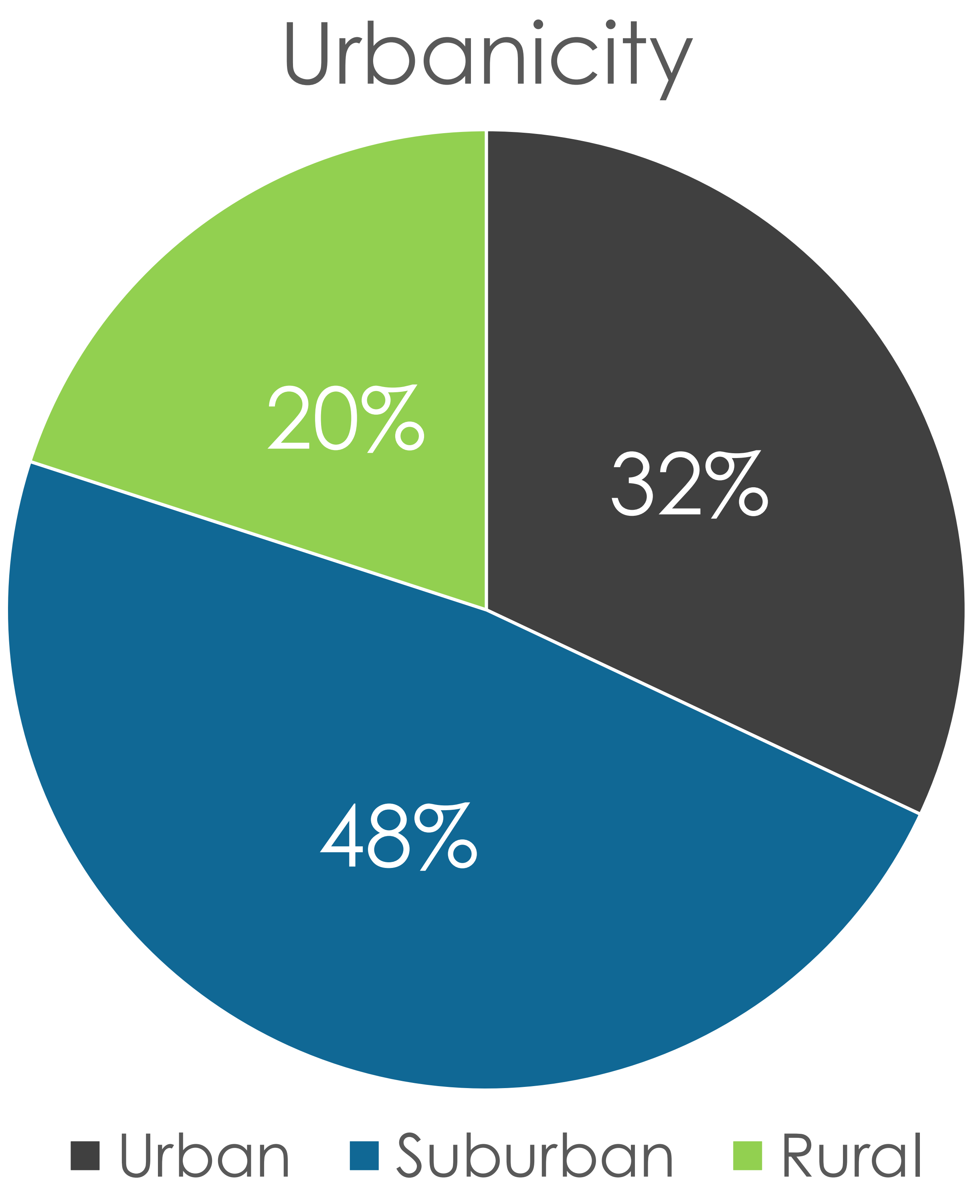
COVID-19 U.S. CONSUMER IMPACT TRACKING STUDY – WEEK 23

