

# The Impact of COVID-19 on Retail and eCommerce: Survey 2

Results from March 30 & 31, 2020

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# Thank you...

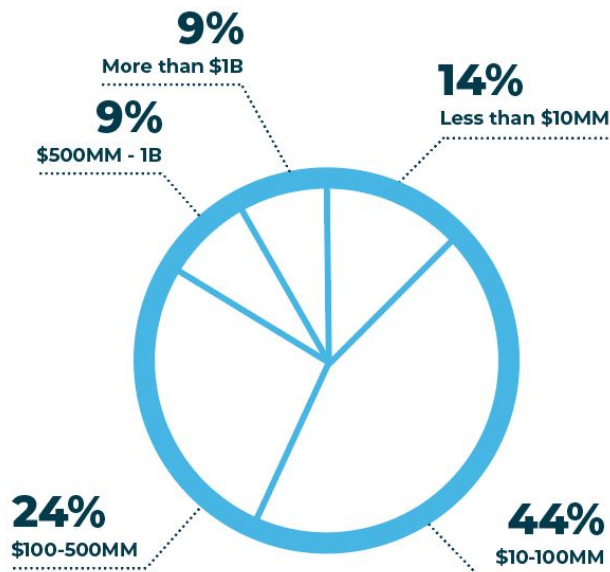
- ... to the nearly 100 digital retail executives who completed this survey.
- ... to Forrester's Sucharita Kodali who analyzed the data and produced the findings in these slides

**Digital Retail Executives** -the next survey is April 13 & 14. If you find this information valuable, we would greatly appreciate you taking less than 5 minutes to take the survey and help us share information to inform ecommerce businesses making important adjustments to strategies and tactics.

