

# COVID-19 Insights Briefing

Published: 4/15/2020

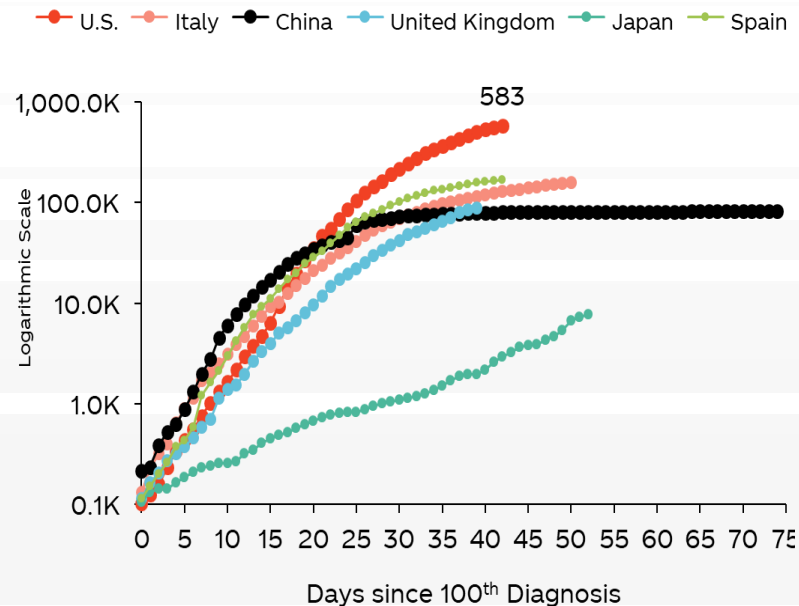
# Executive Summary by Topic Area:

Topic	Key Data, Findings and Insights
1 COVID-19 Spread and Response (15-30 day focus)	<ul style="list-style-type: none"> <li>US daily diagnoses growing <b>+~5% / day</b> (absolute #s also trending down, but still ~25k avg daily diagnoses)</li> <li><b>583k national diagnoses</b> with continued hot spots in <b>NY &amp; NJ, LA, MI, and MA</b> (highest cases / M); many daily rate increases trending down</li> <li>No new <b>statewide “stay at home” orders or other preventative measures</b> in last 4 days; <b>86% of US population</b> continues to live under an order</li> </ul>
2 Macro Scenarios and Data	<ul style="list-style-type: none"> <li>As 1Q20 earnings approaches, many companies have already taken reactionary measures to the virus with nearly 300 revising 2020 Guidance</li> <li><b>Almost all investment fund managers expect global recession in 2020, slight majority expect “U” recovery</b></li> <li>~75% Americans concerned about virus infection, <b>90%+ concerned about virus’s impact on economy</b></li> </ul>
3 State of the Marketplace	<ul style="list-style-type: none"> <li>Restaurant transactions continue to decline but more consumers are reporting past day restaurant orders than last week.</li> <li><b>Retail shows drop in shopping HHs and trips; spend per trip remains up, holding sales steady. eCommerce</b> expansion continues with increasing numbers of shoppers and employees across many platforms</li> <li><b>Total measured retail continues to post low DD growth in latest weeks of scanner data</b>, with pantry-loading categories continuing to see largest spikes</li> </ul>
4 State of the Customer and Consumer	<ul style="list-style-type: none"> <li>Retail and Foodservice operators continue actions around <b>prevention, promotion and community/worker relief</b></li> <li><b>As of 4/13 Amazon, stops taking new delivery customers (Fresh &amp; Prime Now).</b> Meijer &amp; ShopRite have shoppers join queues for improved online experience. Meanwhile, Instacart is finding solutions for shopper experience.</li> <li>Growing <b>confidence in restaurant safety perceptions</b>; operators concerned around future uncertainties</li> <li><b>Economic uncertainty</b> tops health concerns impacting shopper behavior</li> <li><b>COVID-19</b> is top of mind for consumers (84% seeking info daily), impacting sense of <b>safety, comfort and control</b>. <b>Work at Home</b> social media has higher incidence of Food and Beverage mentions in Mar</li> </ul>

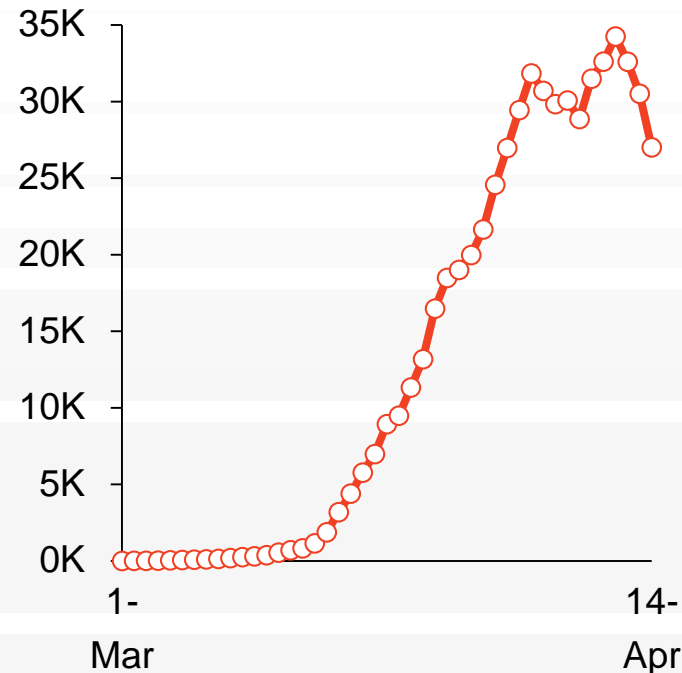
# U.S. starting to show signs of progress on flattening curve – with daily # of new patients and hot-spot hospitalizations trending down

## Timeline of # Diagnoses since 100<sup>th</sup> Patient

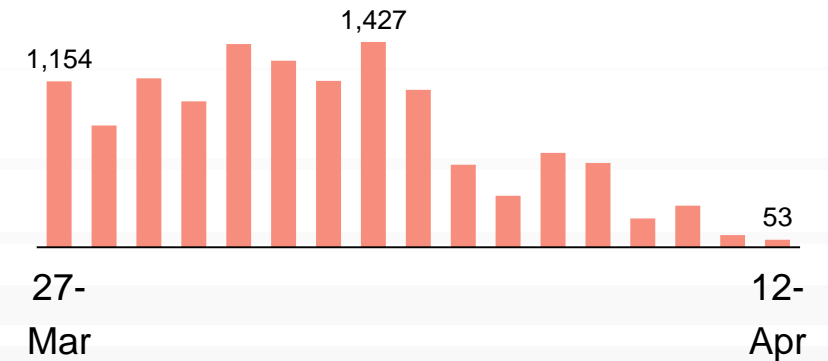
Data as of 4/14 @ 9am



## U.S. Avg # New COVID Patients Per Day



## Daily Increase in Hospitalized Patients: NY



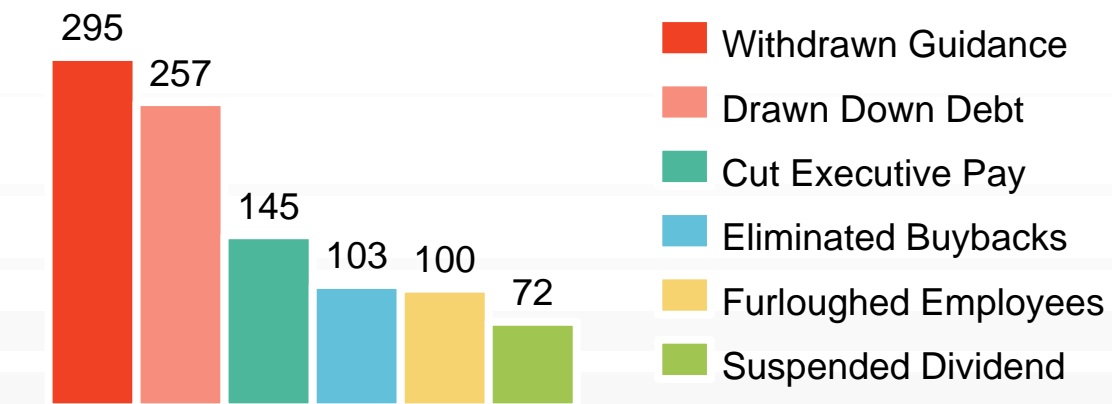
## Other Notes:

- No additional state-wide preventative measures announced since Friday (4/9)
- White House and regional governors beginning to plan for measured relaxation of mitigation efforts

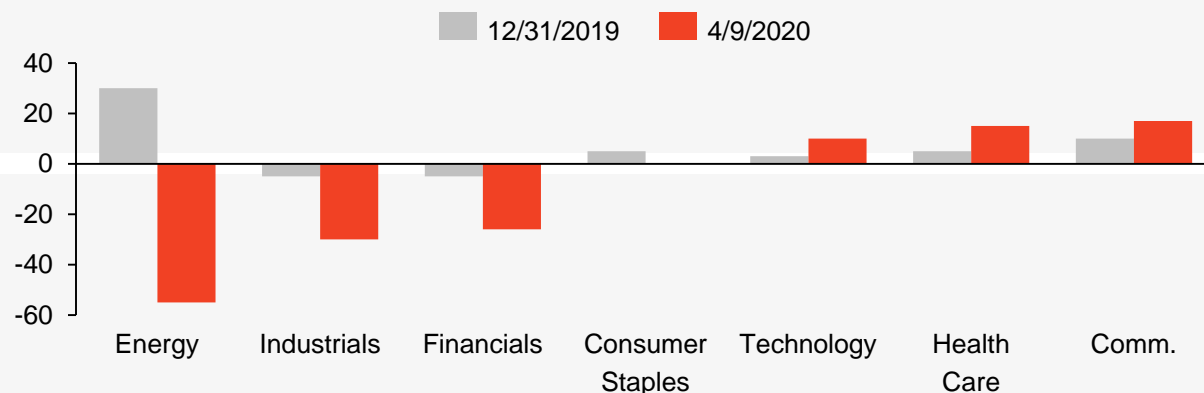
[Click to Appendix for additional Detail](#)

# Companies already taking reactive measures as 1Q20 earning season begins—near consensus on Recession expectation; differing POVs on recovery