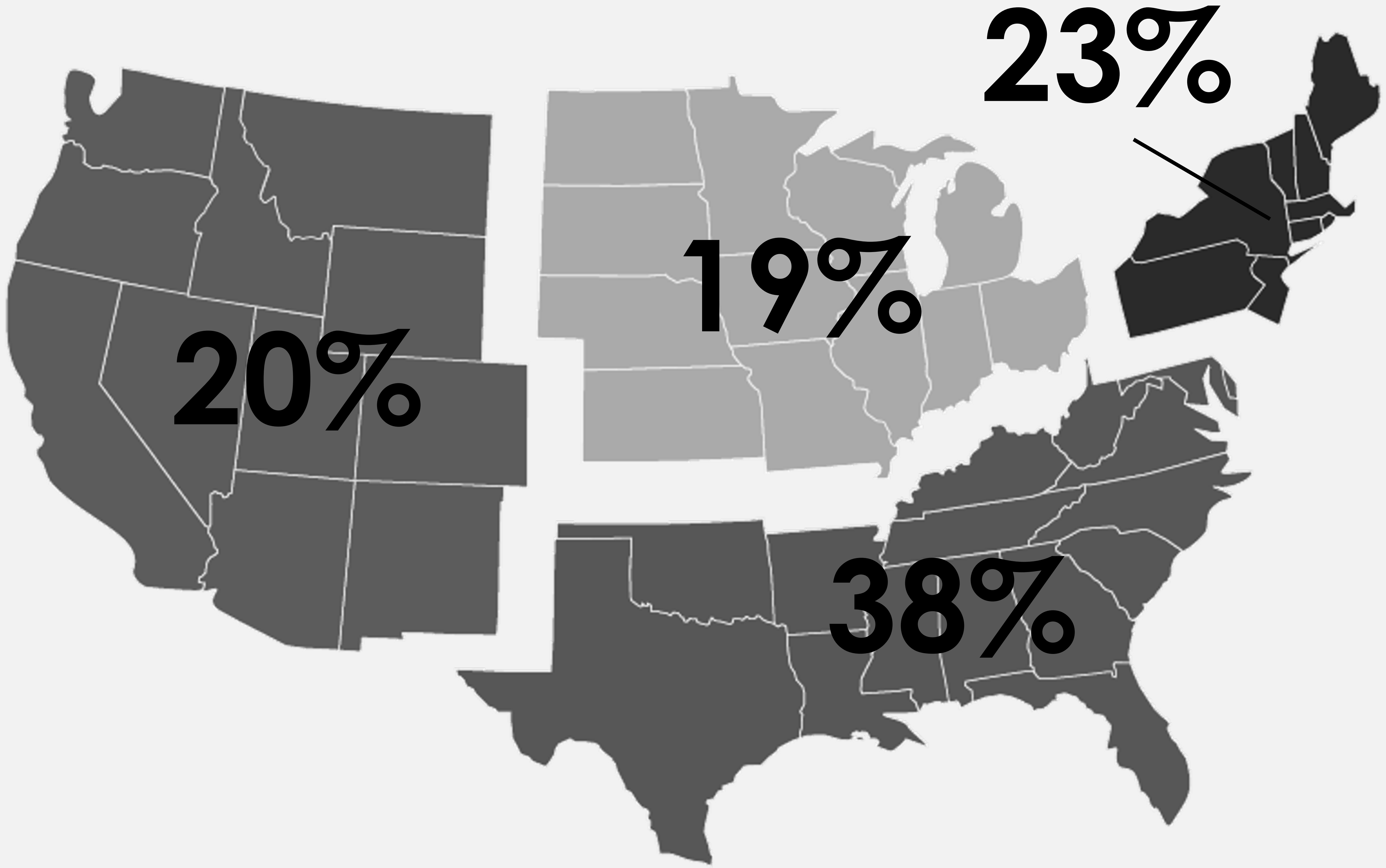
PRESENTED AUGUST 10, 2020

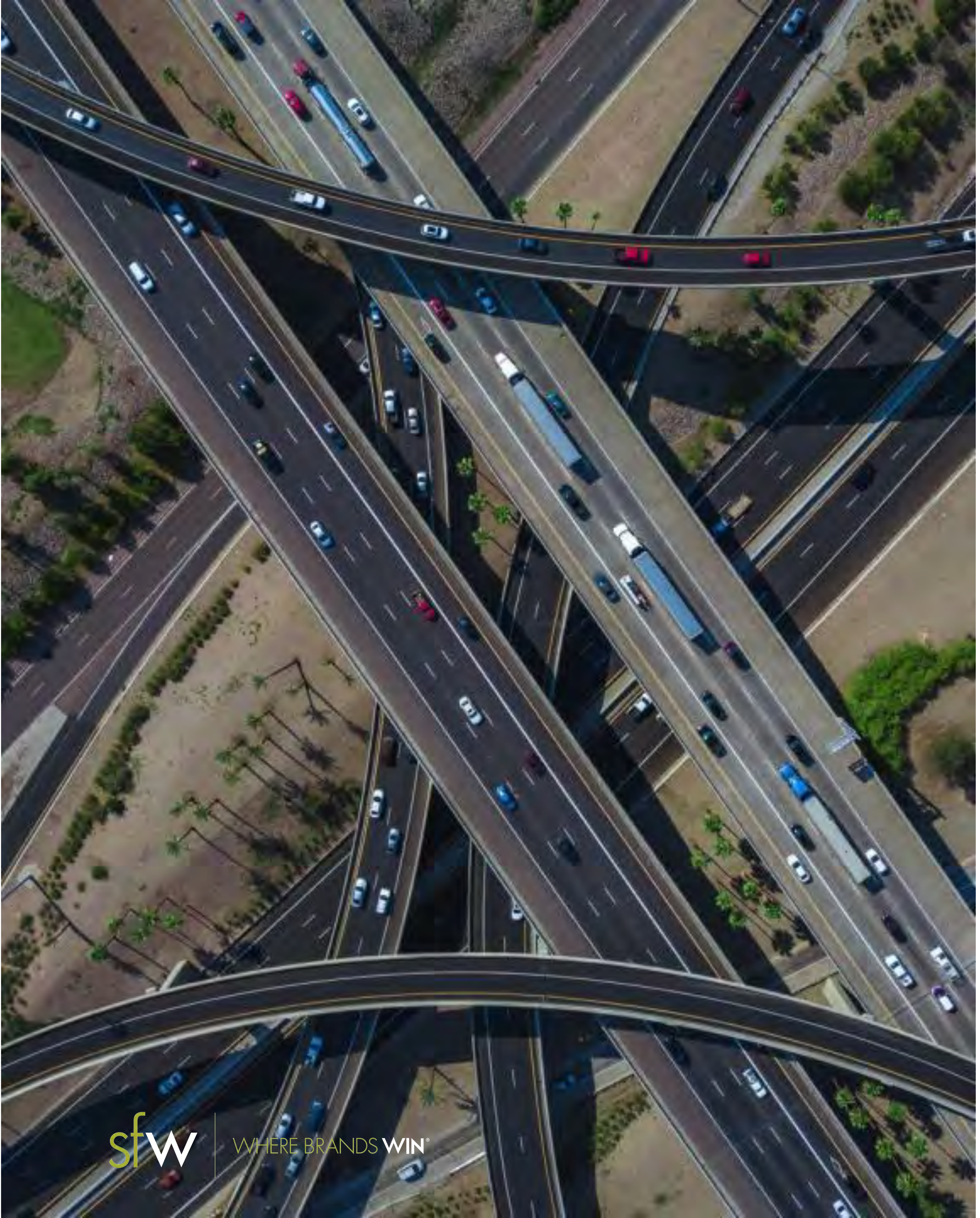
Methodology

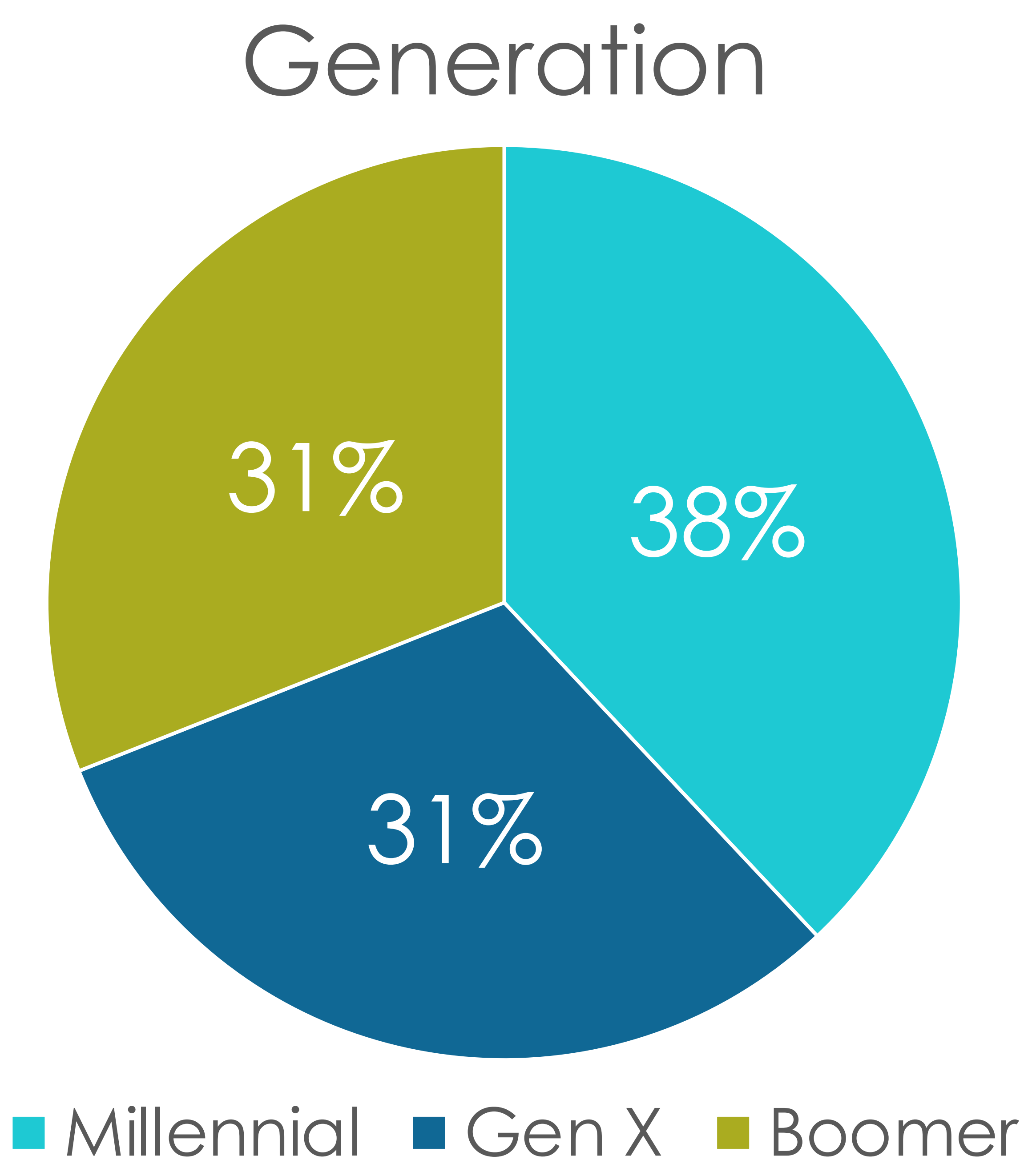
- N = 1000; Census Balanced
- MOE = ± 3.1%
- Panel: General Population
- Collected: 07/31/20, 08/01/20

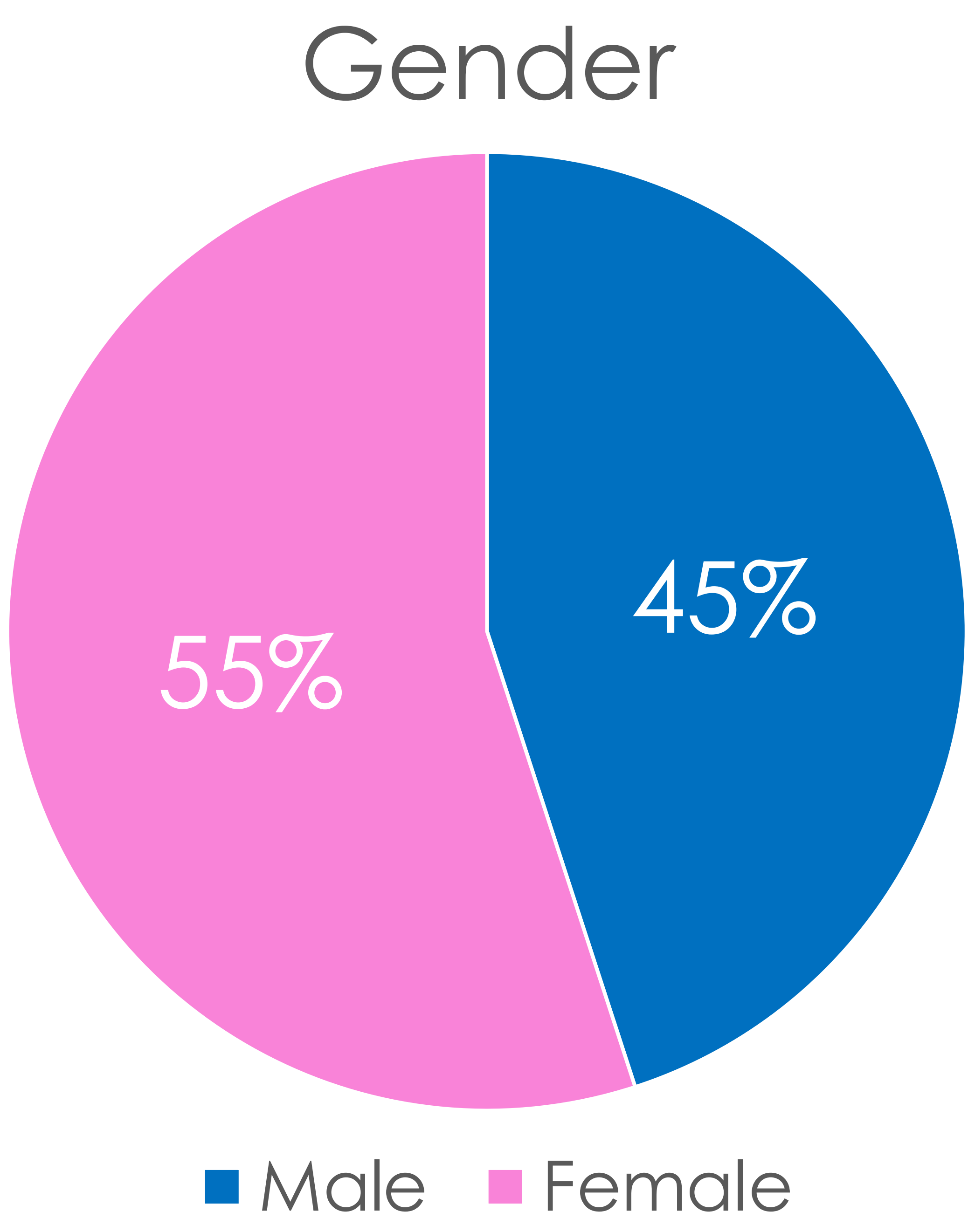
Census balanced panel is representative of America