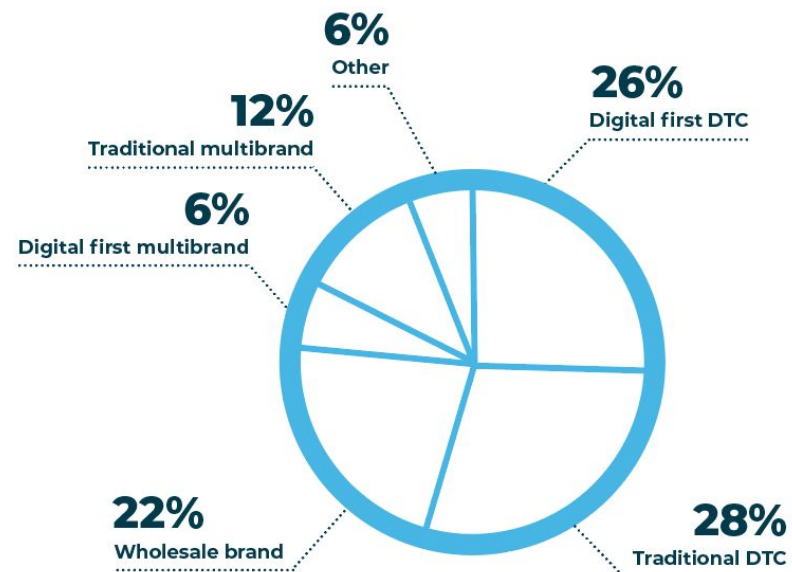
# CommerceNext Research Methodology

- Collected March 30 & 31
- 94 respondents

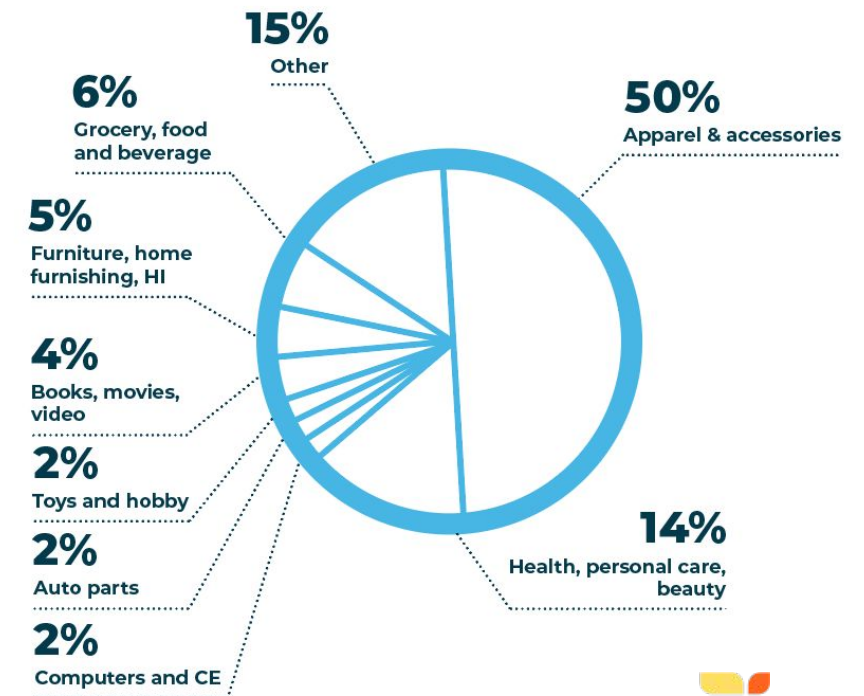
Annual eCommerce Revenue



Type of Retailer



Category of Sales



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

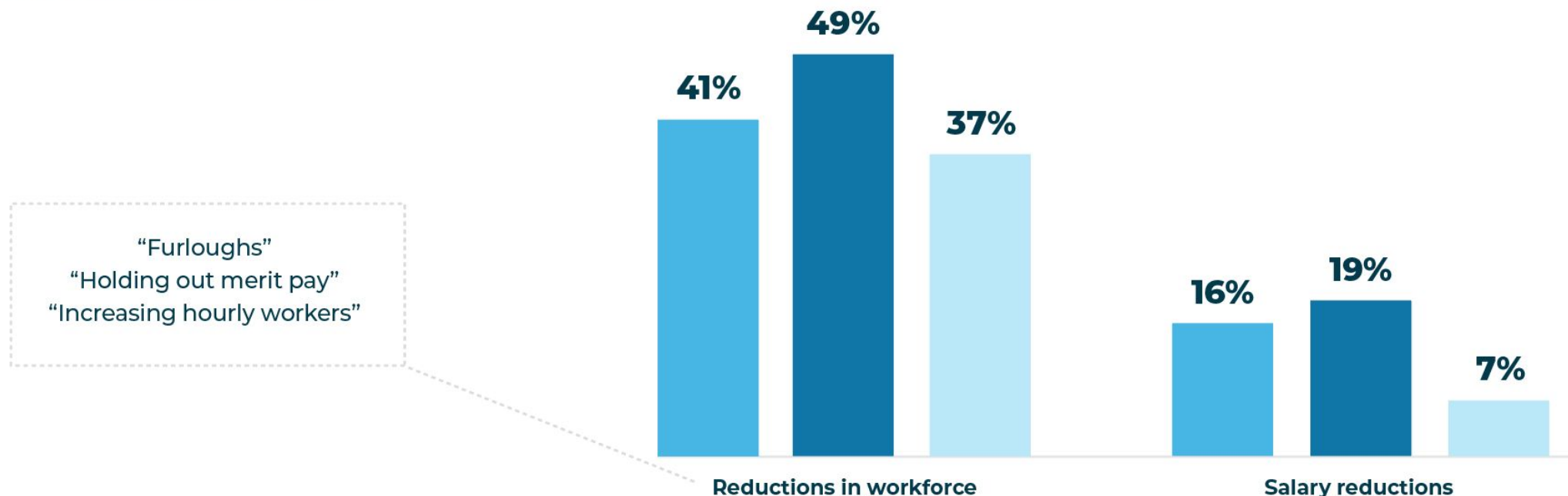
# Summary of Findings

- Forty-one percent of retailers surveyed have reduced headcount to address the COVID-19 crisis
- Sales continue to slump; 49% of apparel industry respondents said their companies were significantly below plan from March 15-28
- Among companies performing above plan, they tend to be smaller digitally-native retailers, or are focused on categories like food or health
- Some companies have been able to migrate store shoppers online, but not all; 57% of respondents said they have seen a shift to online in the latter part of March
- Marketing spend has been declining, but a small group of companies doing well are spending more in digital marketing to extend their leads; 27% of retailers performing above plan are increasing their marketing spend
- To the degree that marketing spend is growing, the biggest beneficiaries are paid social and paid search; however, more retailers are reducing marketing spend
- More than half of apparel respondents are manufacturing products (e.g. masks) for the COVID crisis

# Many retailers have reduced employee headcount

**Q:** How has your company made workforce adjustments since the start of COVID-19?

■ All   ■ Apparel & Accessories   ■ Above Plan Retailers

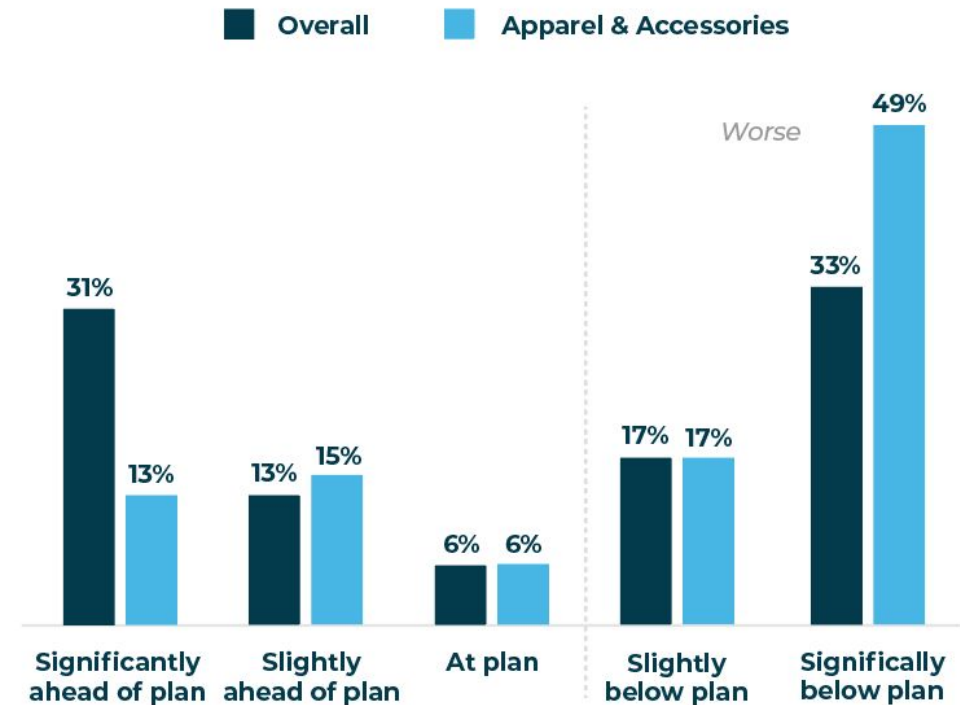
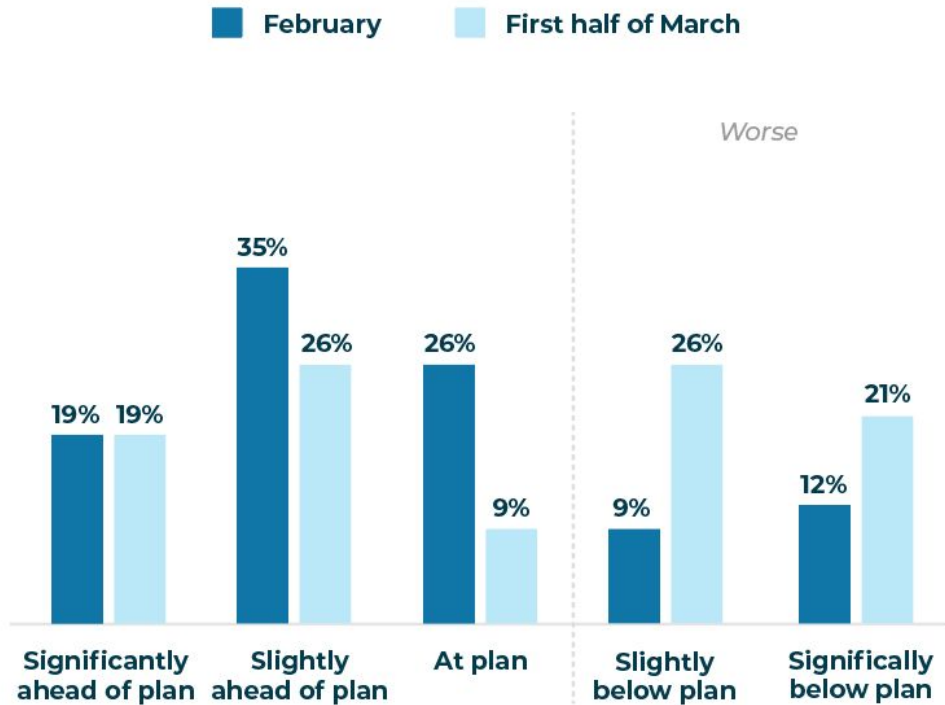


Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Sales are getting worse, especially for apparel

**Q:** How did ecommerce revenue trend in February and first half of March?

**Q:** How did ecommerce revenue trend for the TWO WEEK period of March 15th to 28th?



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

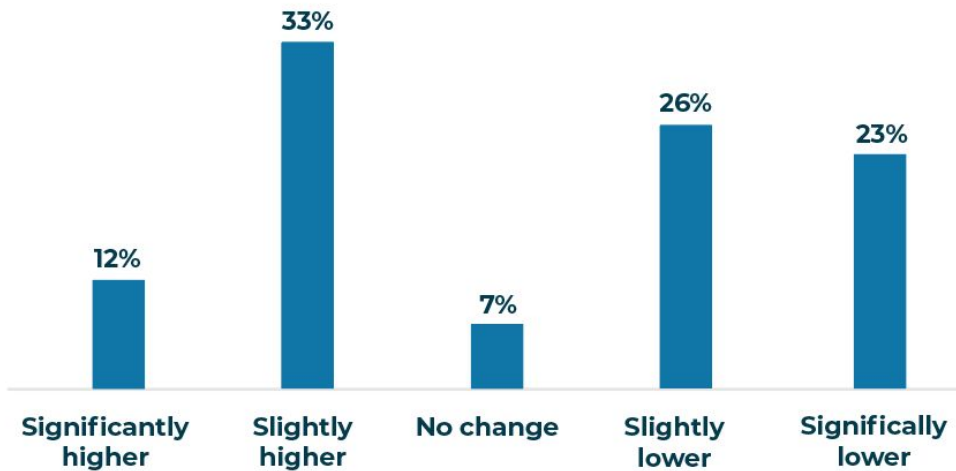
# Retailers doing better than plan are smaller and digital

Characteristic	Total Sample	"Above Plan" Respondents
Ecommerce sales <\$10MM	14%	24%
Digital first DTC brands	26%	32%
Health, personal care & beauty	14%	20%
Grocery, food & beverage	6%	10%

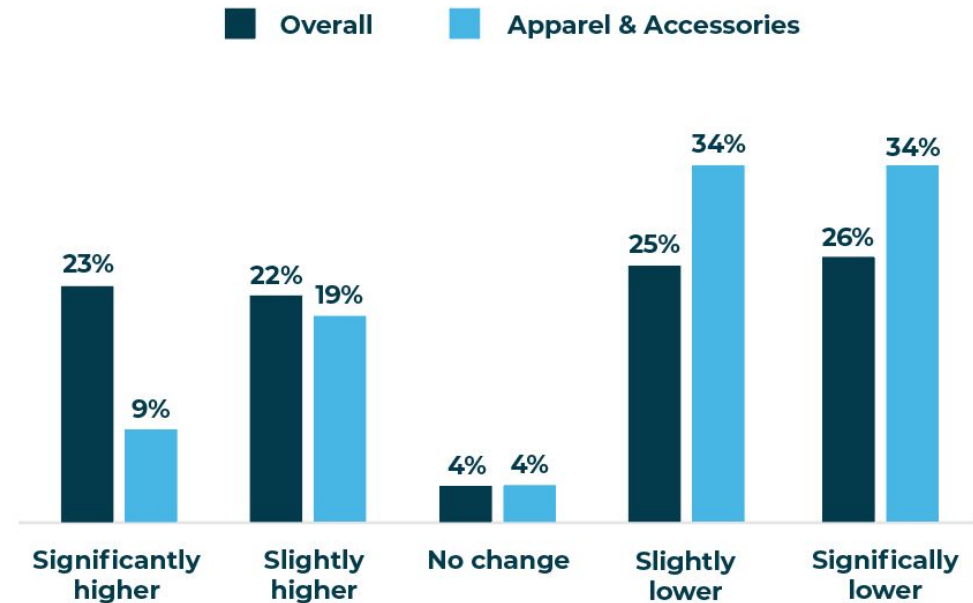
Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Traffic has been consistent, but worse for apparel

