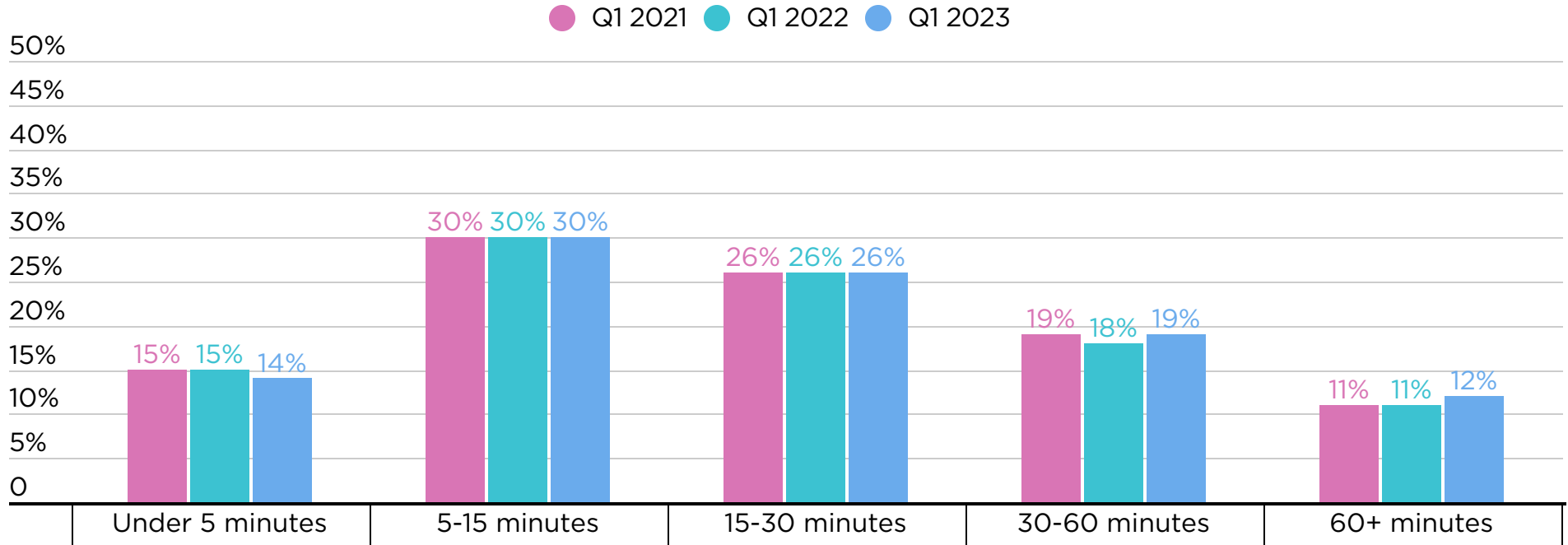


Source: Affinity Solutions, Consumer Purchase Insights

Dwell times in grocery stores have stayed relatively low

In addition to online sales, dwell time can also be used as a proxy for consumers' usage of buy online, pick up in store. Shorter dwell times are more likely to be related to BOPIS trips where consumers are picking up an order instead of browsing and shopping for the items they need. In the first quarter of 2023, consumers spent a median dwell time of 18 minutes in grocery stores, on par with 17 minutes in the first quarter of 2022 and 18 minutes in the first quarter of 2021. This is consistent with the idea that usage of BOPIS for grocery shopping has remained relatively stable over the last few years.