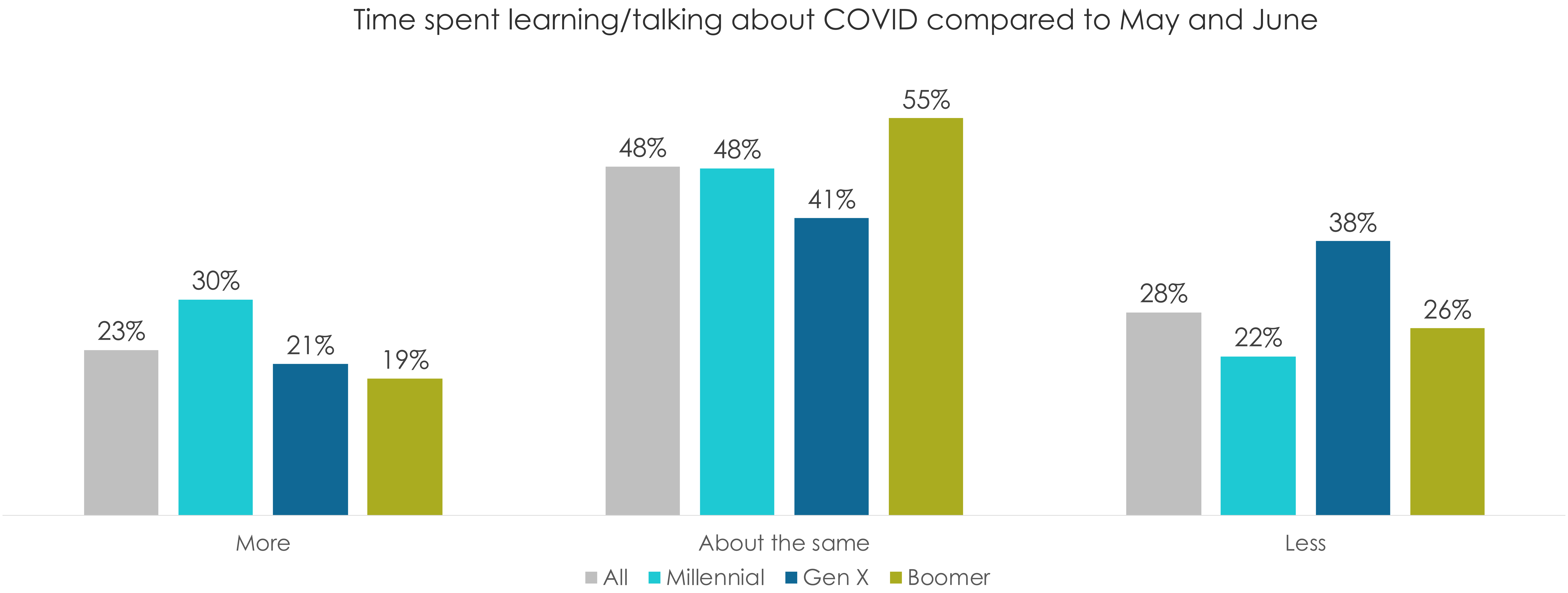



Generation
31%
38%
31%
Millennial
Gen X
Boomer


Gender
55%
45%
Male
Female

COVID-19 Hot Topics

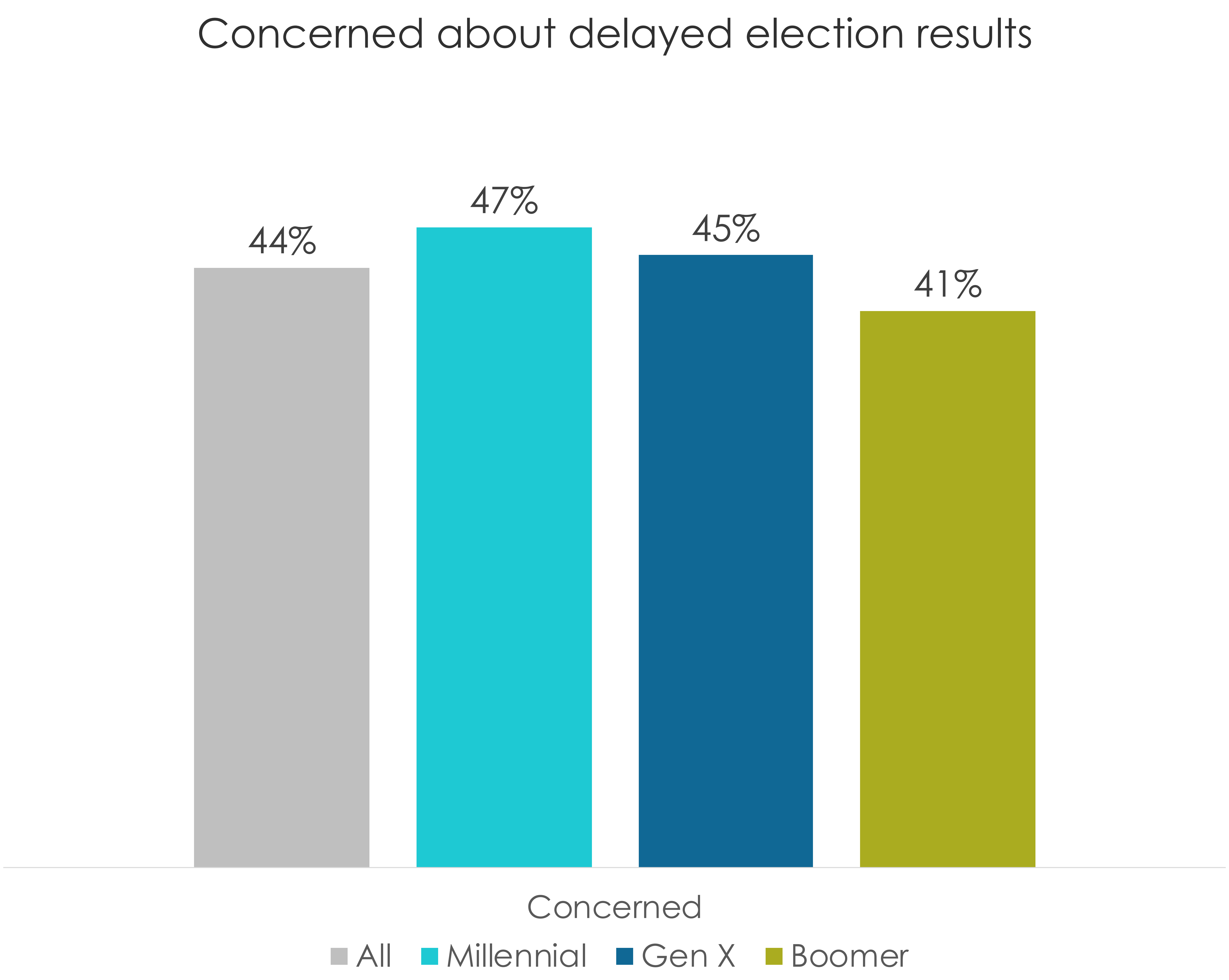
Respondents are clearly fatigued by the presence of COVID-19; however, it is not reflected in the amount of time people are spending staying attuned to what's going on. Time spent learning and talking about the virus largely remains unchanged since May.



Compared to May or June how much time are you spending learning and talking about COVID-19?

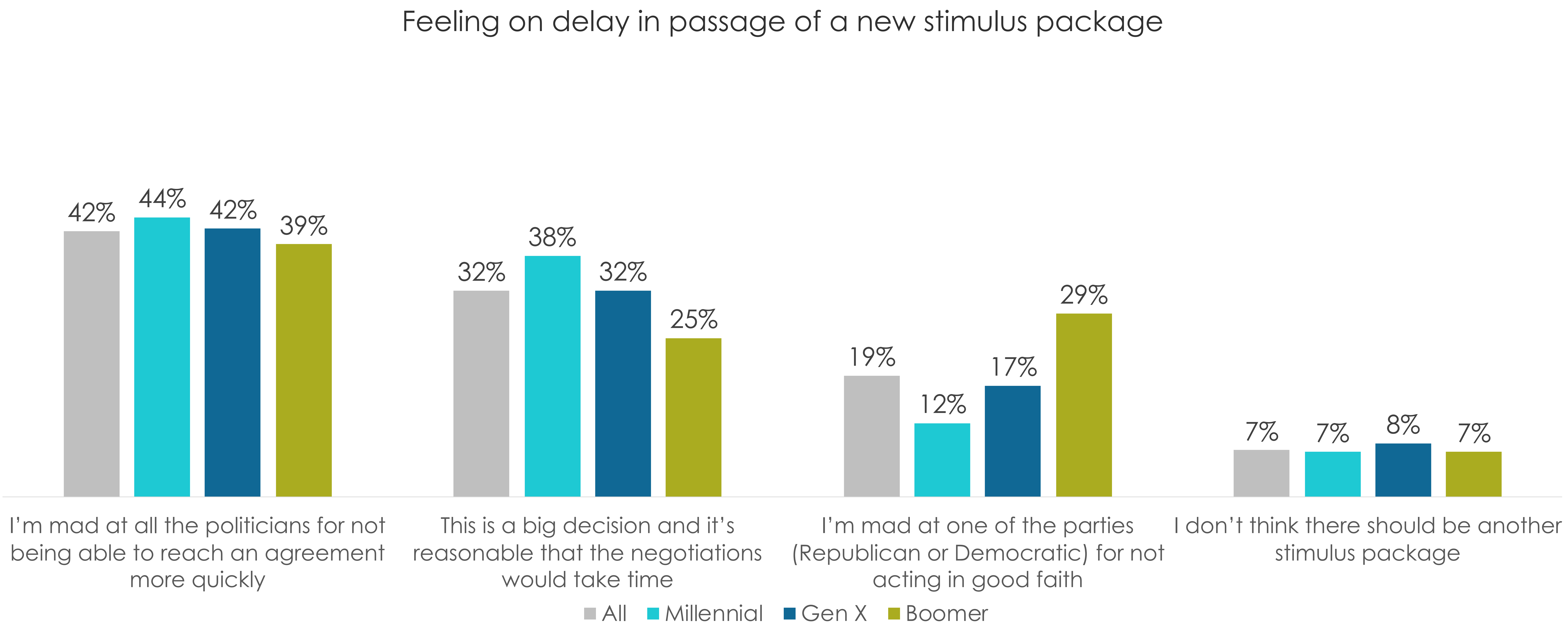
75% of respondents continue to favor mail-in voting for the November general election despite the fact that 42% are concerned or very concerned about the potential for voter fraud.