**Q:** Since the COVID-19 crisis began in mid-February, how is ecommerce traffic trending?



**Q:** For TWO WEEK period of March 15th to 28th, how is ecommerce traffic trending as compared to mid-Feb to mid-March?

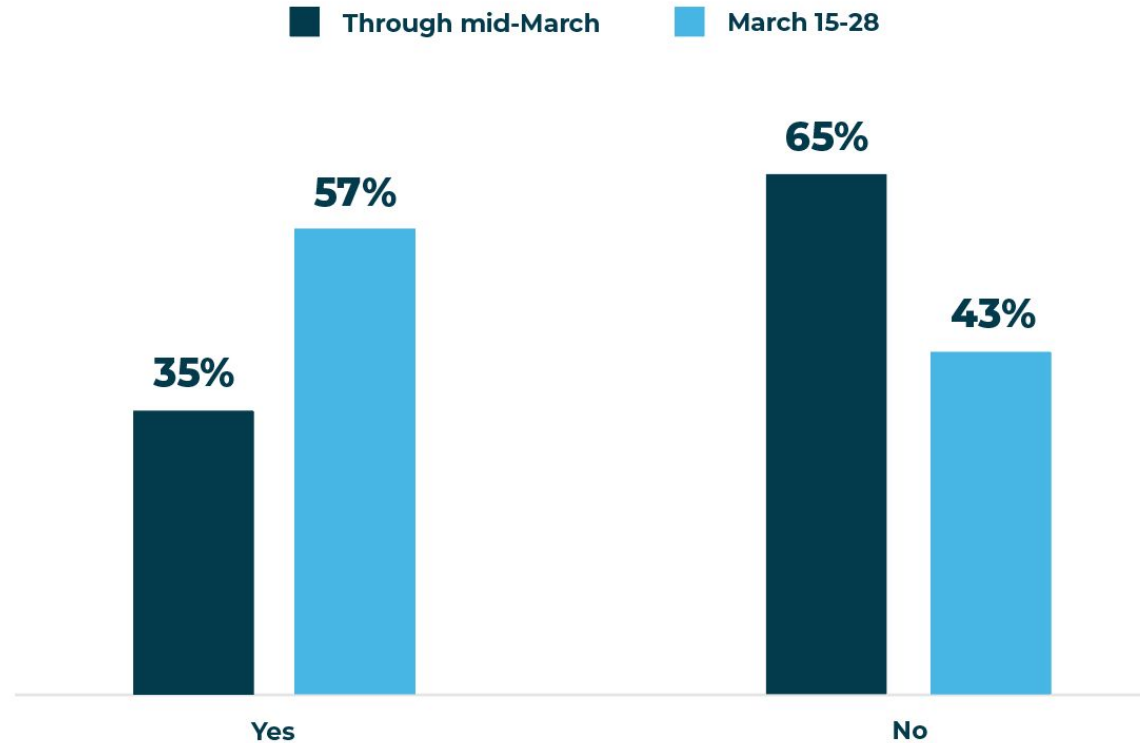


Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)



# Some retailers are seeing shift to the web but not all

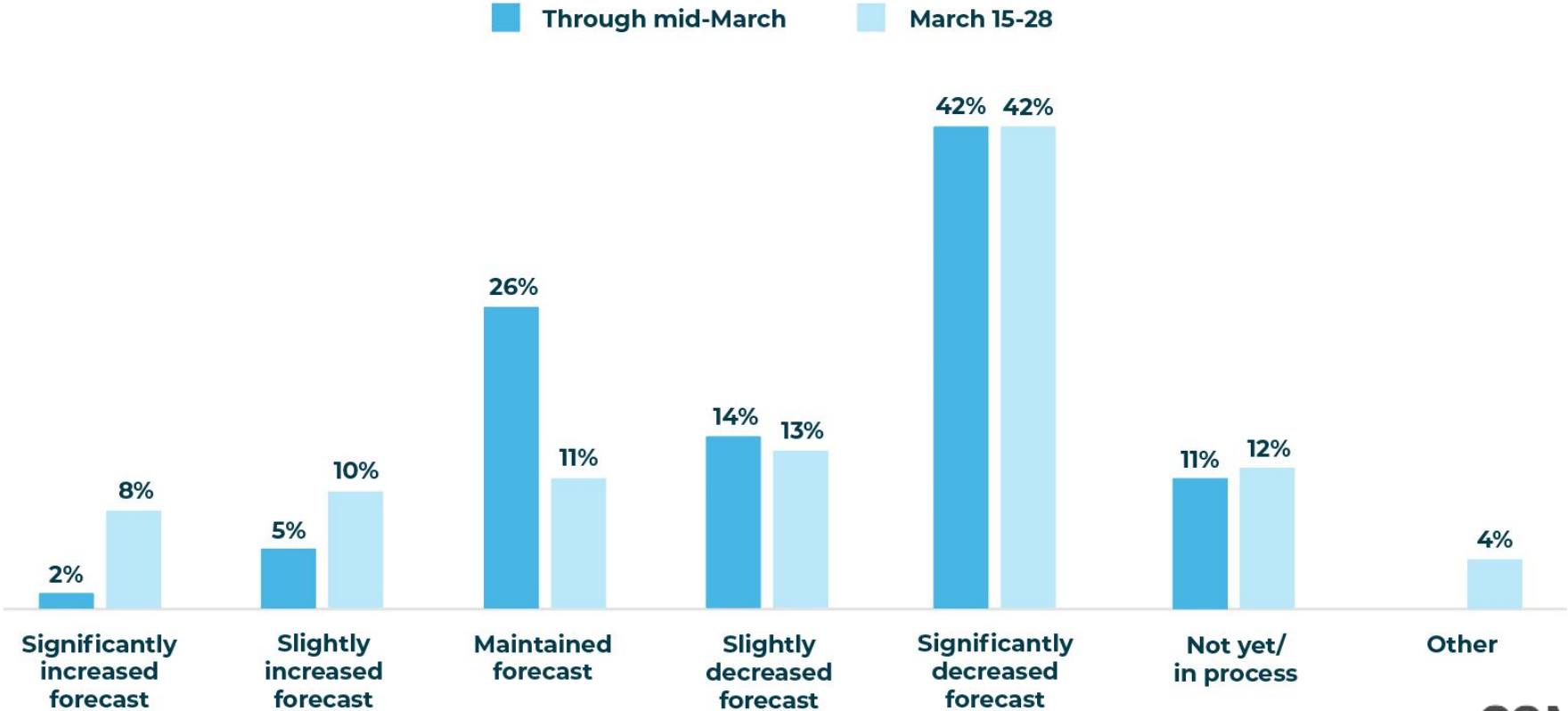
**Q:** If you have stores, have you seen sales shift from stores to online?