## # of S&P 1500 Companies with COVID Response Actions

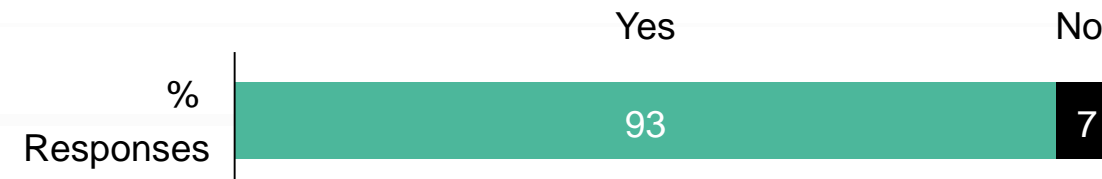


## 1Q20 Earnings Growth Estimates by S&P Sectors

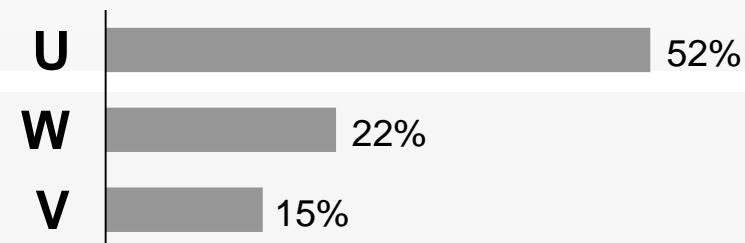


## Survey of Investment Fund Managers:

### Expect Global Recession in 2020?



### Expected "Shape" of Recovery:



**U Shaped** = a sharp economic contraction, then a period of stagnation before a pick-up in activity

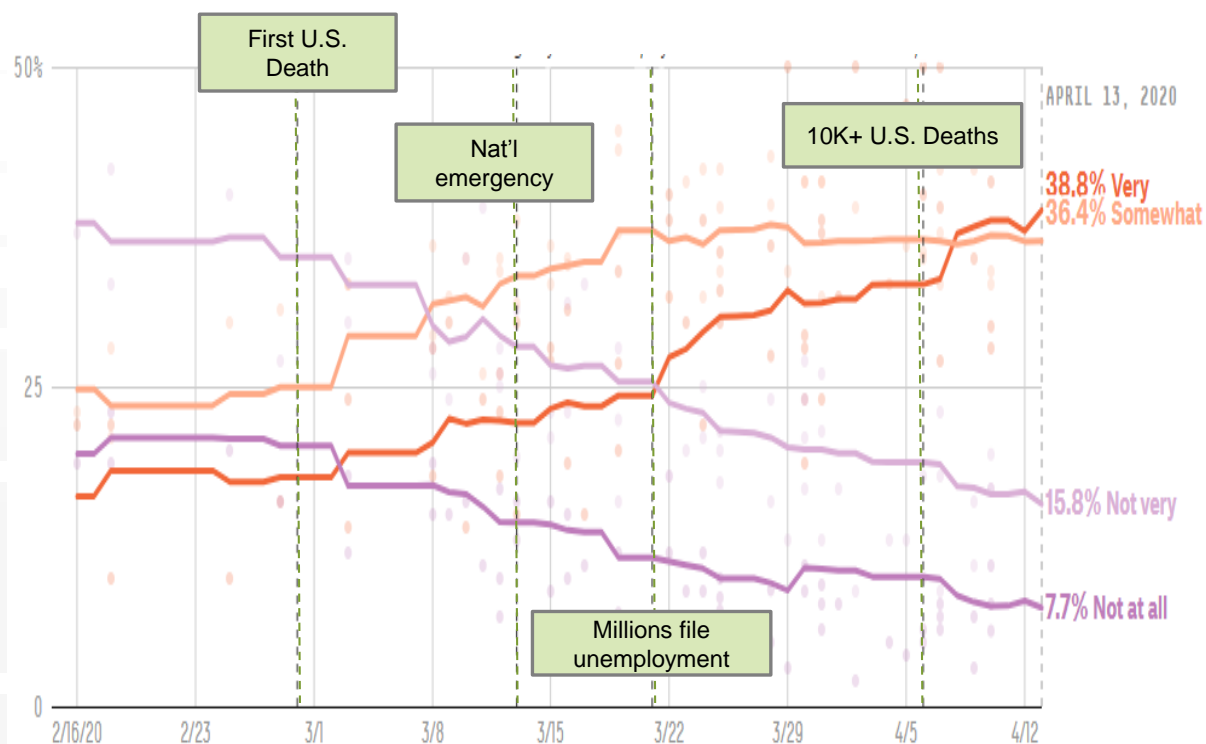
**W Shaped** = economy contracts twice before a full recovery

**V Shaped** = steep economic fall but a quick rebound

# Strong majority of Americans currently concerned with infection and virus's impact on the economy, with both concerns growing week over week

## How worried are Americans about **INFECTION**?

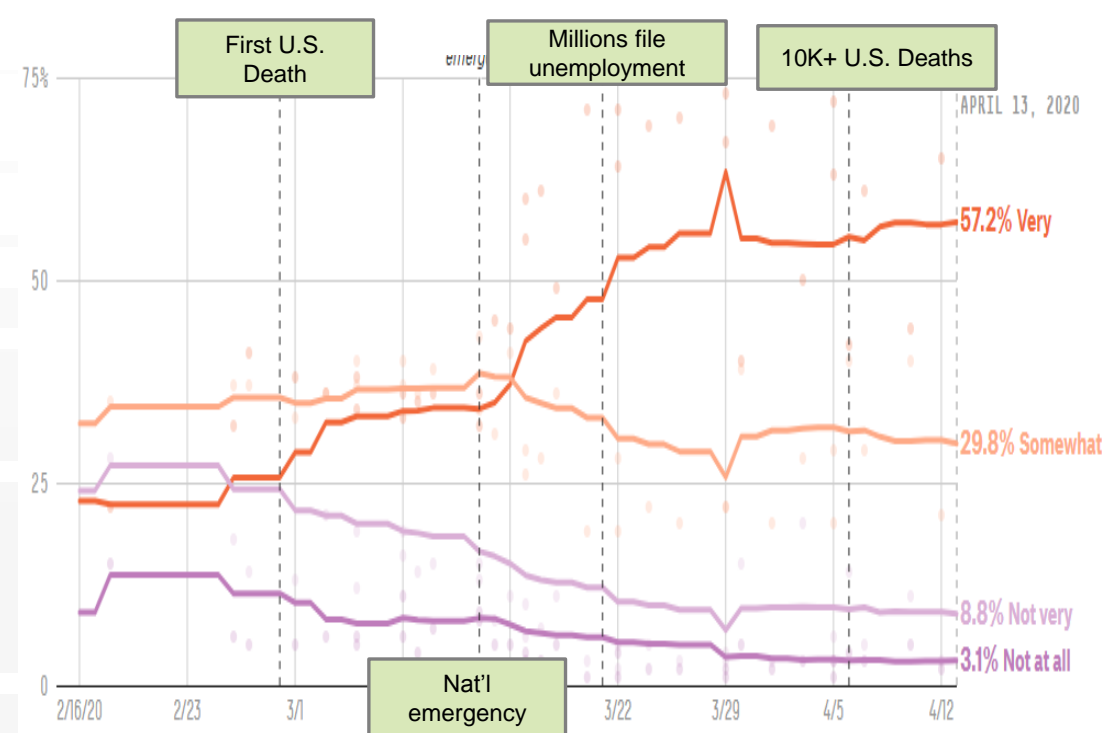
*How concerned are you that you or someone in your family will become infected with the coronavirus*



**75% (+5pts vs last week)** of Americans somewhat or very concerned about infection

## How worried are Americans about **THE ECONOMY**?

*How concerned are you about the coronavirus's effect on the U.S. economy?*

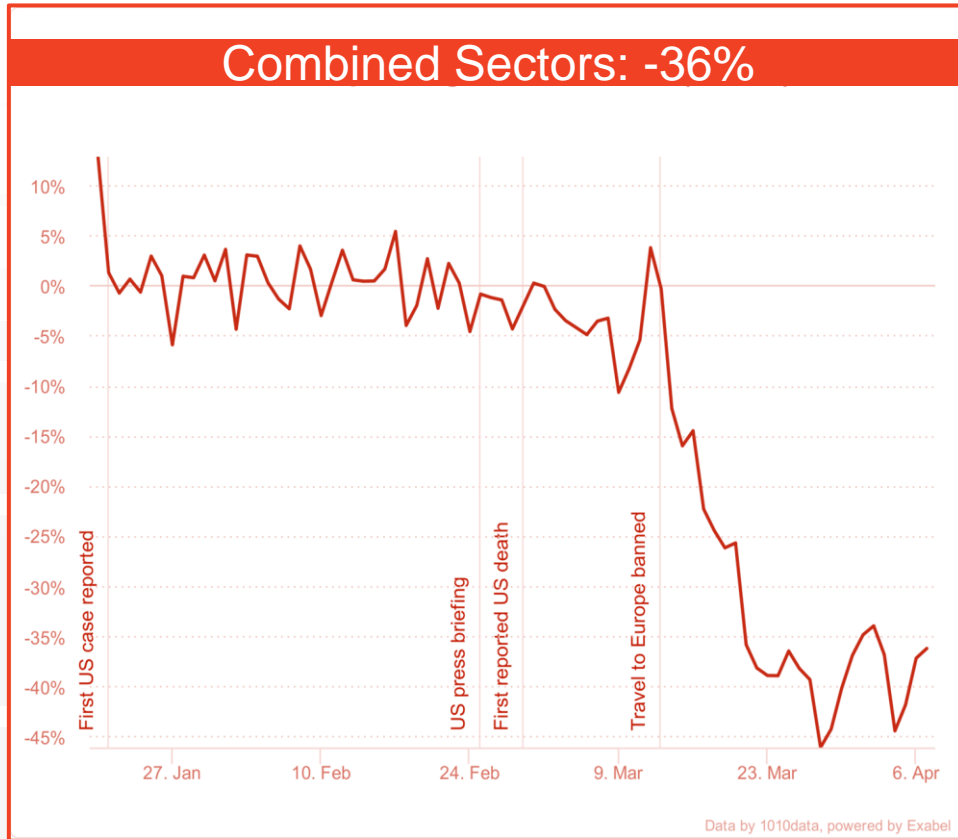


**~90% (+2pts)** of Americans somewhat or very concerned about the impact on economy

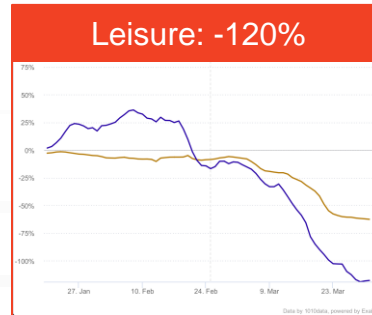
# American spending habits changing—credit card panel data estimates a ~35% drop in consumer spend across all sectors

## U.S. Consumer Credit Card Spend Change

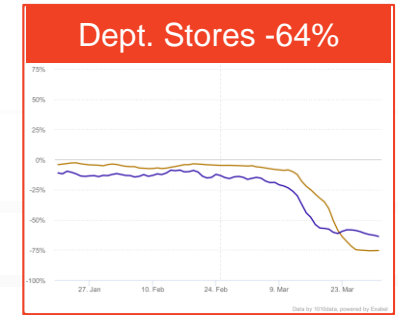
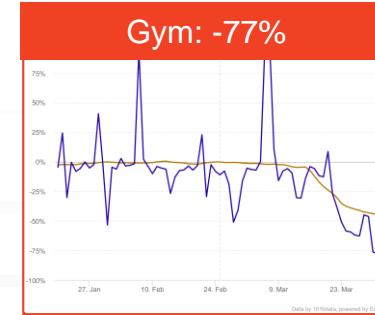
Up until 4/6, 1010 U.S. Credit Card Panel