In addition, 44% are concerned that mail-in voting could delay election results a week or more.



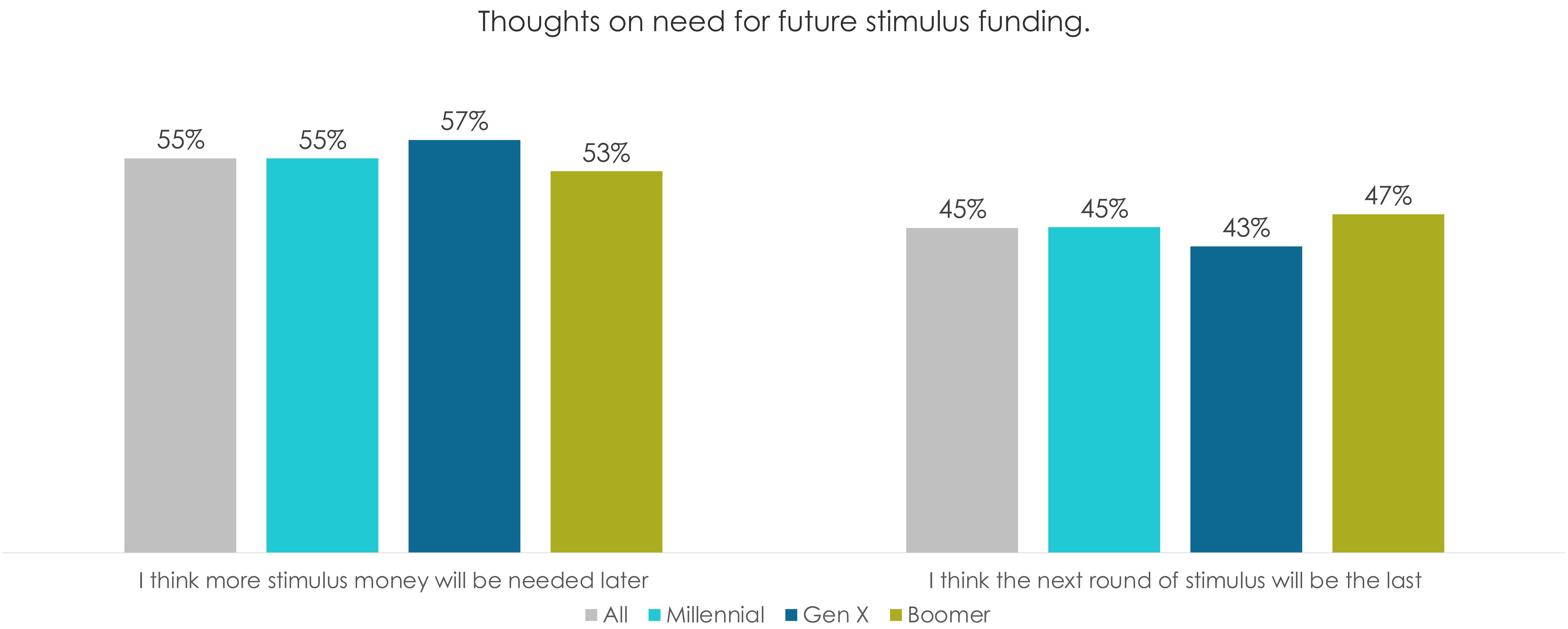
How concerned are you that a large quantity of mail-in votes could delay the results of the election a week or more?

Respondents are clearly unhappy in the delay of the latest stimulus package. 61% are mad at either all politicians (42%) for the delay or a specific party for not acting in good faith (19%).



Which of the following best describes how you feel about the delay in the passage of a new stimulus package?

A majority of respondents (55%) think that there will be a need for stimulus money over and above the funding currently under consideration.

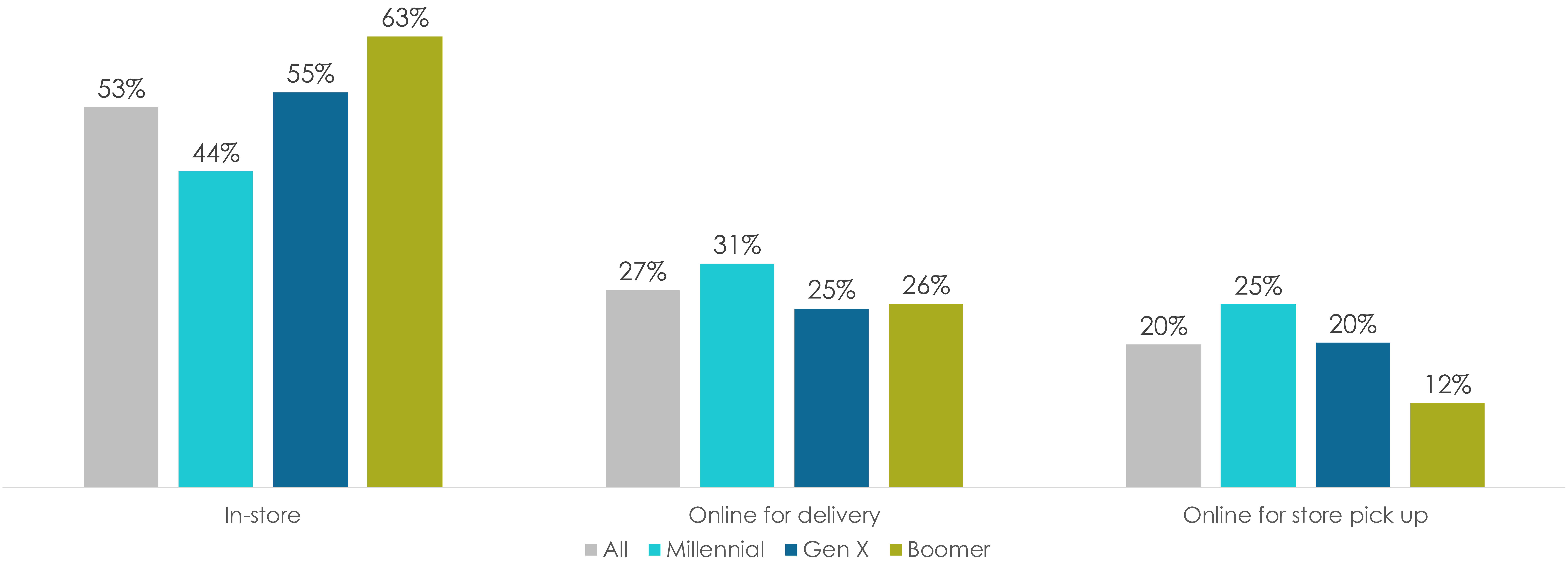


Assume the politicians come to an agreement on the stimulus package. Do you think that will be the end of the need for government support or will more stimulus money be needed later?

In last week's report we began looking at the home improvement industry. This week we delve deeper into the home improvement consumer's shopping behaviors.

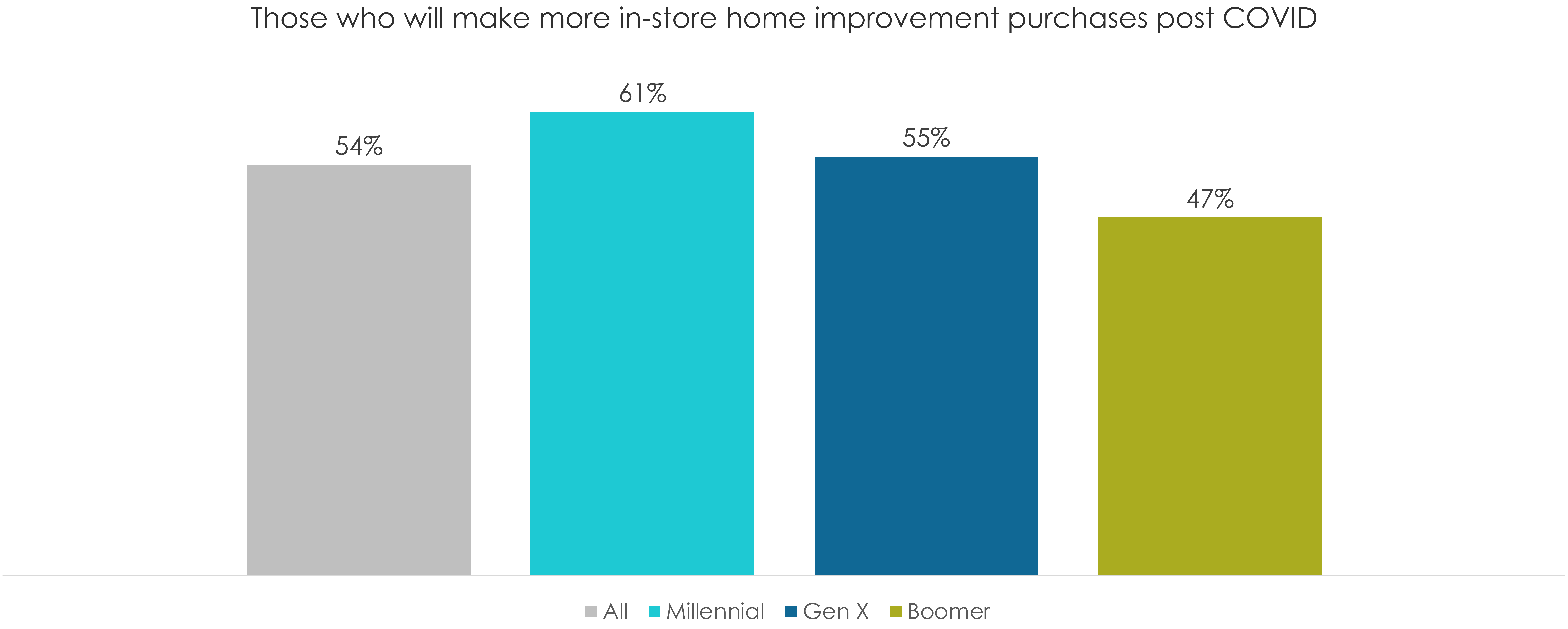
Since the arrival of COVID-19 in March the manner in which people buy home improvement products has been split fairly evenly between in-store (53%) and online (47%).