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Forecasts are gradually being adjusted

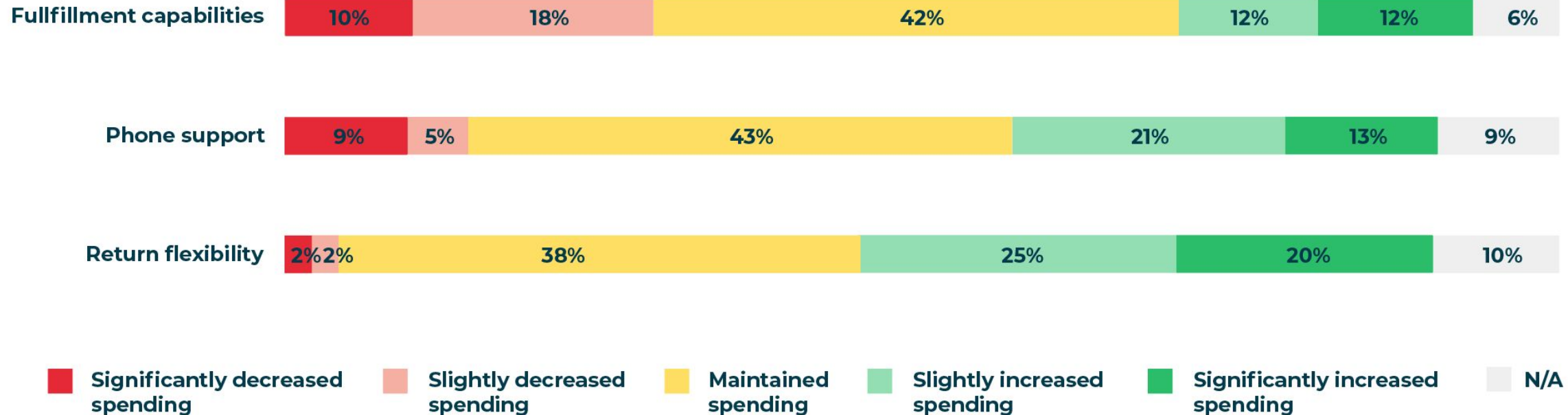
Q: Have you updated your forecast for Q2?



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Policies and practices are changing due to the crisis