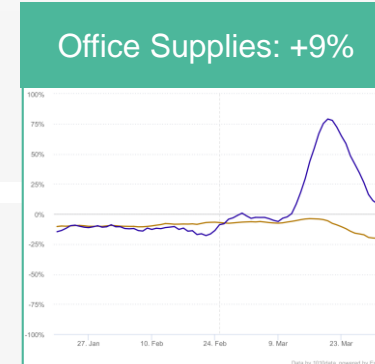
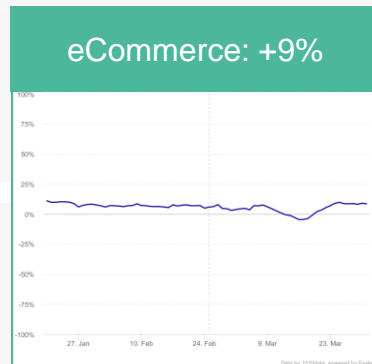
## Some of Largest Declining Sectors of Spend



Refunds drive greater than 100% reduction



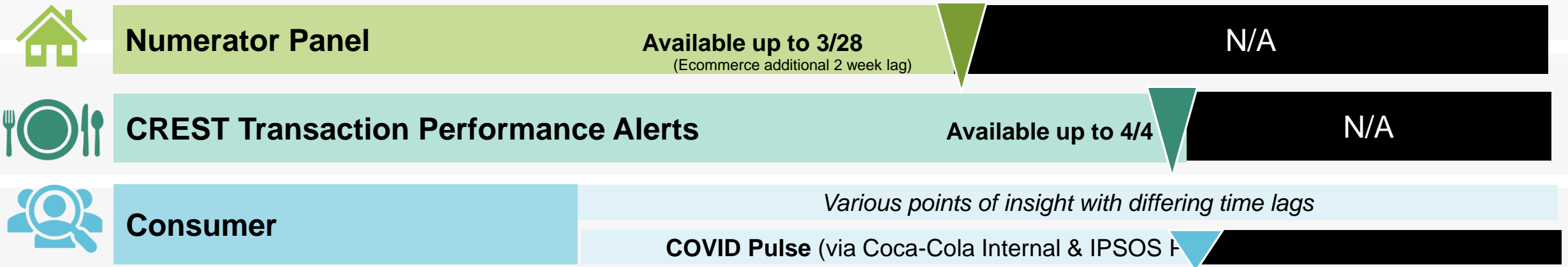
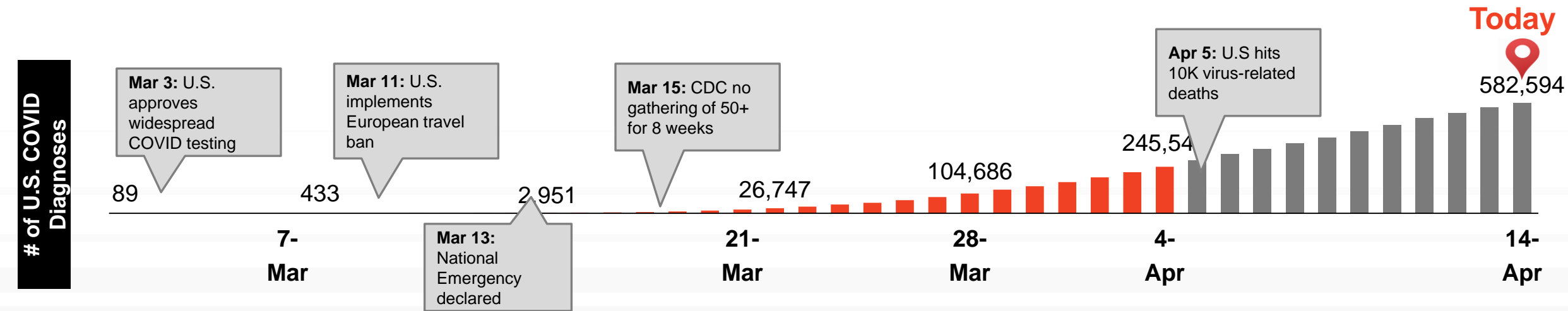
## Few Sectors posting Growth



More WFH

Low Baseline

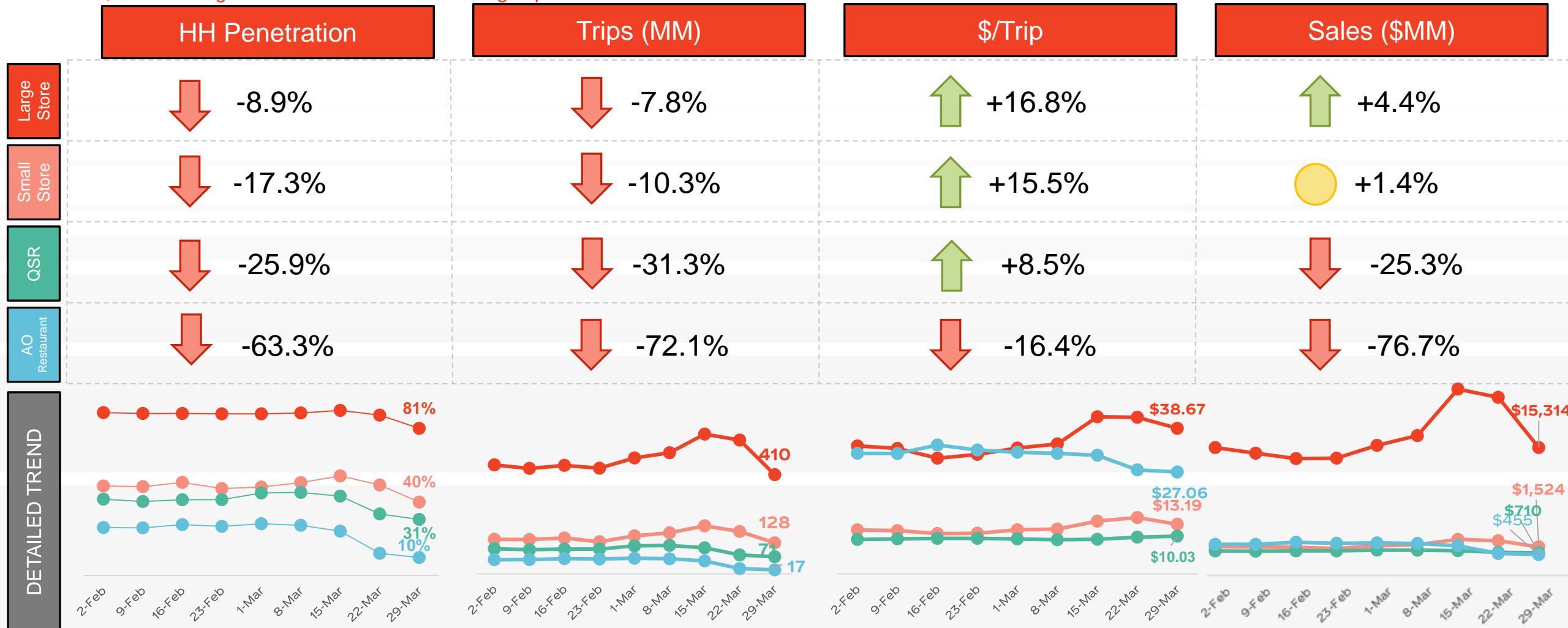
# There is a time lag to the data on how our marketplace and our consumers' behaviors are changing



Through the week of 3/29, retail shows drop in shopping HHs and trips; spend per trip remains up, holding sales steady. Foodservice experiencing continued sharp declines.

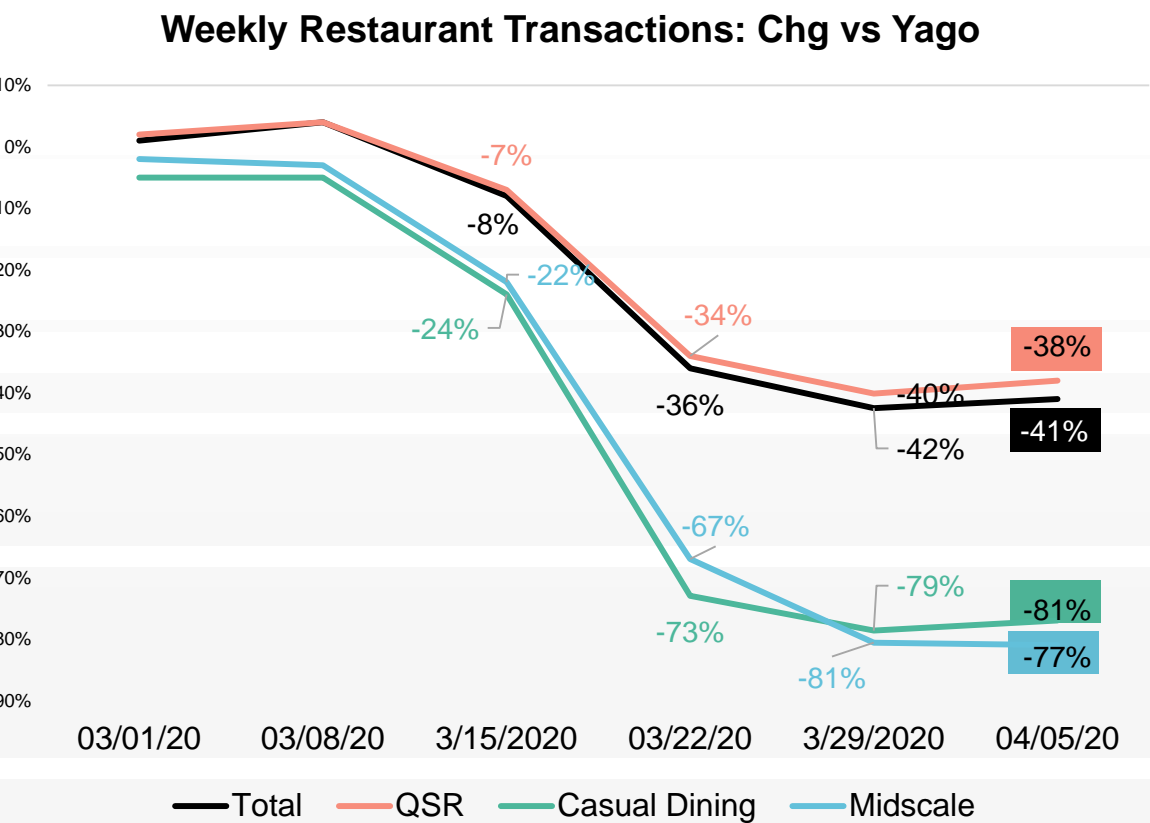
## Shopper Metrics: % Change vs. pre COVID-19 8 week average (1/6-3/1)