Method of purchasing home improvement products



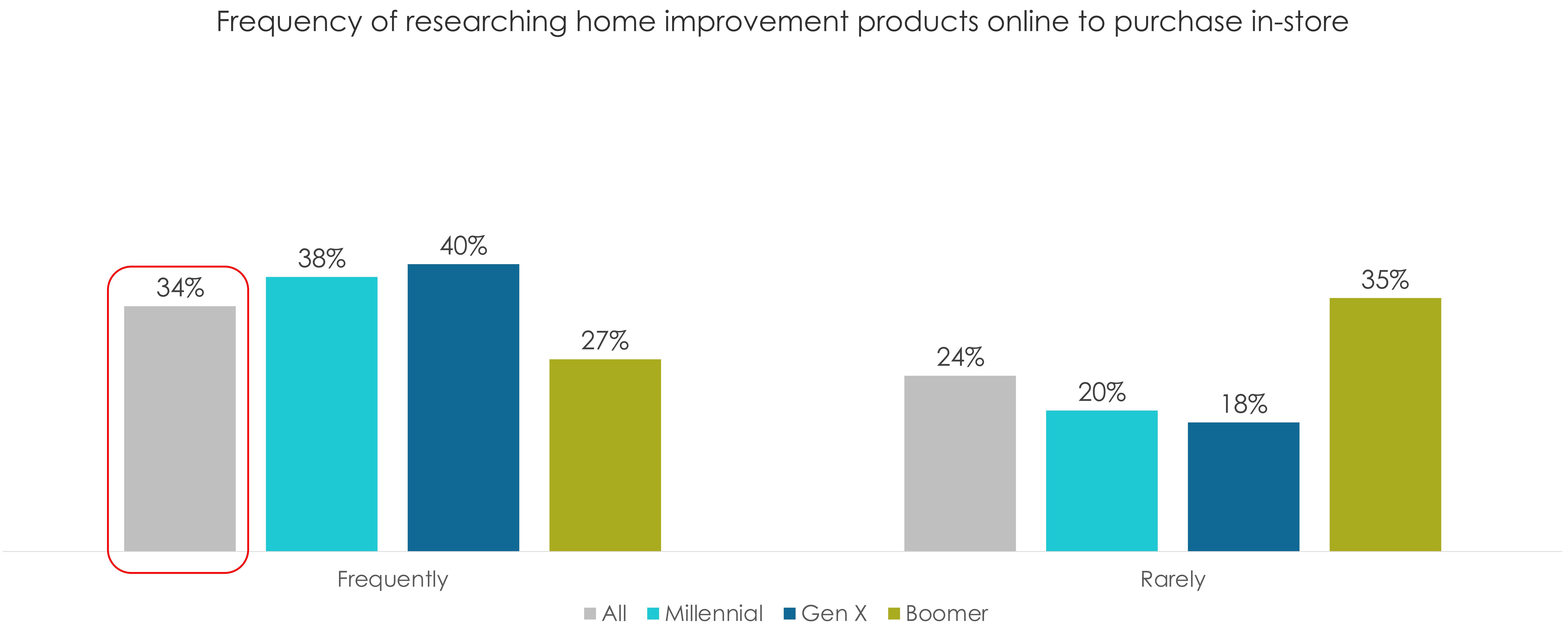
Please tell us the % of your home improvement purchases that have been made in the following ways in the past 5 months? Total must equal 100%.

While some online shopping behaviors adopted during the COVID outbreak will likely be permanent, 54% of respondents think they'll be making more in-store purchases when the pandemic is brought under control.



Do you think you'll be making more home improvement purchases in-store once COVID is brought under control?

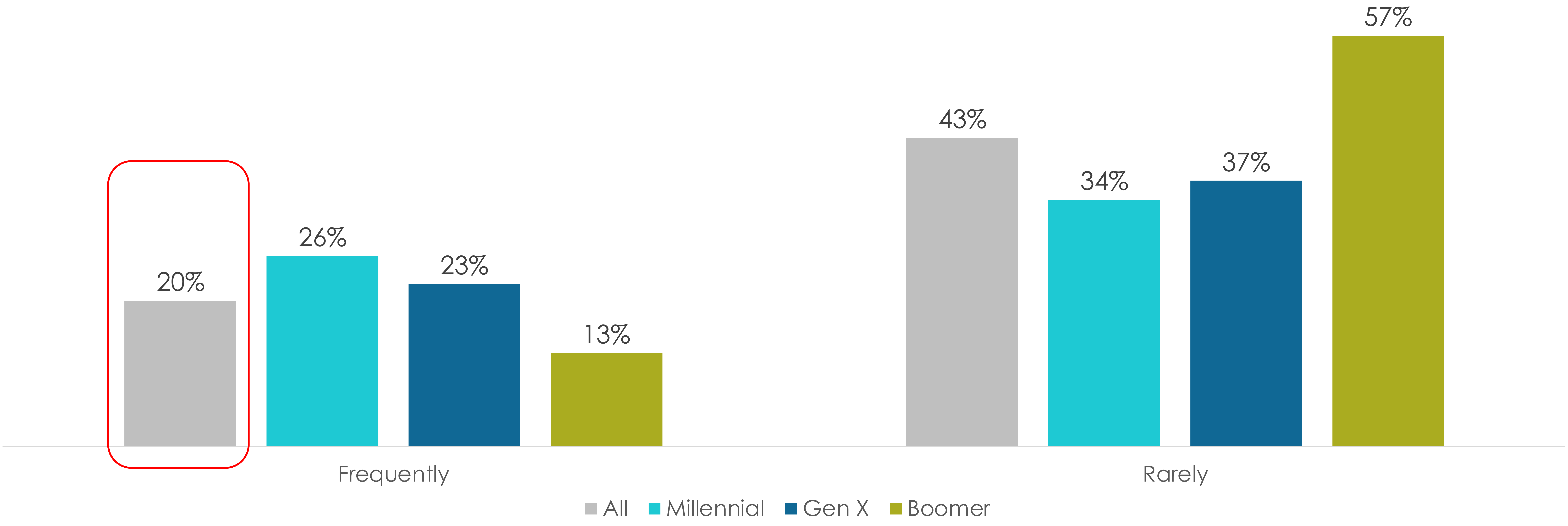
Online research to support in-store purchases is done frequently by GenXers (40%) and Millennials (38%) but less so by Boomers (27%).



How frequently do you research home improvement products online and then make your purchase in-store?

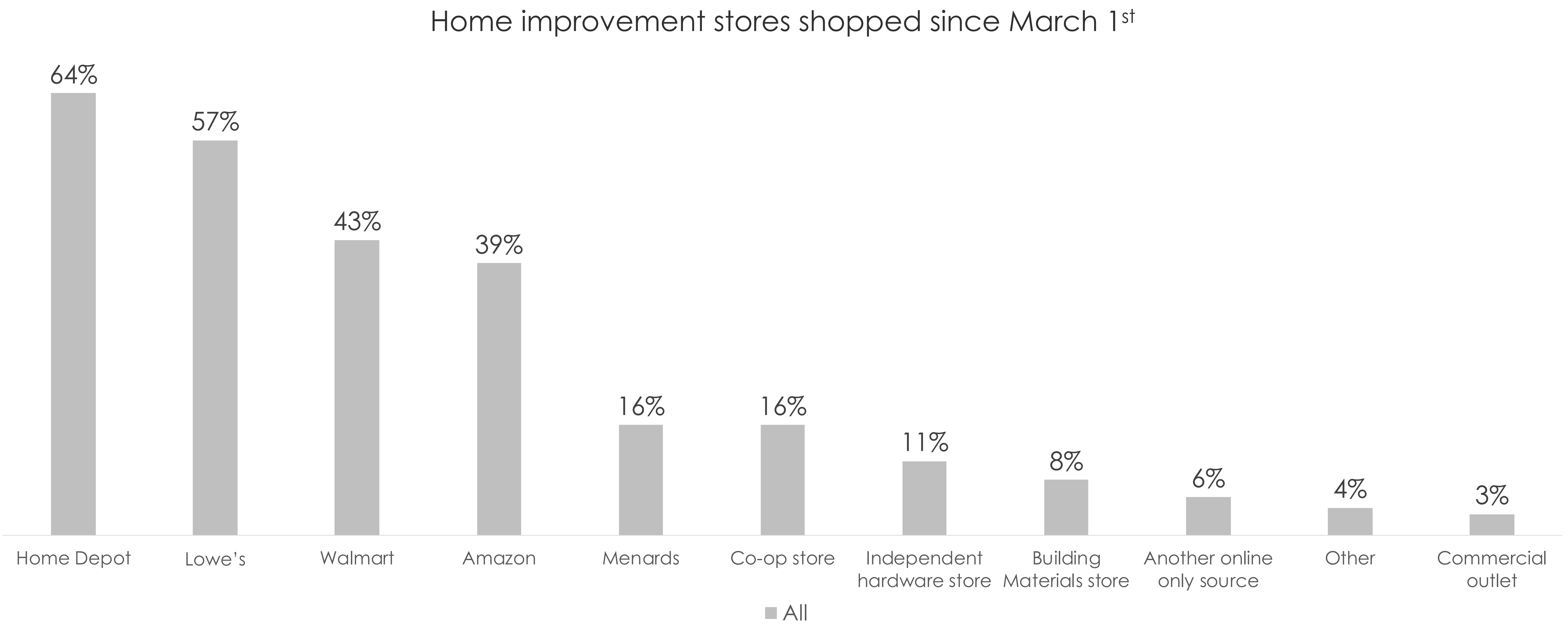
Showrooming is much less frequent. Only 20% of respondents are researching home improvement products in the store and purchasing online.