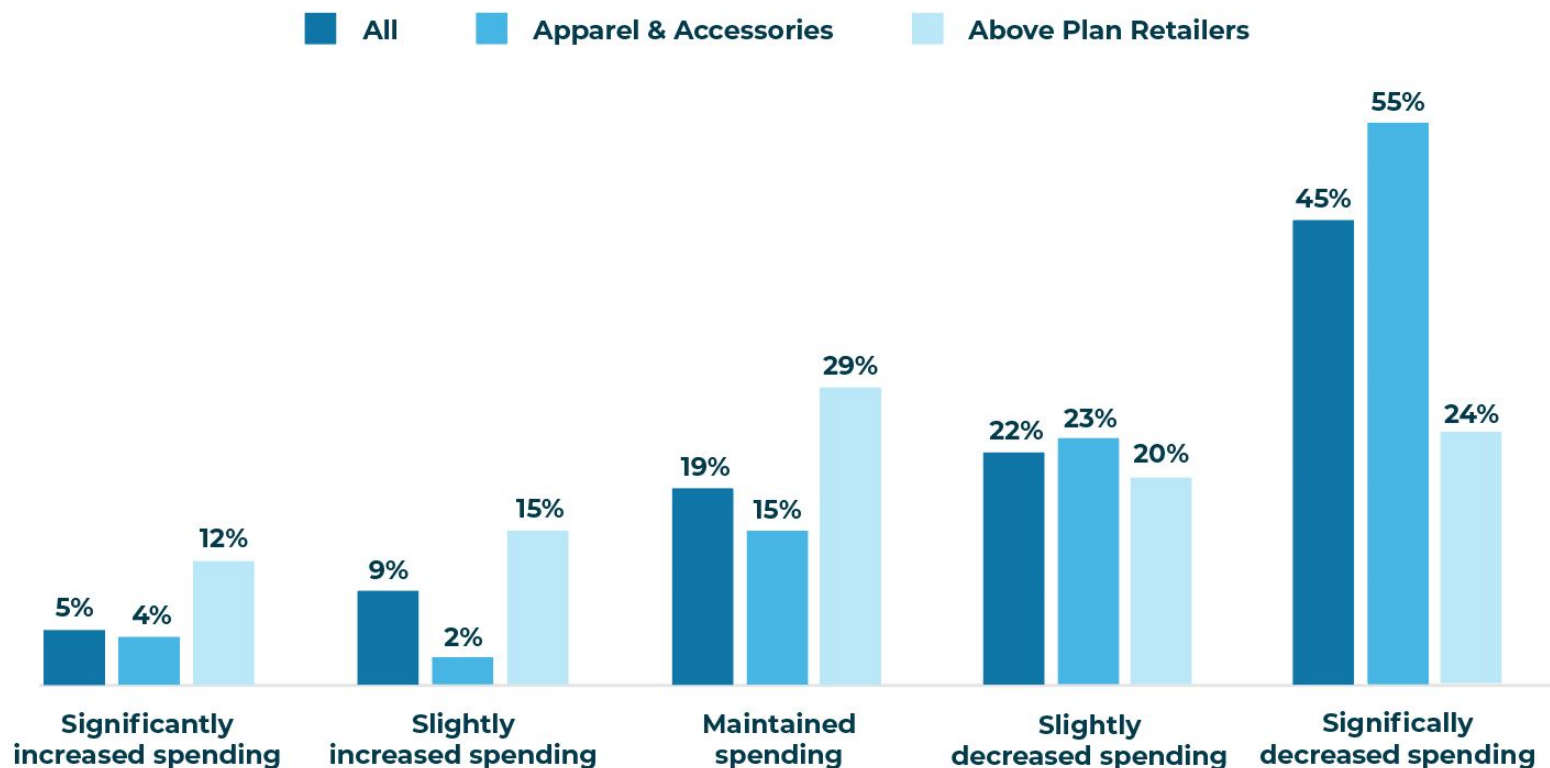
Red = stopping/decreasing    Yellow = maintaining    Green = increasing



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Marketing spend is down, but the strong are seizing the opportunity to extend their lead

Q: How has your media spending changed in TWO WEEK period of March 15th to 28th?

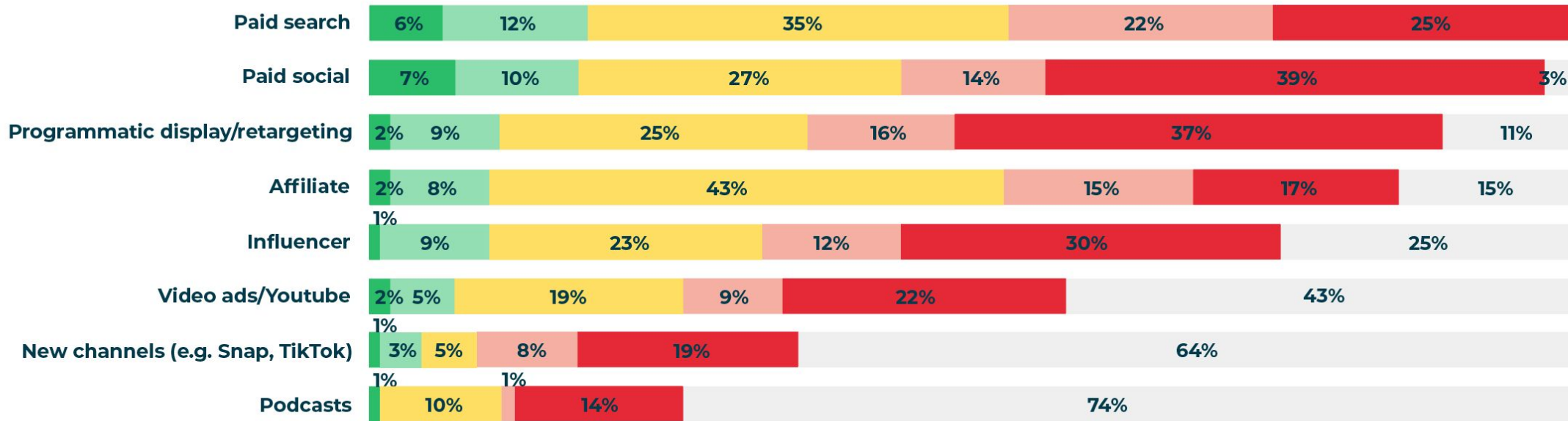


Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Where shifts in marketing spend are going: online

Q: How are you shifting your marketing spend in response to COVID-19?