Numerator; week ending 3/29/20 – Note: 2 week data lag to present



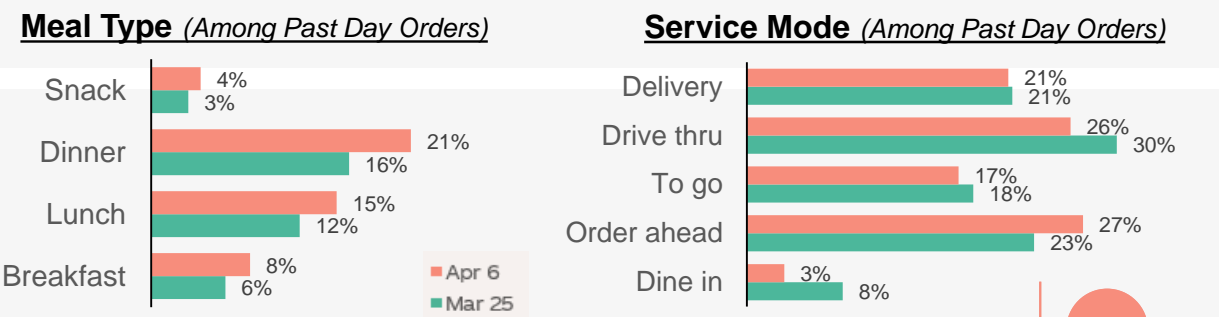
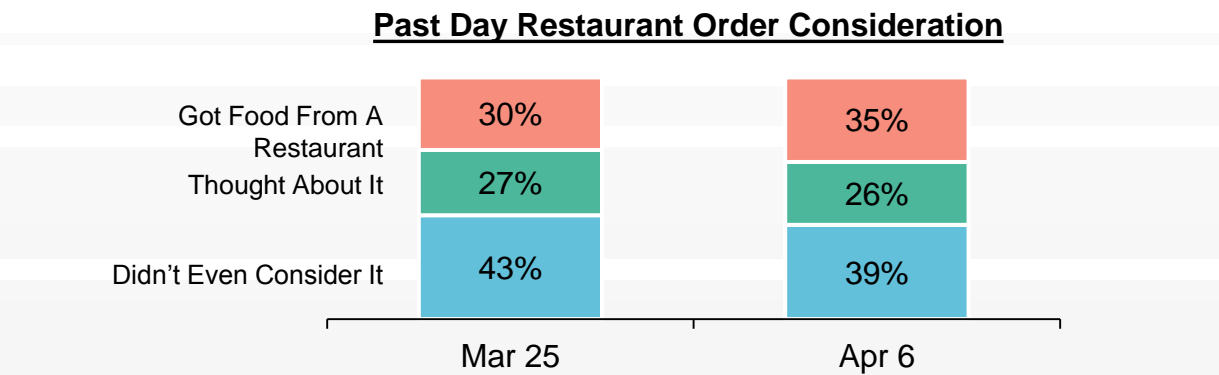
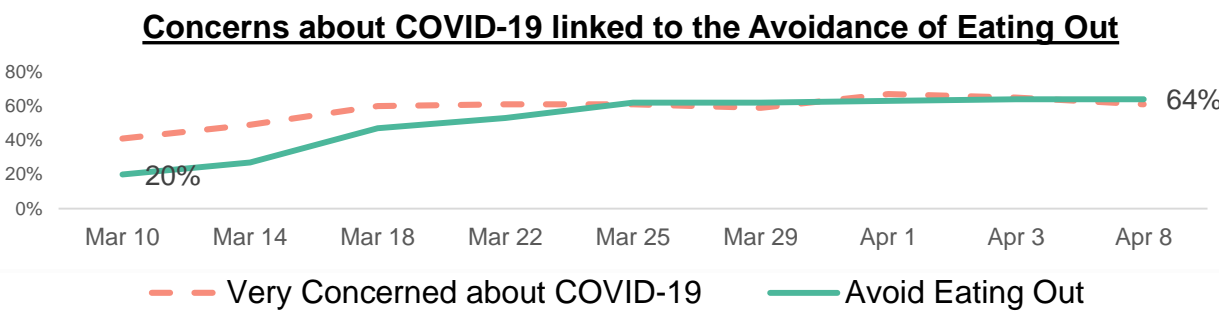


# Restaurant transactions continue to decline but more consumers are reporting past day restaurant orders than last week.



“US Restaurants may have hit a bottom in transactions declines”.  
“We also need to be aware that further erosion could occur If consumer’s economic situation worsens.”  
--NPD

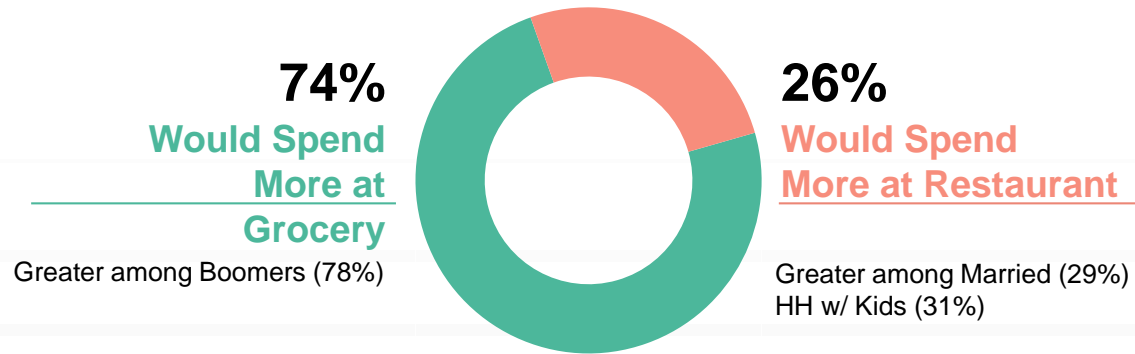
Source: CREST Performance Alerts, weekly transaction data for 73 chains + NPD on Adage



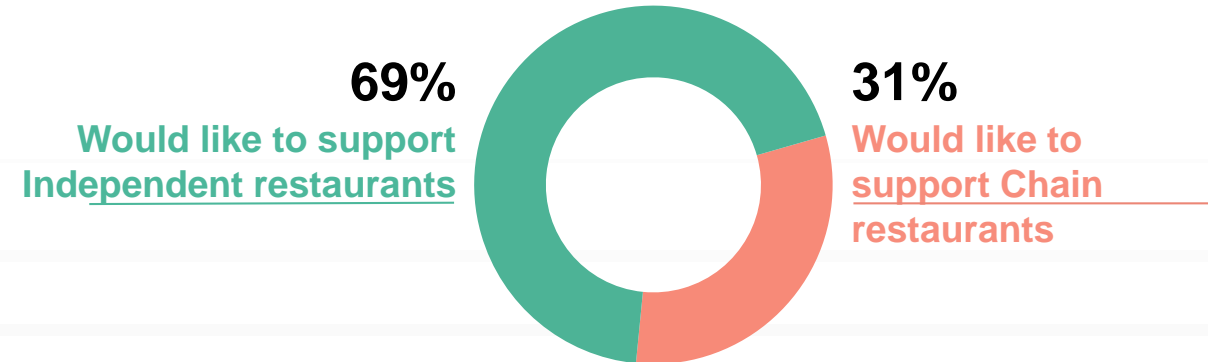
Source: Datassential Coronavirus Traffic Brief 4/6

# Stocking up and saving still top priorities. Consumer trending towards spending at independent restaurants, matching their desire.

## Allocation of Extra Money if it could ONLY be Spent on Food



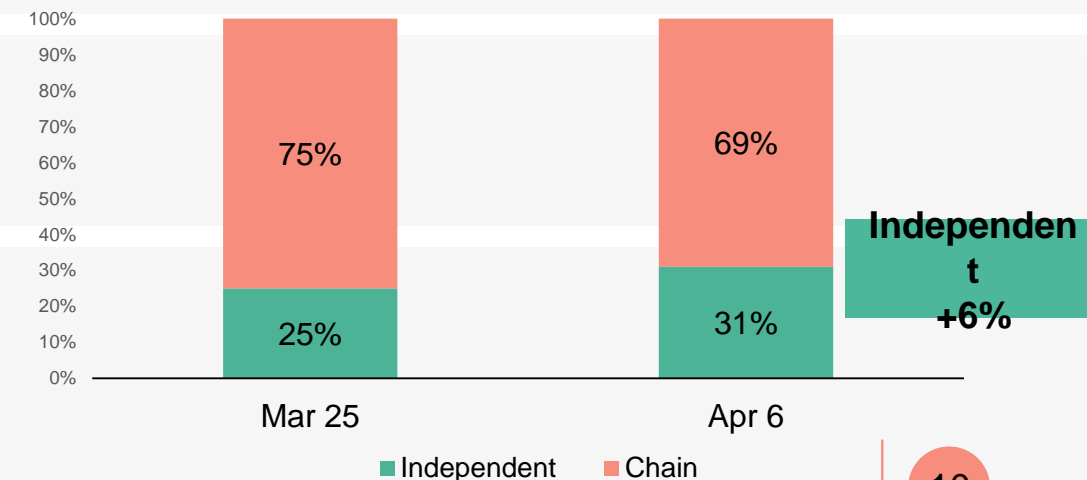
## Consumers Desire to Support – Mar 25



## Likely uses of CARES Act Cash

	TOTAL
Save it	62%
Pay rent, mortgage, utilities	41%
Stock up at Grocery	38%
Pay down debt	36%
Invest it	23%
Give as a gift, donate	20%
Spend on Restaurants	19%
Buy items from Wishlist	19%
Repair, projects on to-do list	19%
Spend on small community retail businesses	18%