Frequency of researching home improvement products in-store to purchase online



How frequently do you research home improvement products in-store and then make your purchase online?

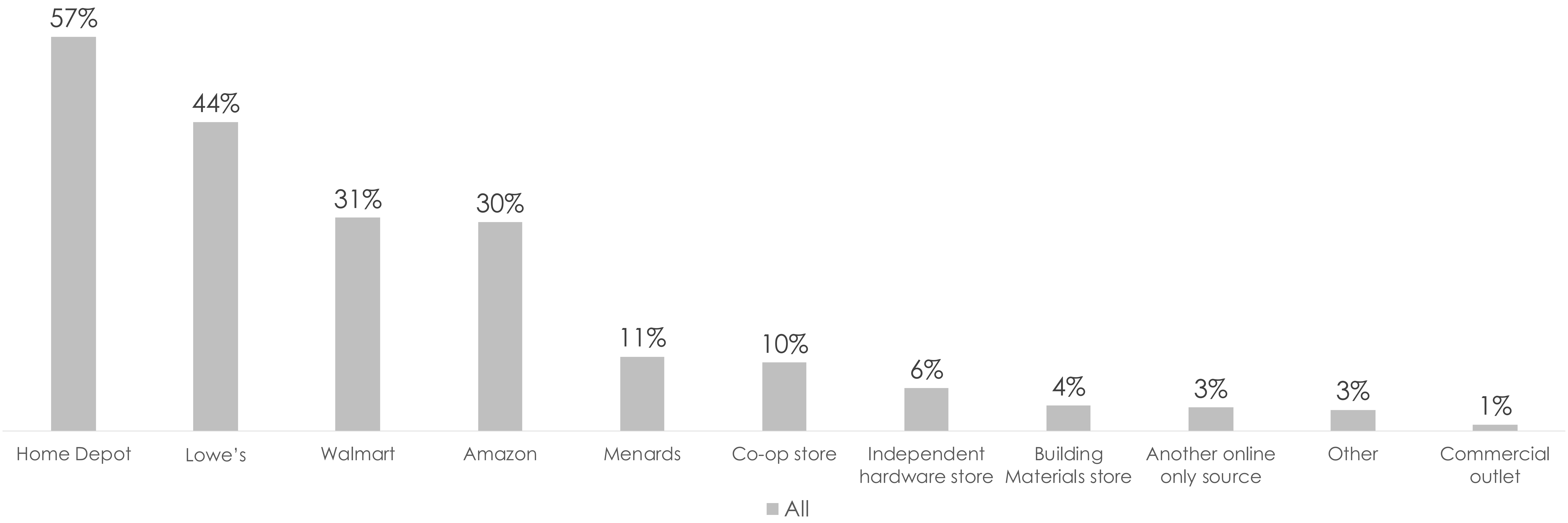
The average number of retailers shopped by respondents who have made home improvement purchases since March is 2.67.



At which of the following stores have you shopped for home improvement products since the 1st of March?

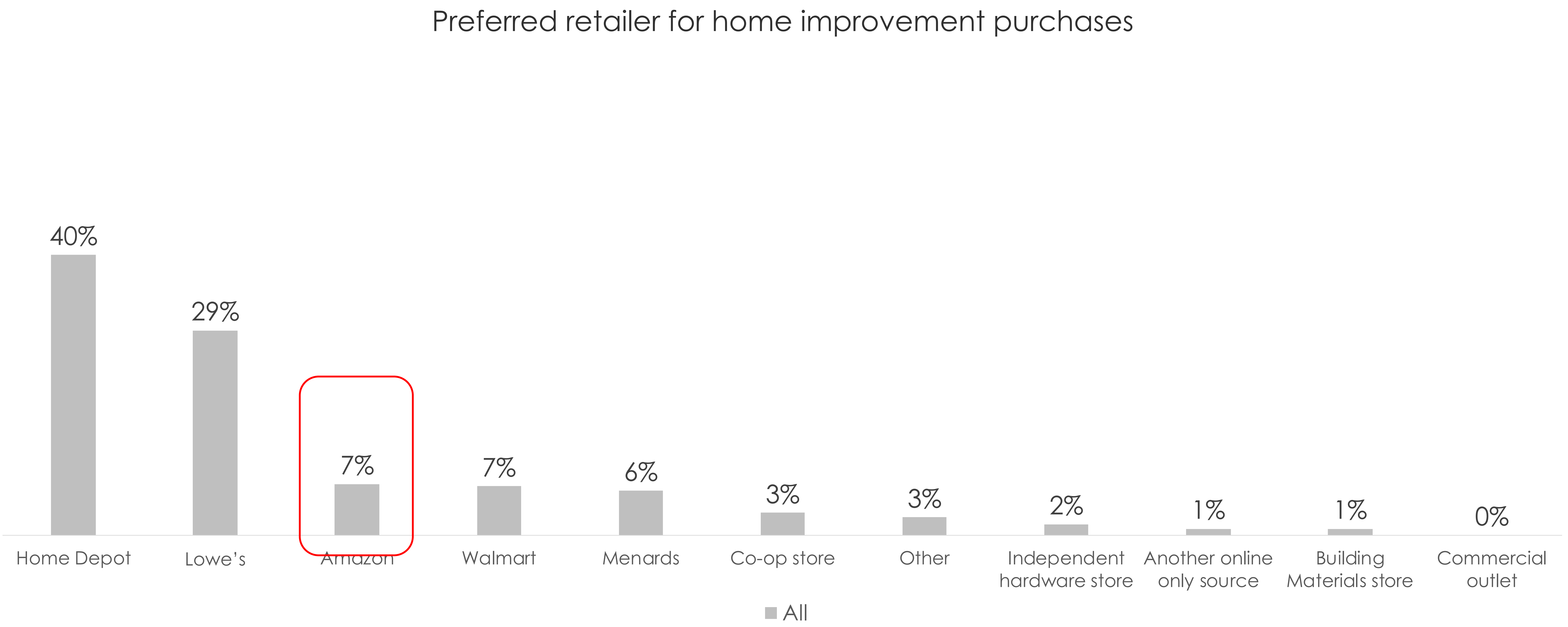
Respondents have purchased from an average of 2 different retailers. Of the 4 leading outlets, Home Depot enjoys the highest close rate (89%) while Walmart's is the lowest (72%).

Home improvement stores purchased at since March 1st



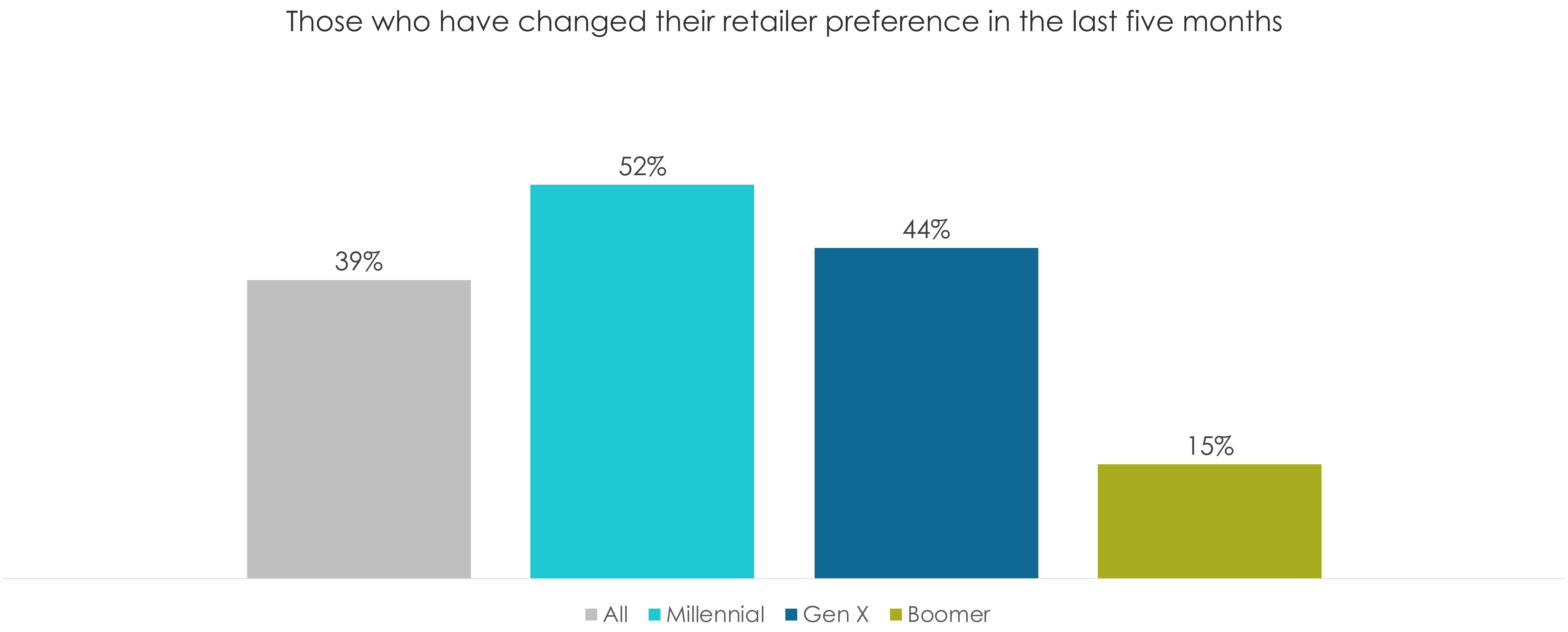
From which of the following stores have you made purchases of home improvement products since the 1st of March?