Red = stopping/decreasing    Yellow = maintaining    Green = increasing



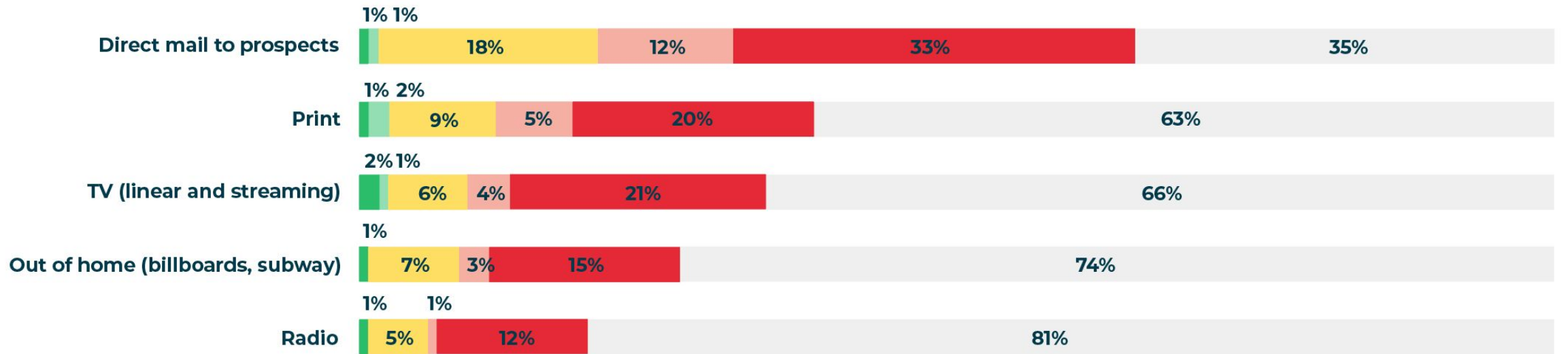
■ Significantly increased spending   
 ■ Slightly increased spending   
 ■ Maintained spending   
 ■ Slightly decreased spending   
 ■ Significantly decreased spending   
 ■ Not in my mix

Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Where shifts in marketing spend are going: offline

**Q:** How are you shifting your marketing spend in response to COVID-19?

Red = stopping/decreasing    Yellow = maintaining    Green = increasing

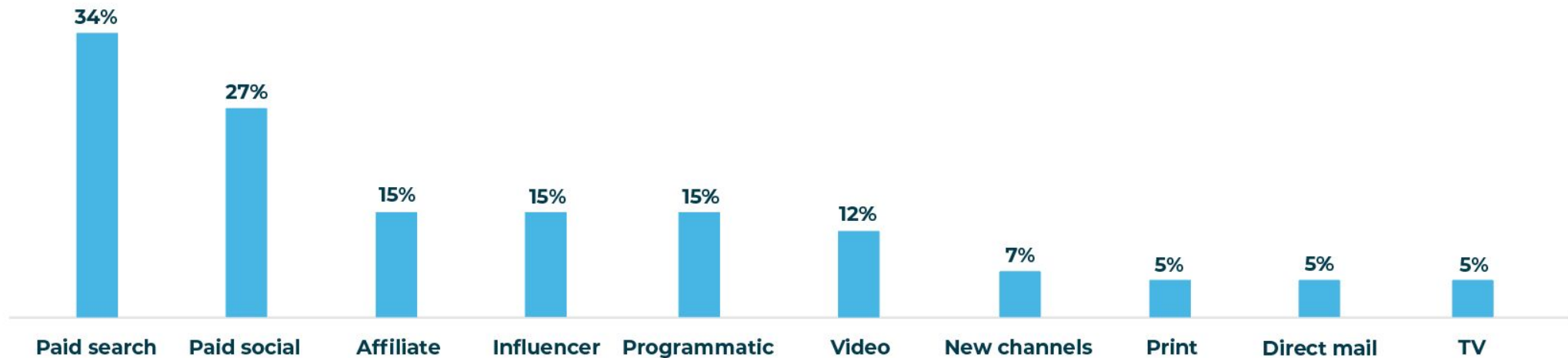


■ Significantly increased spending   
 ■ Slightly increased spending   
 ■ Maintained spending   
 ■ Slightly decreased spending   
 ■ Significantly decreased spending   
 ■ Not in my mix

Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# The “above plan” retailers are spending more in the following tactics

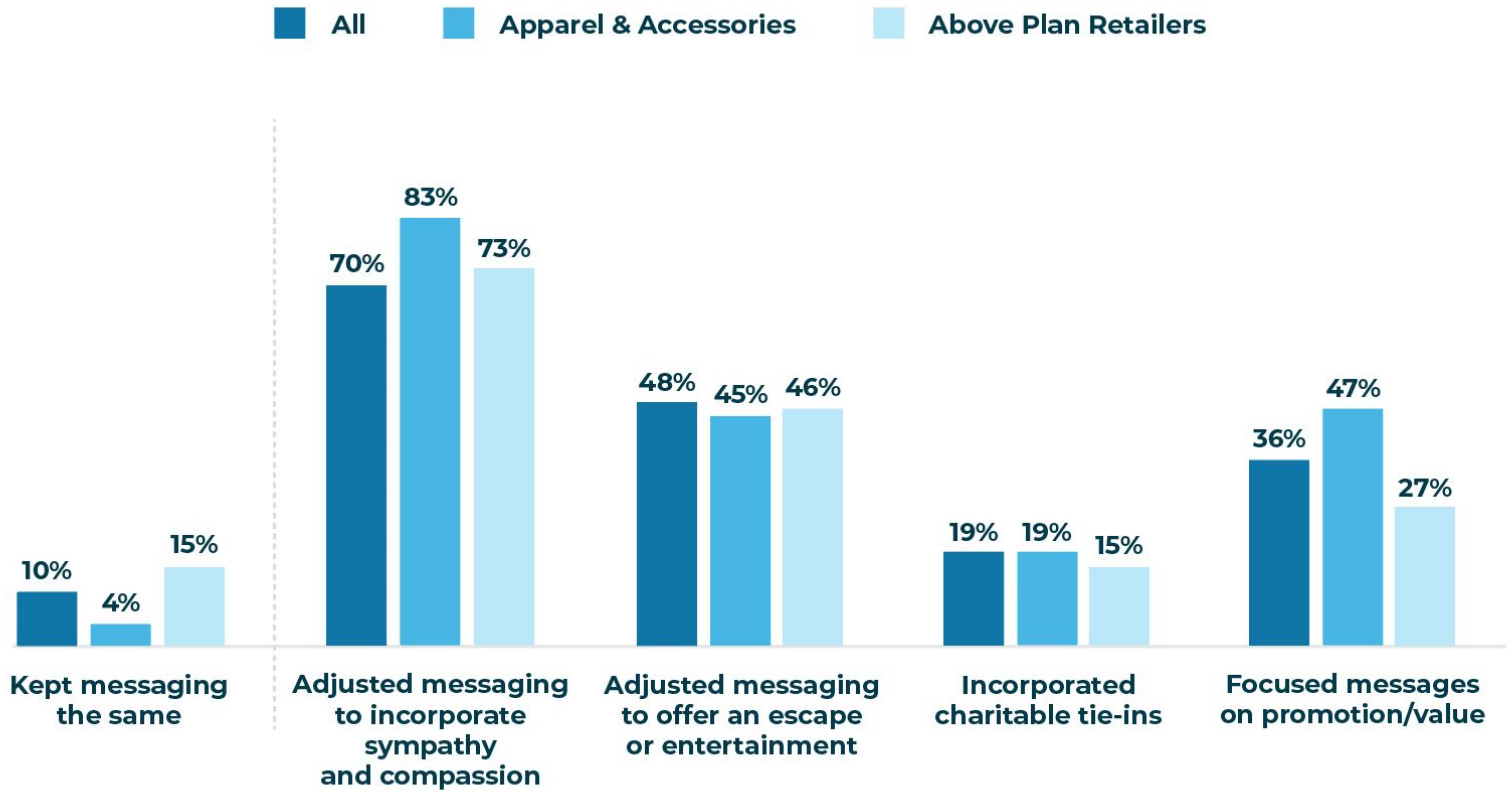
**Q:** How are you shifting your marketing spend in response to COVID-19?  
("above plan" respondents)