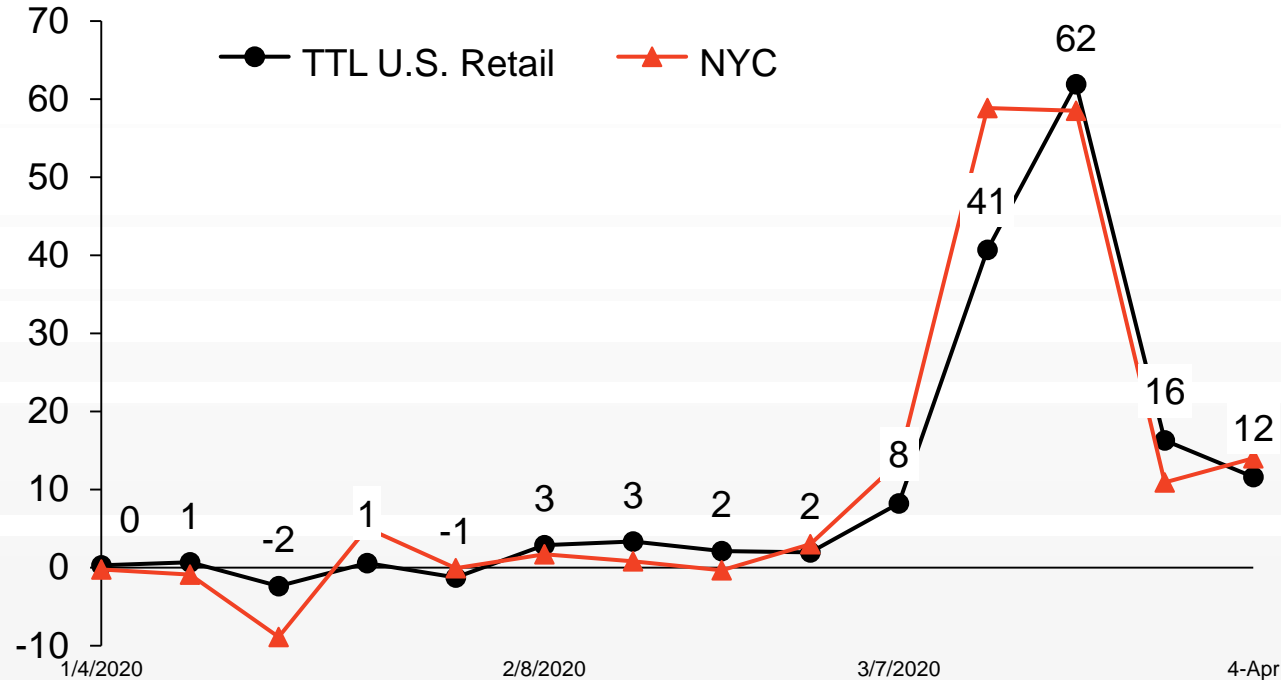
## \$ Spent at Chain Restaurant vs Independent



# Total Measured retail continues to post double digit growth two weeks after peak spike w/o 3/21

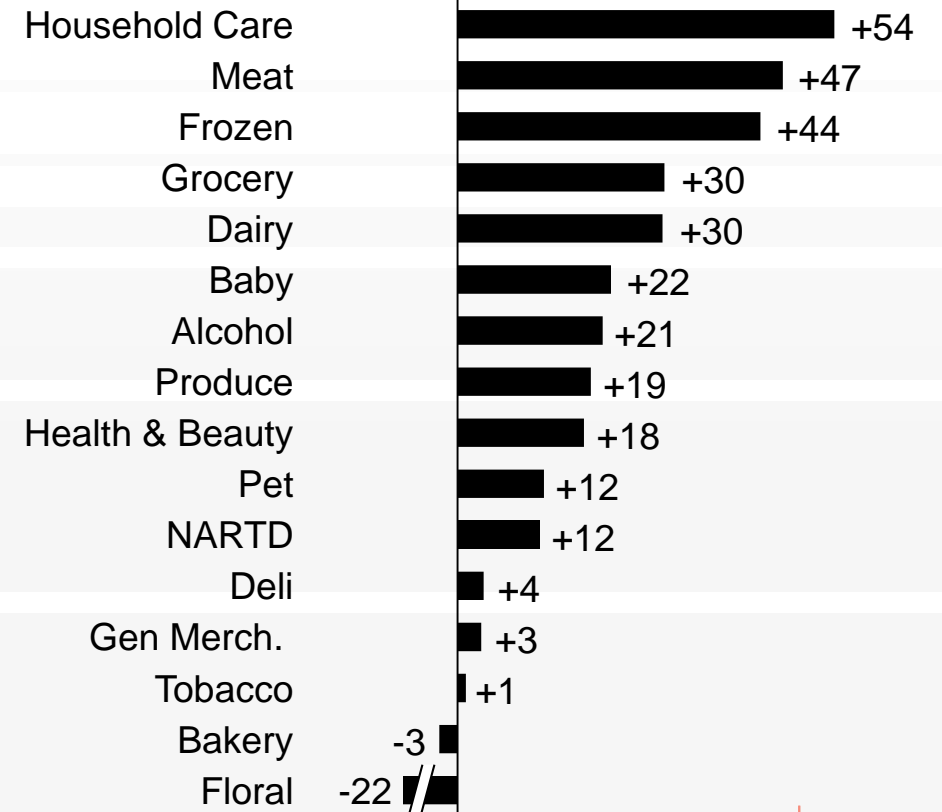
## Measured Retail \$ % Growth vs. YAG Trends

Note: Nielsen scanner data does not capture Instacart / Click & Collect sales volume



**TTL U.S. Retail YTD: +10%**  
**Last 5 Weeks: +26%**

## % Point Change in \$ Growth Pre COVID vs. L5Wks (Apr 4<sup>th</sup>, 2020)



- Slight regional nuances continue to exist, but in general trends are consistent across regions of the country
- Department trends remain relatively unchanged since start of COVID mitigation period (w/e Mar 7)

# Restaurant delivery sales grew as aggregators and cities make it easier for restaurants to participate. NYC is hurting Grubhub.

Diners are not using RDIs at a rate that nearly offsets losses in restaurant dining.

## SUBSTITUTES FOR IN-RESTAURANT DINING



82%

COOK ITEMS I ALREADY HAVE ON HAND AT HOME



78%

MAKE MEALS WITH ITEMS I BUY FROM AT THE GROCERY STORE



46%

ORDER FROM THE DRIVE-THRU



41%

CARRY OUT



23%

ORDER GROCERIES ONLINE (Instacart, Amazon Prime)



20%

ORDER VIA DELIVERY SERVICE (Restaurant App, UberEats, GrubHub, etc.)



19%

PURCHASE PREPARED FOODS FROM THE GRAB-AND-GO SECTION AT THE GROCERY STORE



6%

MEAL KITS VIA A HOME DELIVERY SERVICE (Home Chef, Hello Fresh, Blue Apron)

Source: Nielsen BASES COVID-19 Restaurant Survey, 2020. Percent of Past 3 Month Restaurant Guests selecting. Question: Which of these options best describes what you would do instead of dining in a restaurant as a result of the coronavirus (COVID-19) outbreak? Select all that apply.

## RDI Legislation Update



**San Francisco Mayor London Breed temporarily caps the fees restaurants pay delivery providers** - During coronavirus crisis, third-party players can charge no more than 15% in commission

Source: [Nation's Restaurant News](#), 4/10

## Latest RDI Response

**GRUBHUB**

seamless

1Q earnings release from GrubHub/ Seamless claims **record numbers of new diners and new restaurants** on the platform, but noted that flagship New York markets remains below pre-COVID volumes.

Source: [Eater.com](#), 4/13



**DOORDASH**

**DoorDash cuts commission fees by 50% for independent restaurants**

Fee reductions will not have to be repaid for restaurants with five or fewer locations through May

Source: [Nation's Restaurant News](#), 4/10

**Uber Eats**

**Uber Eats launches virtual restaurant week in SoCal, featuring \$35 three-course meals from over 200 restaurants**

Source: [NBC Los Angeles](#), 4/12

# Consumers clear on what will signal return to normalcy – and look for communication from the most trusted sources

The **CDC announces** the threat is over **52%**

The **Surgeon General announces** its over **40%**

**Social Distancing** is eliminated **36%**

**All business** are back open **31%**

**WHO announces** the threat is over **30%**

A Vaccine is available to everyone	42%
A Vaccine is announced	34%
A Vaccine has been successful in trials	31%

There are no more COVID-19 related deaths	29%
Go back to work/school/daycare	28%
Mass events are in my community	27%
Headline are something other than COVID-19	24%
There are no more COVID-19 related cases	22%
The President/Prime Minister announces its over	21%
A Vaccine is being tested	20%
There is no 'normal' in the next few years	19%
Bars and clubs are open	17%
Shopping malls are open to the public	15%
Sports return to Venues across my country	14%
Shaking hands return to being acceptable	13%
Restaurants are open	10%
Traffic returns to normal	10%
Nothing needs to happen, there's no risk now	5%
Concerts return to Venues across my country	3%

# 9 in 10 consumers have changed their shopping behaviors as a result of Coronavirus - a slight shift up from previous weeks.

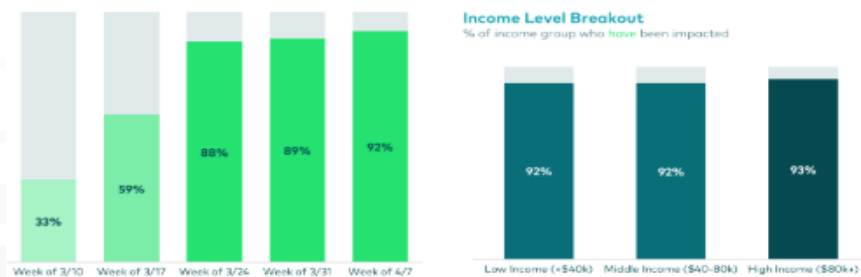
- Impacts seen across SEL shoppers - Affluent shoppers more likely to shift online shopping, and stock-up behaviors. Low SEL more likely to shop stores they don't usually frequent, either because their preferred stores are closed or because their typical stores are too expensive.
- Online shopping and stocking up grew from previous weeks – experiencing product shortages saw slight uptick from previous week

## COVID-19 Impact on Shopping Behavior

Source: Numerator Insights, Survey 4/7/2020

In general, has Coronavirus impacted your shopping behavior?

% of shoppers who have been impacted



Numerator

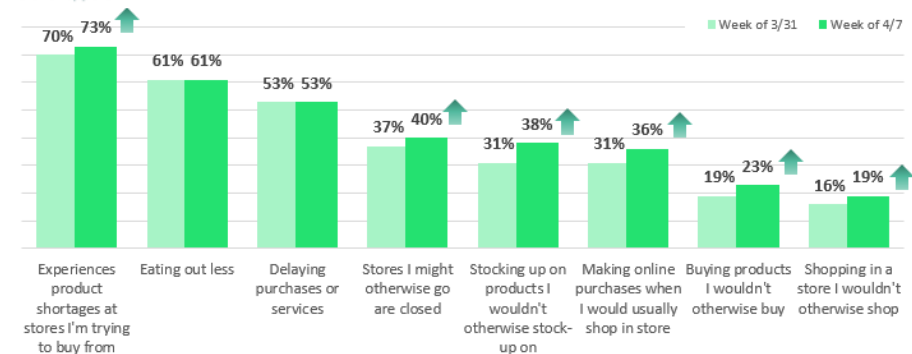
\*Numerator Survey 4/7/2020– Shoppers with confirmed purchases week prior  
Left chart includes data from previous surveys

## COVID-19 Impact on Shopping Behavior

Source: Numerator Insights, Survey 4/7/2020

How has COVID-19 impacted your shopping behavior?