Share of grocery store visits by dwell time



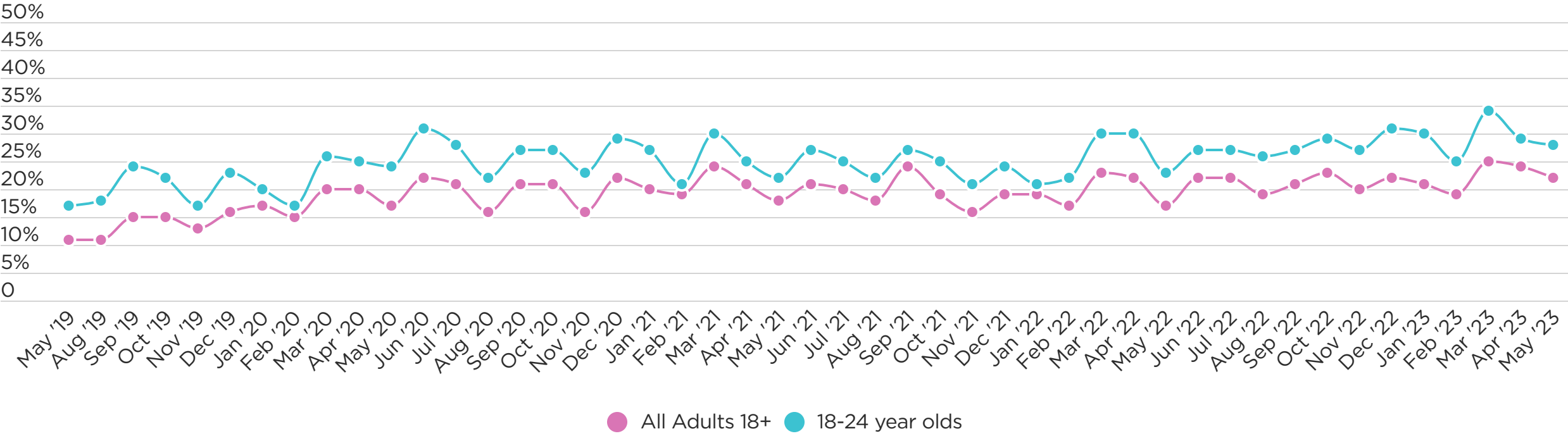
Source: Foursquare

Consumers under the age of 45 are more likely to have increased usage of BOPIS to purchase groceries since the onset of the pandemic.

Gen Z is most likely to report that they use BOPIS for groceries

As of May 2023, 22% of consumers reported using BOPIS when grocery shopping in the past 30 days, up from 11% in May 2019. This is higher among those aged 18-24, 28% of whom used BOPIS when shopping for groceries in May 2023 and have consistently used BOPIS at higher rates than other consumers, even before the onset of the COVID-19 pandemic.

"In the past 30 days, have you used Buy Online, Pick Up In Store when shopping for groceries?"

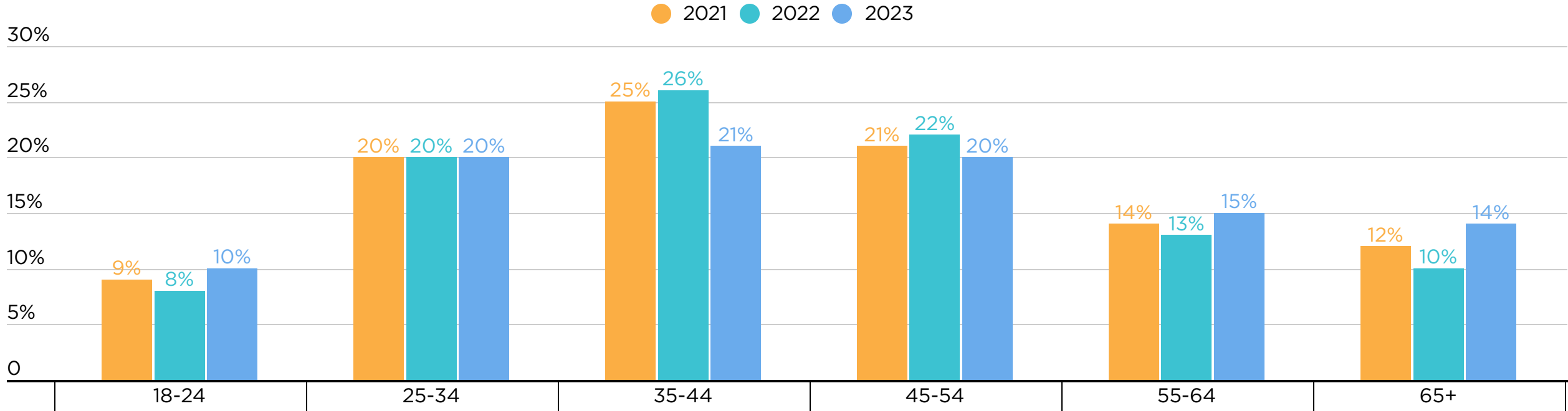


Source: Prosper Insights & Analytics, May 2023

Younger consumers frequent grocery stores less often than other age groups

Going to the grocery store less often may indicate more online orders. Fewer grocery store visits by the youngest consumer group provides evidence that younger consumers are more likely to be ordering groceries online. Meanwhile, when comparing the number of grocery visits compared to other stores frequented, older consumers see more frequent grocery visits relative to other age groups.

