How COVID-19 has changed the game for small business owners.



COVID-19 has changed the game for small business owners, in large part, due to consumers' shopping behaviors. According to a recent insights report from Shopkick, an American company based in Silicon Valley that created a successful shopping app, 62% of consumers say their in-store shopping habits have changed over the past year. So, what exactly are those changes, and how are they affecting small businesses across all industries nationwide? Let's dive into the details.

For small business owners, long-lasting side effects of the COVID-19 pandemic include:

- **A shift to online shopping/searching** – Pitney Bowes powers billions of transactions across the world, and it recently asked U.S. adults how they expected their shopping behaviors to change. More than half (55%) of shoppers said they expect to discover new brands online, which makes a polished online presence even more important. To help your small business appeal to prospective customers, consider affordable social media ads that drive traffic to a user-friendly website. Note: In the same survey, 28% of shoppers said they expect to be frustrated by digital shopping, so begin with that end in mind. A positive user experience is more powerful than you think, we promise.

- **An increase in curbside service** – Pitney Bowes also discovered that 43% of consumers expect to use curbside pickup more often, mainly to avoid shipping costs and/or get their item(s) sooner. While those sensitive to time (Millennials, parents, and Gen Z) may always be more willing to choose curbside, there are opportunities to make in-store pickup more appealing. First, focus your efforts on an improved in-store experience, as surveyed shoppers said, "enjoying browsing" and "checking out promotions" are two solid reasons to get out of the car.

- **Unavoidable price increases** – The pandemic, along with inflation and supply chain issues, has had a sizable impact on consumer spending. As a result, 49% of consumers are buying less overall,

and 80% of consumers say they're more likely to wait to make a purchase. They're holding out for sales or coupons, which could be something to consider. If your small business has been forced to increase retail prices, brainstorm strategic and sensible sales and incentives that will make your product or service worth a shopper's while.

- **Consumers consistently working from home** – At a 2022 conference hosted by the National Retail Federation, one speaker shared results of a recent survey on the work-from-home phenomenon. Within the survey, 60% of consumers projected they'd work from home at least 50% of the time, with absolutely zero consumers expecting to return to the office five days a week. With that, ecommerce is now the preferred method of shopping for 68% of respondents, up from less than 30% before the pandemic in 2019. What's more, if these shoppers do visit a physical store in the future, 37% said they'd be most likely to stay "local," or within a three-mile radius. All the more reason to meet consumers where they are (online) and promote the power of shopping small, local businesses.

Your takeaway? According to eMarketer, small business owners need to recognize and adapt to consumers' evolving shopping behaviors. They must bend, or they'll run the risk of being broken, because "while there are numerous short-term issues that have driven consumers to shop online, shop locally, and shift the items they purchase, once formed, those habits are likely here to stay."

If consumer behavior has changed the way you do business, it's important to ensure your business is properly protected. Talk to one of our local, independent agents today.