% of shoppers



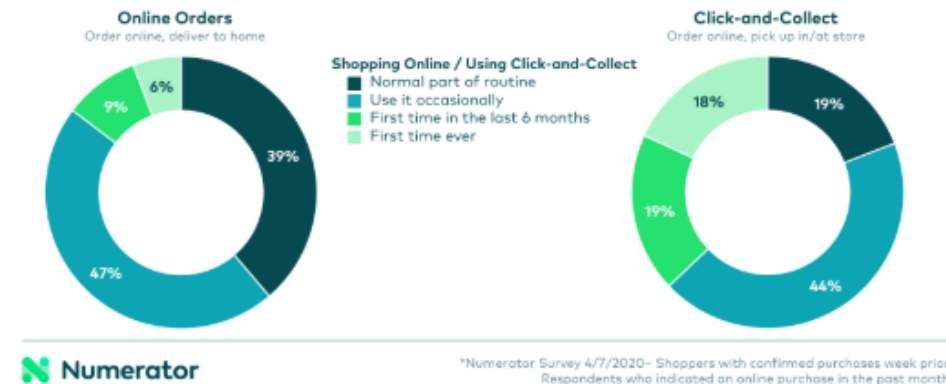
## Online delivery and click-and-collect services continue to attract new users

15% of those who placed an online ship-to-home order in the past month indicated it was their first time ever or first time in the past six months doing so. 37% of click-and-collect users were new or 'new lately.' Retailers should continue to prioritize and invest in their online and click-and-collect offerings, given their evident appeal in this time of social distancing.

## COVID-19 Online Shopping Impacts

Which of the following best describes your purchase?

% of shoppers who made an online or click-and-collect purchase since the beginning of March



Numerator

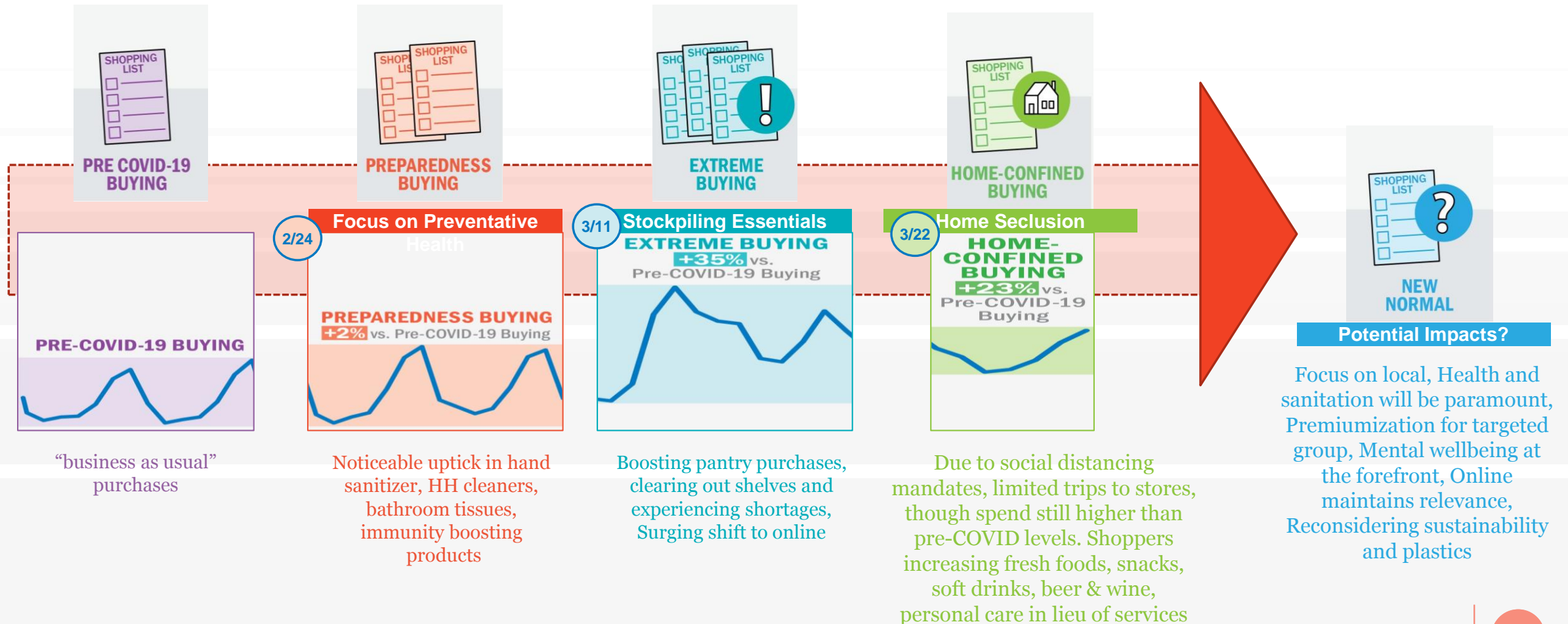
\*Numerator Survey 4/7/2020– Shoppers with confirmed purchases week prior  
Respondents who indicated an online purchase in the past month



# The progression of grocery shopping behavior shifts to “home-confined” buying and categories – average CPG spend remains elevated

## Five step progression of COVID-19

Source: [Euromonitor: The impact of Coronavirus on Packaged and Fresh Food](#), [Supermarket News](#), [CNN Business](#)

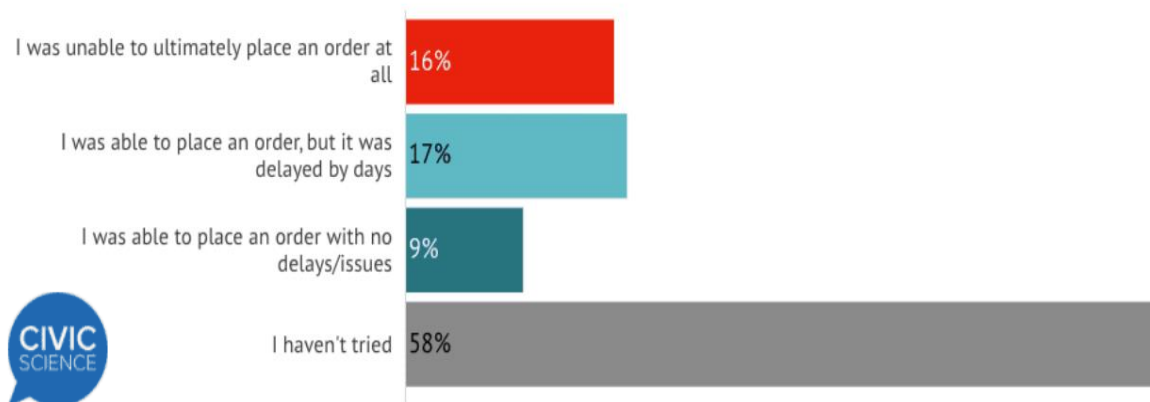


# Few shoppers are able to place online orders without delays and overall satisfaction with eCommerce fulfilment is low – particularly among more established online shoppers.

## Online Shopper Experience

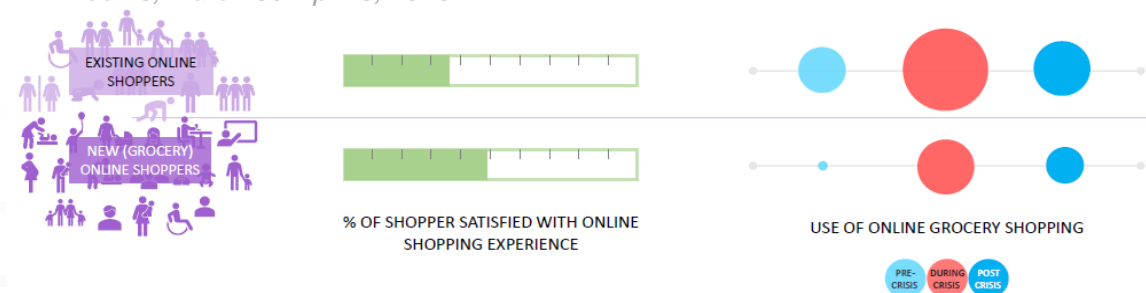
Source: CivicScience 2020, n=2,341 responses weighed by US Census 18+ Survey 3/24/20

### What best describes your most recent online grocery ordering experience amid the coronavirus pandemic?



## Online Shopping Satisfaction

Source: Nailbiter & RB Insights, Seeing & Decoding Crisis Shopping and Consumption Behavior Week 3, March 30-April 6, 2020



"We weren't able to find everything we were looking for today. There were a lot of substitutions and there was some stuff that just didn't make it in."

"That has really made me think about if I should just subscribe and really save the time and money, because it is a bit unnecessary to go to the store just for stuff we always get. I definitely will continue to buy from them."

Many shoppers are thankful for the Value some online retailers offer, like free delivery at Walmart or the deals on Instacart; however, limited delivery times, out-of-stocks, and few available delivery windows are pain points for retailers outside of Amazon. Stronger communication and more accurate delivery estimates would improve the experience across all retailers

	WHAT'S WORKING	WHAT'S NOT WORKING	HOW SHOULD RETAILERS FIX IT
amazon.com	Delivery Time Delivery Method Return Policy	Prices	Delivery Estimates
Walmart	Price Free Delivery	Unable to Order Delivery Time Minimum Cart \$ Customer Service	Branding for Deliveries Communication
TARGET	Variety/ Assortment Low Cost Delivery	Limited Delivery Options Out-of-Stocks	Delivery Estimates Communication
instacart	Deals	Delivery Time	Delivery Estimates



# While Walmart hit an all-time high in downloads, Amazon stops taking new delivery customers. Other players are finding solutions to keep online shoppers engaged



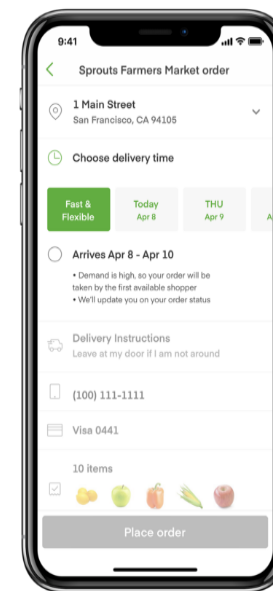
**Walmart Grocery** is takes No. 1 ranking position across all shopping apps in the U.S. on 4/5 surpassing Amazon by 20%.