Share of Q1 grocery store visits by age

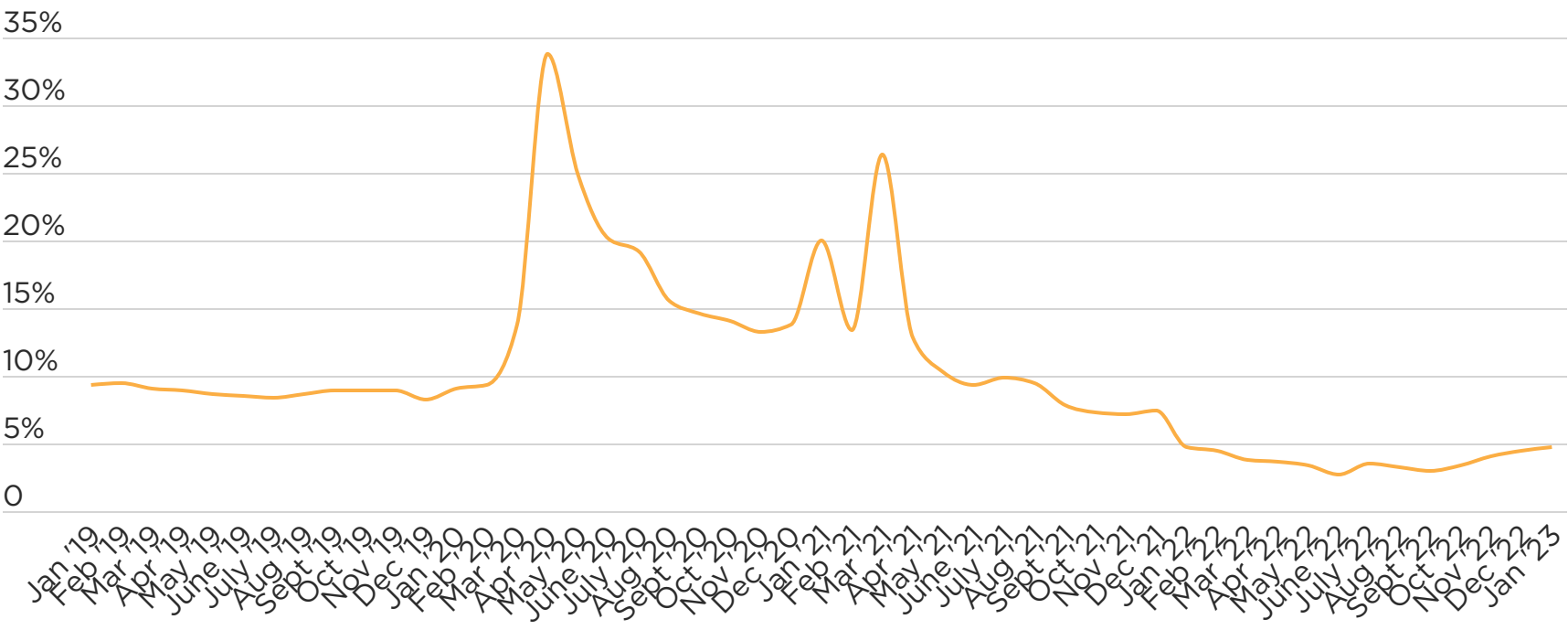


Source: Foursquare

Consumers are slowly making more trips to discount stores as savings decrease

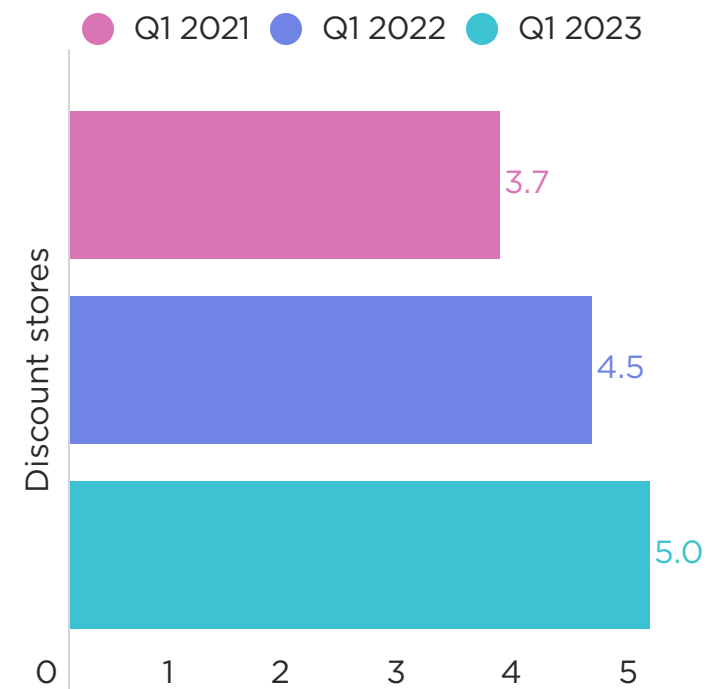
Fiscal stimulus policies and lower spending on services during the pandemic allowed consumers to build up considerable savings. However, the personal savings rate has been declining in the face of rising prices and a shift back to services spending. As a result, consumers are becoming more value-oriented and there has been an increase in visits to discount stores over the past few years.