Not surprisingly, store preference reflects shopping and purchase behaviors.



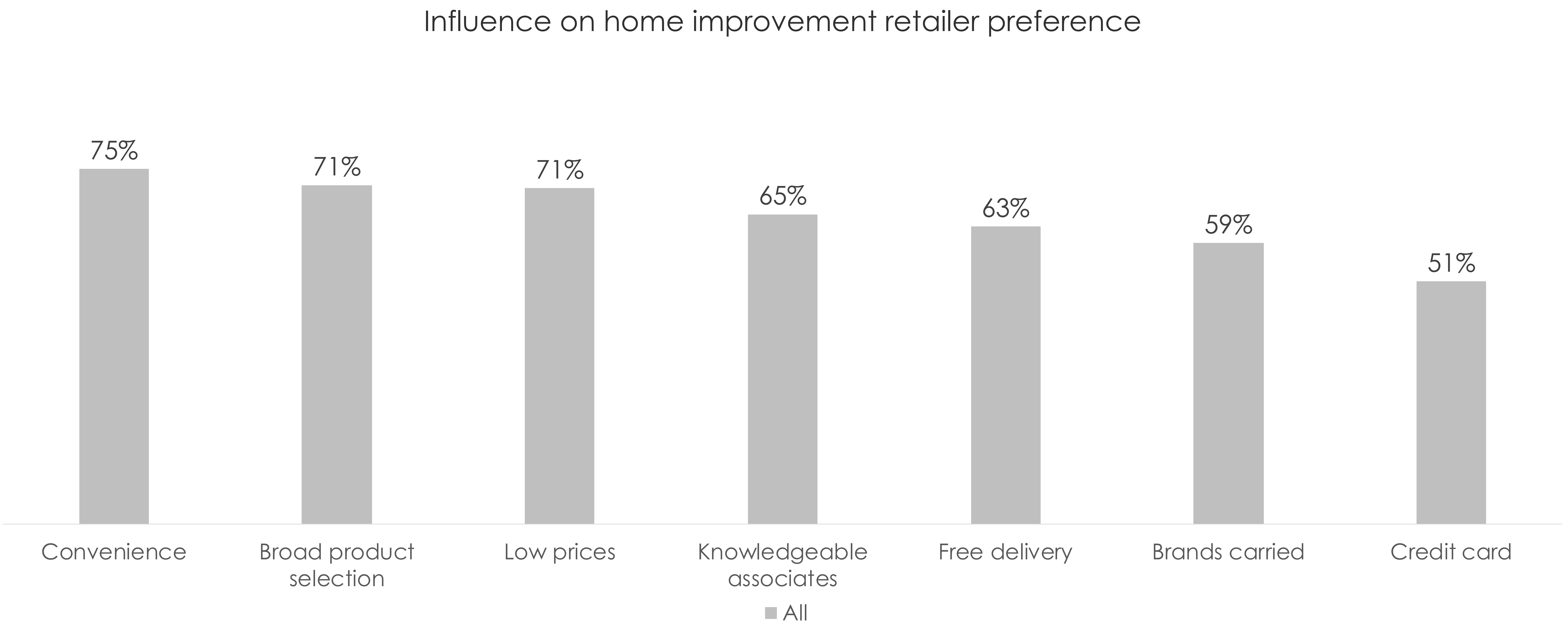
At which of the following do you prefer to purchase home improvement products?

What is surprising is that more than one-third of home improvement shoppers (39%) have changed their retailer preference in the past 5 months.



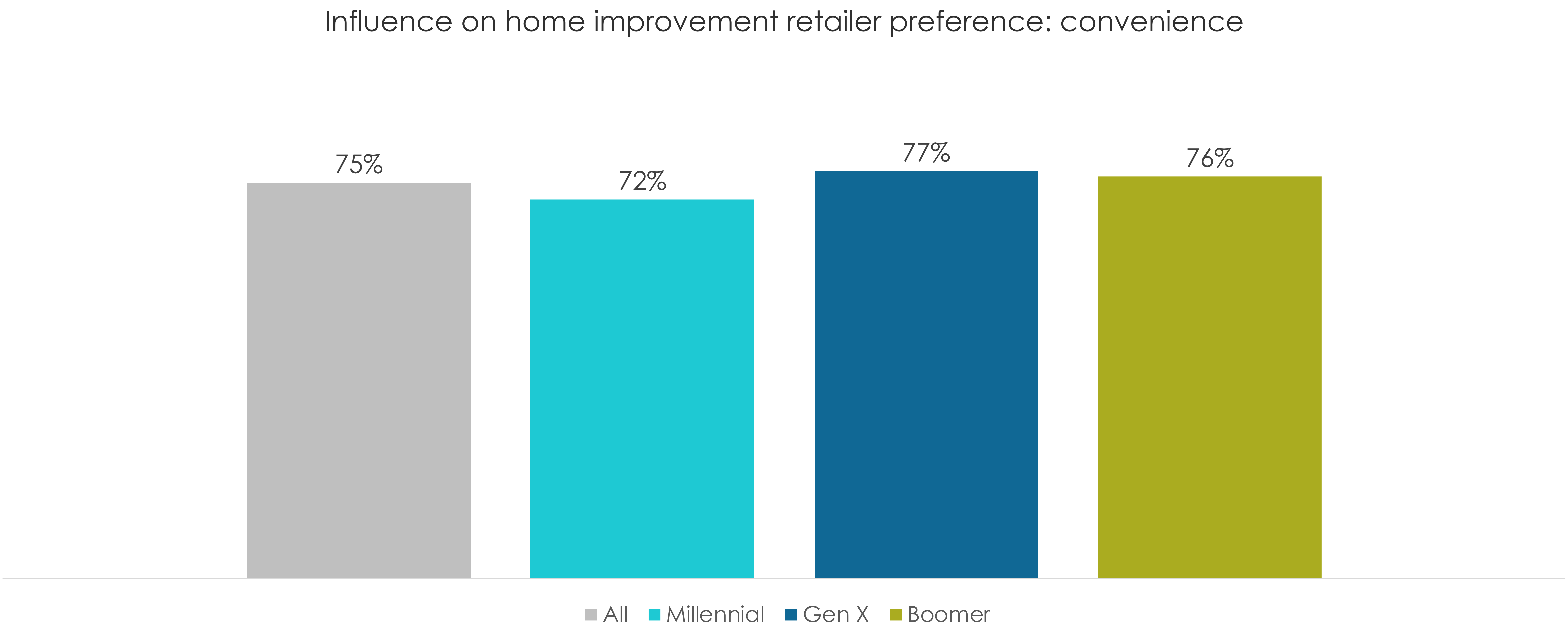
Has your preference for where to shop for home improvement products changed in the last 5 months?

Convenience (75%) continues to be the most important influence on retailer preference followed closely by broad product selection and low prices, which are important to 71% of respondents.