Source: Chain Store Age, April 10, 2020; Forbes, April 10, 2020



Meanwhile, Amazon's grocery delivery services, **Amazon Fresh** and **Amazon Prime Now**, will no longer accept any new customers as of April 13. New grocery delivery customers are put on a wait-list

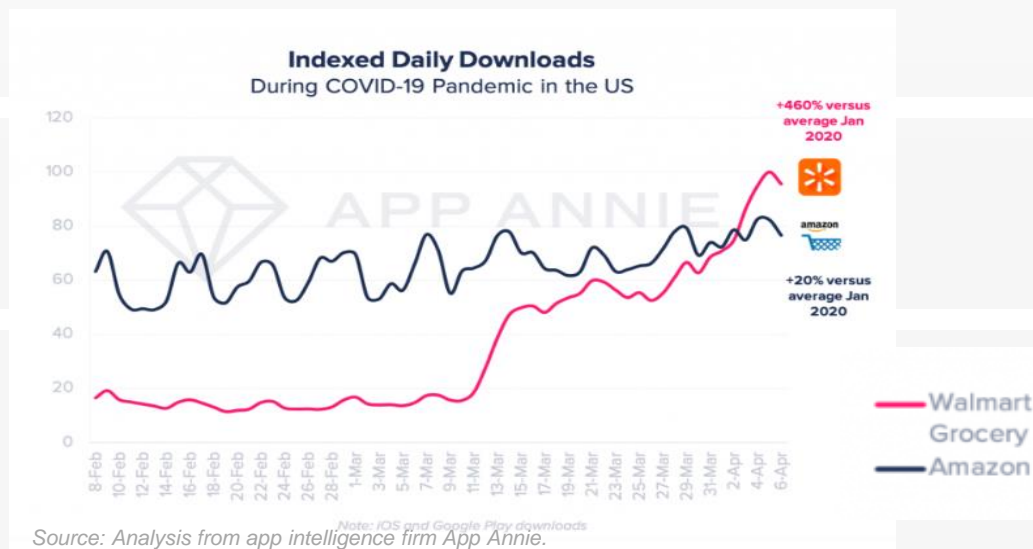
Source: CNBC.com, New York Post April 13, 2020



Instacart's new Fast & Flexible delivery option

**Instacart** introduced new services to speed service and unlock delivery windows: **Fast & Flexible** more efficiently matches customer orders with real-time shopper availability to deliver more orders, often more quickly. **Order Ahead** feature allows customers to place orders up to two weeks in advance (vs. one week previously). This new functionality allows customers to build their digital cart well in advance of need.

Source: Instacart Press Release, Introducing "Fast & Flexible" & "Order Ahead" to Speed Up Service & Unlock More Delivery Window, April 8, 2020



# Retail and Foodservice chains responses to COVID-19

## SAFETY + PREVENTION



Hy-Vee encouraging shoppers to follow a “one person per cart” rule to avoid multiple people on a trip.

[Source: KY3 News 4/4](#)



Mandates not required, Chicago Restaurants take extra COVID-19 precautions

[Source: Chicago Eater, 4/06/20](#)



Digital line queues could be the future. Stores in NZ trialing a method where wait in your car until your turn to shop.

[Source: NZ Herald 4/06](#)

## PROMOTIONS +EXECUTION



Subway and Panera sell groceries to fight COVID-19 sales slump

[Source: Restaurant Dive 4/08/2020](#)



H-E-B partnering with local restaurants: adding their foods to the Prepared Foods Section. Sales proceeds go back to the restaurants.

[Source: Restaurant Dive 4/6/20](#)



Meijer temporarily suspends weekly sales ad to decrease customer count inside stores.

[Source: Meijer 4/6](#)

## LABOR + COMMUNITY



Stop & Shop and Uber to provide 50% discount to seniors during “Senior Hour”

[Source: Supermarket News 4/7](#)



Employees push back as workers in CA walk out in protest for PPE and hazard pay

[Source: NRN, 4/9/20](#)



Starbucks pledges \$10 Mill in relief grants to employees of company owned & licensed stores.

[Source: NRN 4/8/20](#)

# Retail and Foodservice chains' responses to COVID-19

## SAFETY + PREVENTION



Woman who used to be a street vendor finds creative way to serve food safely from her apartment... Lowering items with a bucket!

Source: [LA Eater 4/2](#)



ALDI allows medical professionals access to the front of any lines that form outside of their stores as they limit number of shoppers allowed in

Source: [ALDI COVID-19 Updates 4/8](#)



KFC and Taco Bell requiring temperature checks on employees

Source: [NRN 4/9](#)

## PROMOTIONS +EXECUTION



Regional grocer, Buehler's, uses heatmapping online tool to let customers know the "Best Time to Shop"

Source: [Supermarket News, 4/8](#)



Just Salad chain launches Grocery Delivery, with services available within 90 minutes

Source: [NRN 4/10/20](#)



Mariano's has started a series of virtual events, "Mariano's Meet Ups" featuring online cooking & mixology classes, live local music, and events for children to help people cope

Source: [Eventbrite ticket registration](#)



7-Eleven has committed ~\$95MM to support franchisees amidst Coronavirus Pandemic

Source: [Convenience Store News, 4/7](#)



Dimo's Pizza uses oven at night to produce face shields for healthcare workers

Source: [NY Post 4/6](#)



Brio And Bravo owner files for bankruptcy, looking for a buyer

Source: [NRN 4/11](#)

# Consumers expect the economic impact to last much longer than the health crisis

>60%

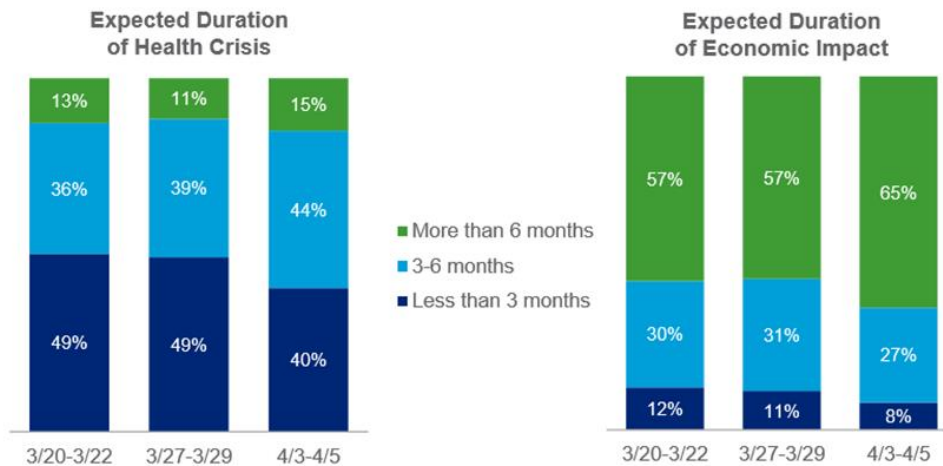
believe the economic impact will last over 6 months

48%

of Americans think the U.S. is not doing enough to respond to COVID-19

(up from 34% 2 weeks ago)

Consumers Are Adjusting Their Expectations, with 60% Now Believing the Health Crisis Will Last 3+ More Months



Q13. How long do you expect the economic impact of coronavirus to last, before the economy recovers? Please select your best estimate based on your own opinion as of today. Q12. How long do you expect this health crisis to last before health concerns return to normal?

The combination of personal economic impact, and bad economic news, makes it no surprise that **two in three Americans expect the coronavirus crisis to lead to a recession**, with 56 percent saying that a recession is already here. Both those percentages have been moving upwards for the last few weeks. **Nearly two-thirds of the public believe that a recession would have a serious impact on their personal finances (64%).**

Source: YouGov Global Tracker 3/25-4/2/2020

## 2 in 3 consumers anticipate stimulus checks as part of the government stimulus package – though 4 in 10 believe the amount is too little

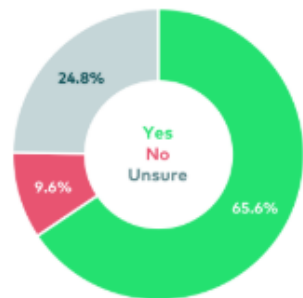
- 1 in 4 are unsure they will receive a stimulus check – and among low income shoppers, level of uncertainty is even higher.
- Those expecting a stimulus check primarily intended to use it to pay bills or buy essential items; middle and high income shoppers were also likely to plan on investing the money or putting it into savings.
- Differences in opinion of stimulus package differ mostly by political party line and age.

### Stimulus Check Expectations

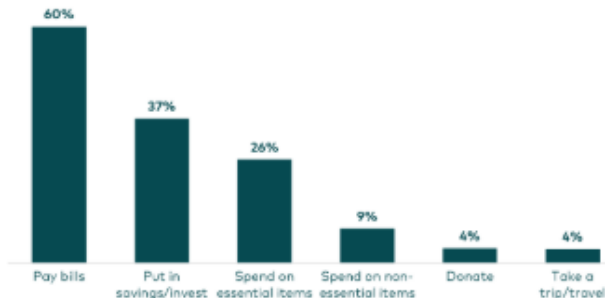
Source: Numerator Insights, Survey 4/7/20

#### COVID-19 Stimulus Check Expectations & Intentions

Do you expect to receive an upcoming stimulus check?  
% of shoppers



How would you plan to use funds from a stimulus check?  
% of shoppers

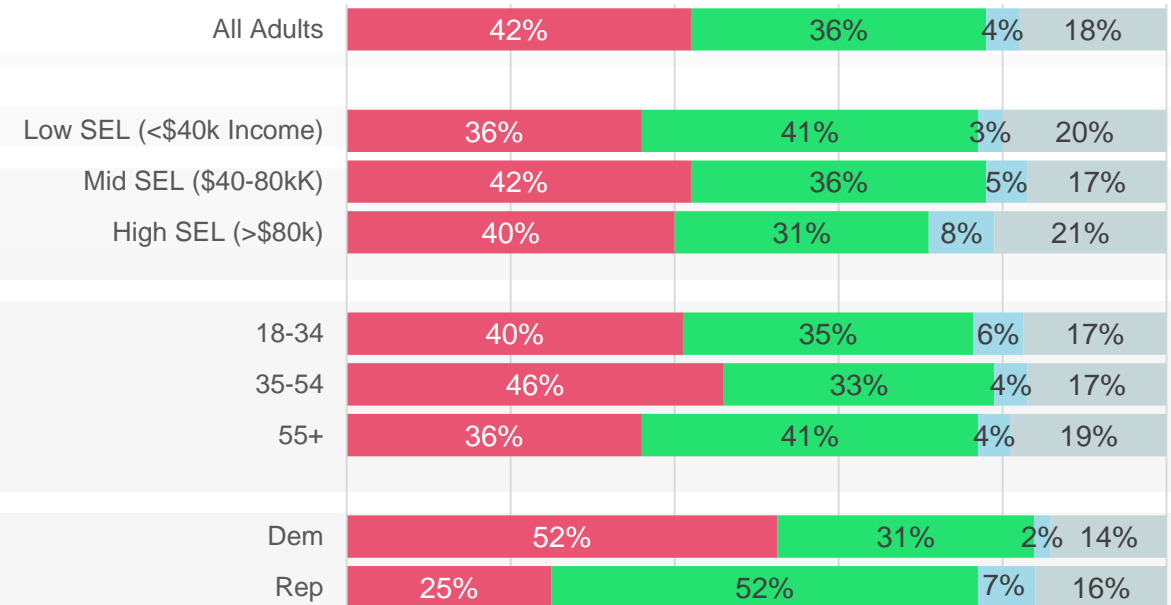


Numerator

\*Numerator Survey 4/7/2020– Shoppers with confirmed purchases week prior

### Opinion of a \$1,200 individual payment as part of stimulus package

Source: [YouGov Mar 26, 2020 Survey](#)