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Marketing messaging is also changing

Q: How have you adjusted messaging in the wake of COVID-19 crisis?

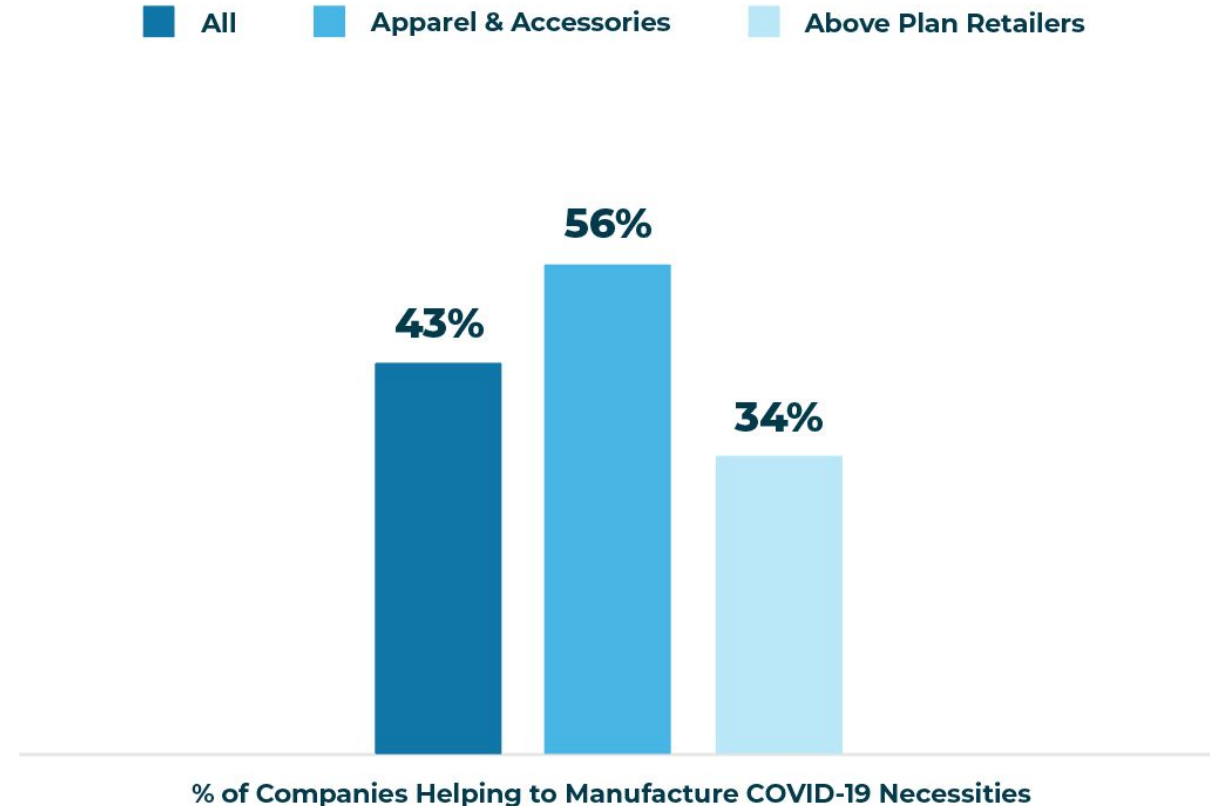


Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)



# Companies are embracing the opportunity to manufacture for the crisis

**Q:** Has your company adjusted its operations to help manufacture COVID-19 necessities (e.g. masks, face shields, hand sanitizer, etc.)?



Source: CommerceNext COVID-19 Survey, March 30-31, 2020 (94 digital retail executives)

# Thanks!

## Any questions?

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