Personal savings rate, 2019 - 2023



Source: FRED, Federal Reserve Bank of St. Louis

Visit Frequency to Discount Stores

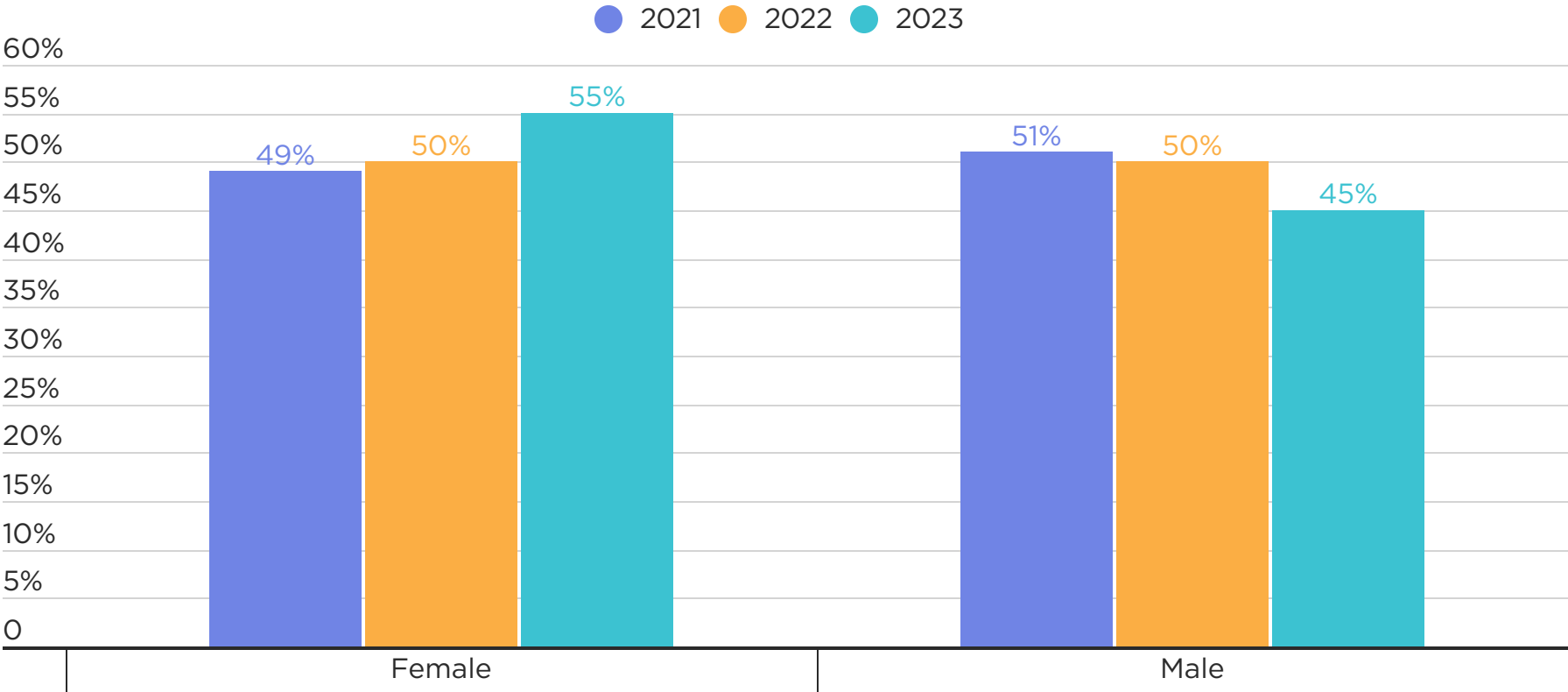


Source: Foursquare

Discount shopping patterns point toward women becoming more price-conscious

As prices rose, women frequented discount stores more often, while men tapered off, visiting discount stores in the first quarter of 2023 10% less than women.

Share of Q1 discount store visits by gender



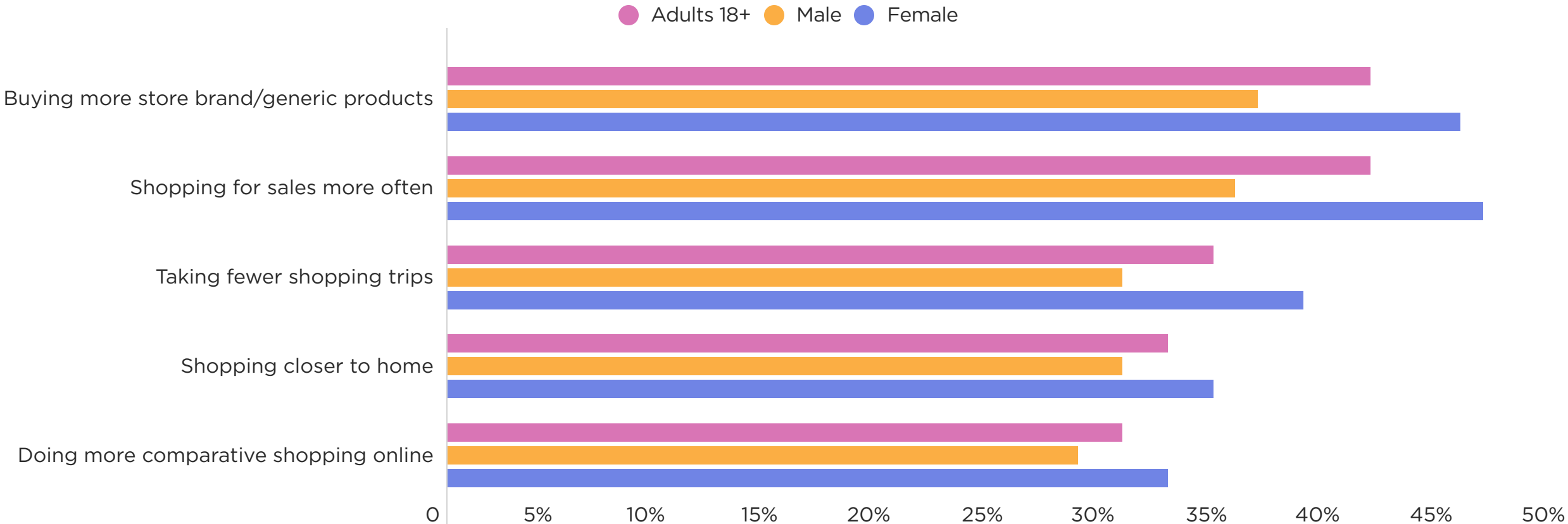
Source: Foursquare

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Women are also more likely to respond to higher prices in other ways as well

Consumers are taking a number of steps to stretch their budgets. While men are also taking cost-saving measures such as buying store-brand or generic products and shopping for sales, women are significantly more likely to adopt these behaviors than men.

"As a result of price increases, are you doing any of the following?"



Source: Prosper Insights & Analytics

Conclusion

As always, consumers have continued to prove their resilience and adaptability. Throughout the pandemic and inflationary pressures, they have taken on new omnichannel shopping methods to safely purchase necessities, shifted their shopping routine to incorporate more budget-friendly options, and proven time and time again their ability to navigate periods of uncertainty.

For more information on the health of American consumers, visit [NRF | State of Retail & the Consumer 2023](#).

Learn more about Foursquare data
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