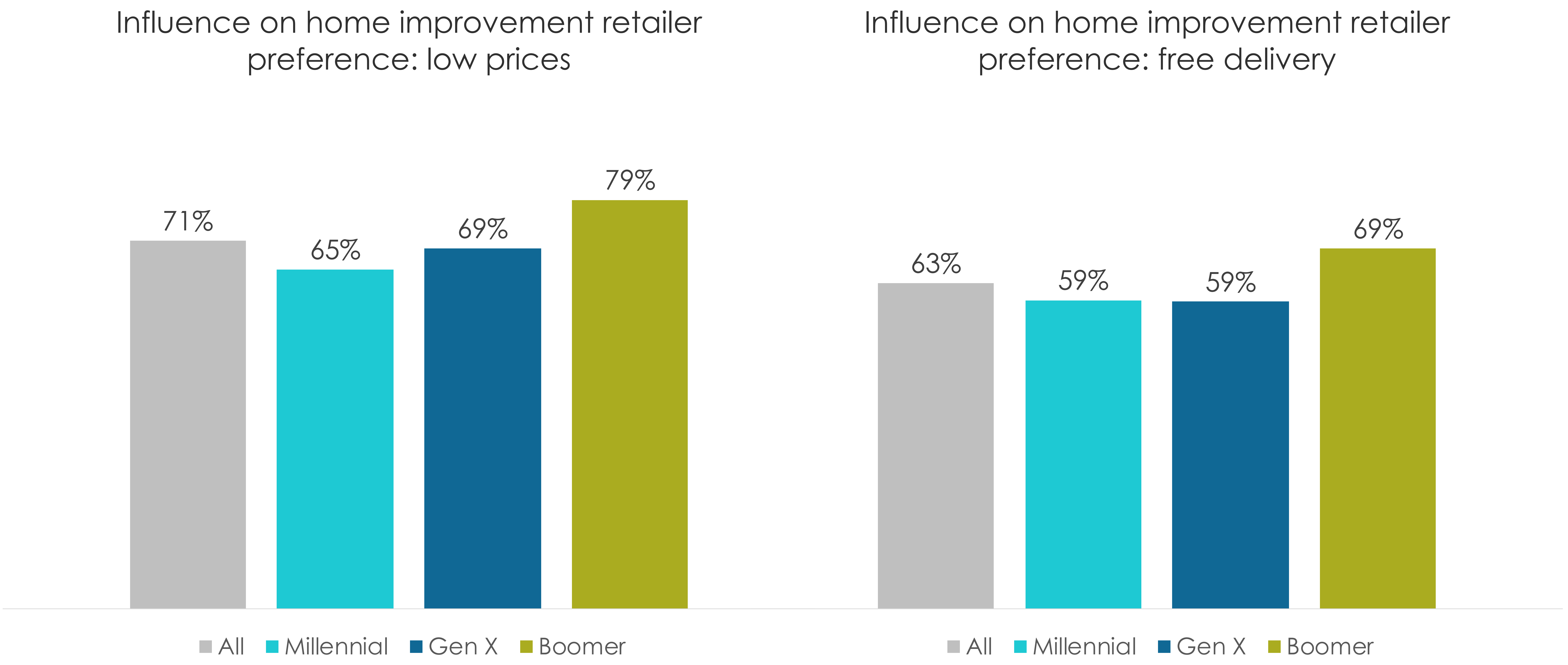
How influential are the following on your preference for a home improvement retailer?

The appeal of convenience is fairly universal as more than 70% of those in all three generations value it.



How influential are the following on your preference for a home improvement retailer?

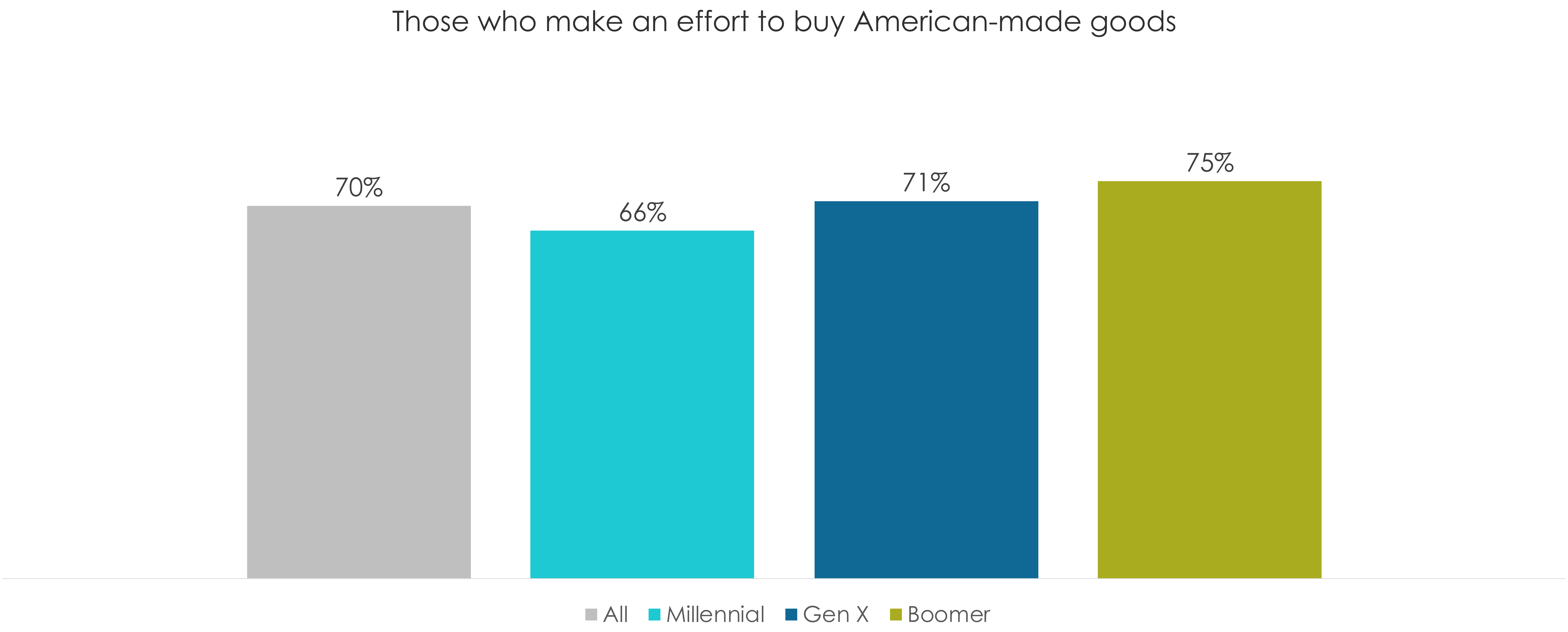
Generational bias is reflected in Boomers being more influenced by low prices (79% vs. 67%) and free delivery (69% vs. 59%) than the other generations.



How influential are the following on your preference for a home improvement retailer?

American-Made Goods

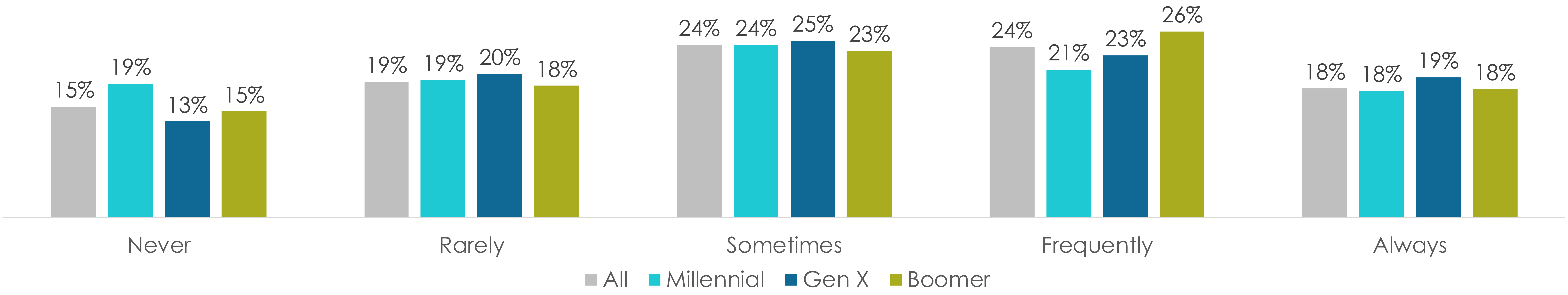
70% of respondents say they make an effort to buy American made products.



Do you make an effort to buy American-made goods?

However, only 42% of respondents say they frequently (24%) or always (18%) check for country of origin. That suggests people are making assumptions which may or may not be accurate.

Frequency of checking to see the origin of where a product was made



How frequently do you check to see where products are made (country of origin)?

Summary

The presence of COVID-19 continues to identify new challenges and concerns.

- Despite their fatigue with the virus itself, people continue to spend about the same amount of time focused on it as they did in May and June.
- While three-quarters of people favor mail-in voting, 42% have a concern about voter fraud and 44% are concerned about delayed general election results.
- Respondents are not pleased with the delay in the stimulus package under consideration. 61% are displeased with either all lawmakers for the inability to reach an agreement (42%) or one of the political parties for not bargaining in good faith (19%).
- More than half (55%) of respondents think stimulus money, beyond what's under consideration, will be needed in the future.

This week's deeper look into the home improvement consumer's shopping behaviors delivered some interesting results.

- Since the arrival of COVID-19 in March, the manner in which people buy home improvement products has been split fairly evenly between in-store (53%) and online (47%).
- 54% of respondents think they'll be making more in-store purchases when the pandemic is brought under control.
- Online research to support in-store purchases is done frequently by GenXers (40%) and Millennials (38%) but less so by Boomers (27%).

Summary – Continued

- Only 1 in 5 respondents is frequently or very frequently showrooming in the home improvement category.
- Home Depot (64%), Lowe's (57%), Walmart (43%) and Amazon (39%) are the dominant shopping destinations in the category.
  - The average respondent is shopping at 2.67 different retailers.
  - Respondents have purchased from an average of 2 different retailers. Of the four leading outlets, Home Depot enjoys the highest close rate (89%), while Walmart's is the lowest (72%).
  - Not surprisingly, store preference reflects shopping and purchase behaviors.
- More than one-third of home improvement shoppers (39%) report having changed their retailer preference in the past five months.
- Convenience (75%) continues to be the most important influence on retailer preference, followed closely by broad product selection and low prices, each of which is important to 71% of respondents.
  - The appeal of convenience is fairly universal as more than 70% of those in all three generations value it.
  - Generational bias is reflected in Boomers being more influenced by low prices (79% v 67%) and free delivery (69% v 59%) than the other generations.

Summary – Continued

American made goods are particularly appealing to people now.

- 70% of respondents say they make an effort to buy American made products.
- However, only 42% of respondents say they frequently (24%) or always (18%) check for country of origin. That suggests people are making assumptions which may or may not be accurate.