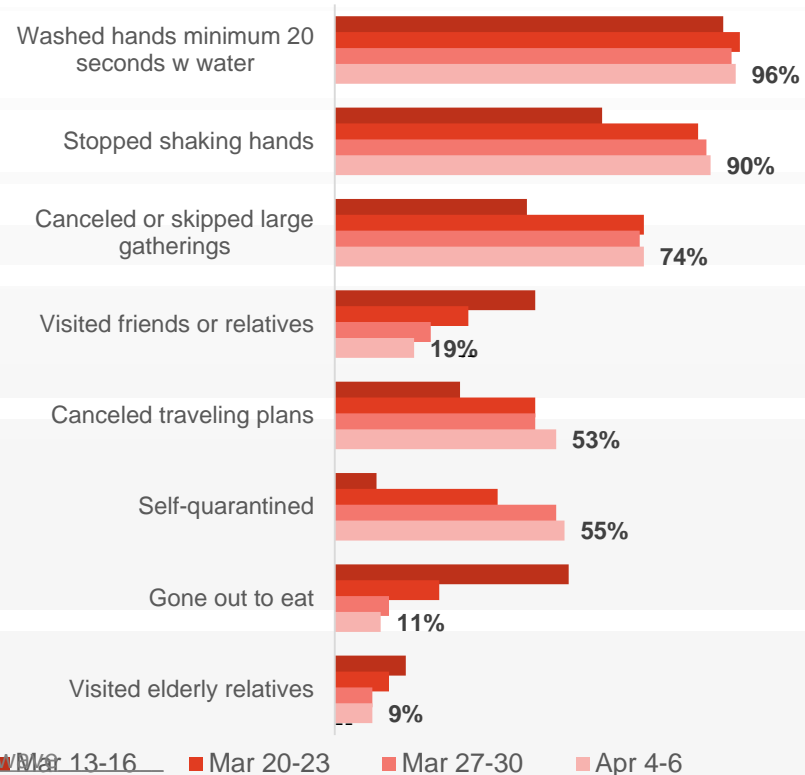
■ Amount is too little ■ Amount is fair ■ Amount is too much ■ Don't know



# Social distancing behaviors continue, Americans start adjusting to the current and worry about the future

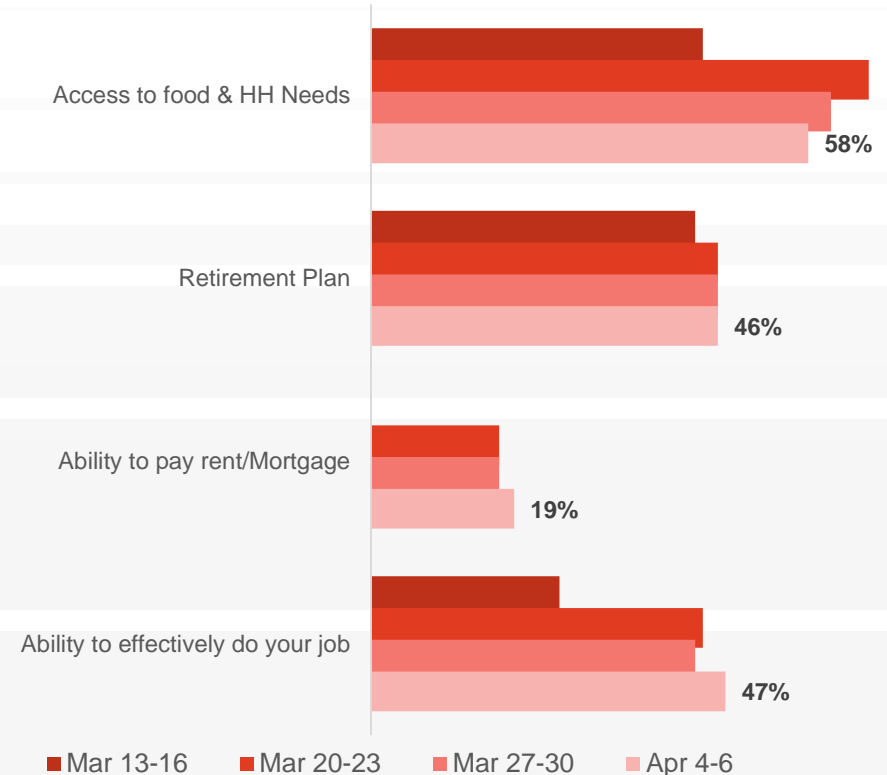
## Impacts of Coronavirus

Q. Have you done the following in the last week?

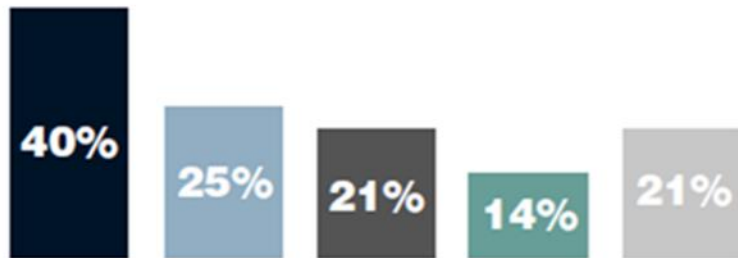


## Gotten worse in the last few weeks

Q. How have the following changed in the last few weeks?



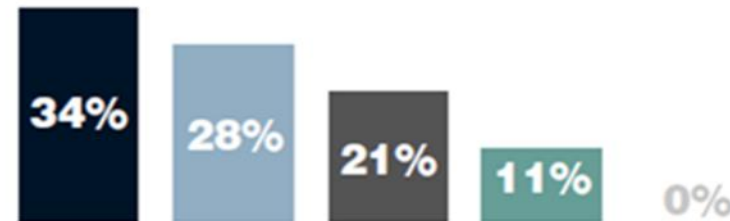
## GenZ is feeling the brunt of isolation as well as concern about job loss the most



“I feel **lonely** as a result of the coronavirus situation.”



“Thinking about COVID-19, I am most concerned about my **mental health**.”



“Thinking about COVID-19, I am most concerned about me or my spouse/partner **losing their job**.”

GenZ Millennials Gen X Boomers Seniors

## Time spend on in-home leisure takes off as consumers turn to their home as a hub

### Plan to do this **more** as a result of the coronavirus



**50%** Watch TV/movies



**41%** Read for pleasure



**41%** Spend time with family



**39%** Online shop



**37%** Cook/bake

### Plan to do this **less** as a result of the coronavirus



**52%** Go to other people's houses/apartments



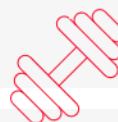
**52%** Travel



**39%** Drive



**31%** Go to religious places of worship



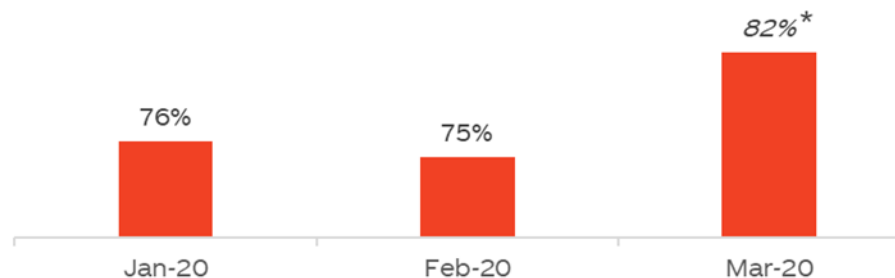
**29%** Go to the gym/exercise class



# More time at home means evolving occasions and choices driven by health & social distancing concerns

## At-Home Occasions Rose Considerably in March

Preliminary data thru March, week 3 already showing effects of stay at home on at-home occasions

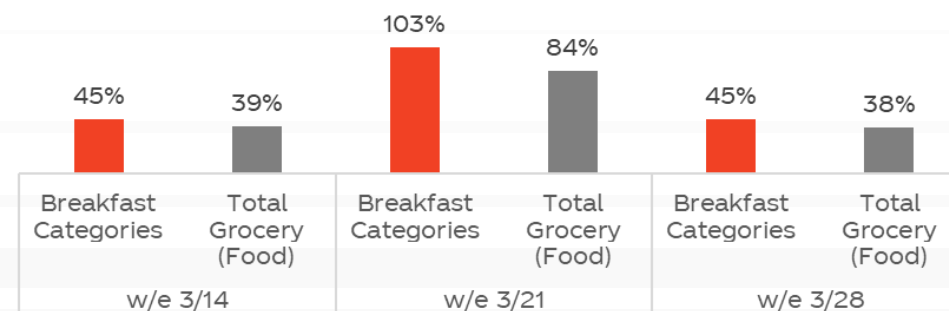


Source: Bev360/CBL 03/21/2020

\*Only first 3 weeks of March, stay in-order effect only for part of month; sample n=1,000 is unweighted vs desired weighted at n=1,500

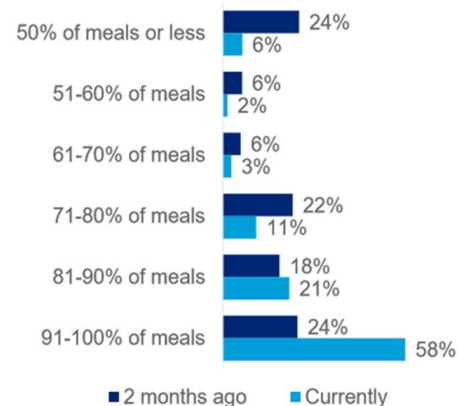
## Re-Emergence of Breakfast & OJ Immunity

Breakfast categories (pancake/waffle mix, cereal, OJ, eggs, etc.) outpacing total grocery



Source: Nielsen Total Store

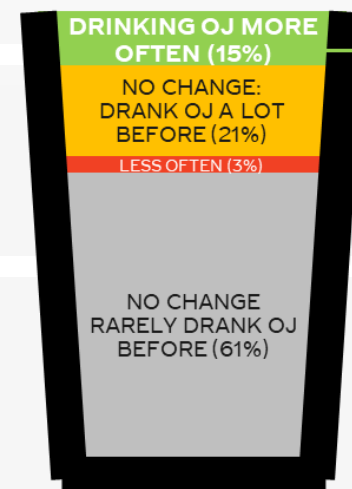
### % Meals Prepared at Home



### In Response to COVID-19



Source: IRI Primary Grocery Buyer Survey 4/3-4/5 2020

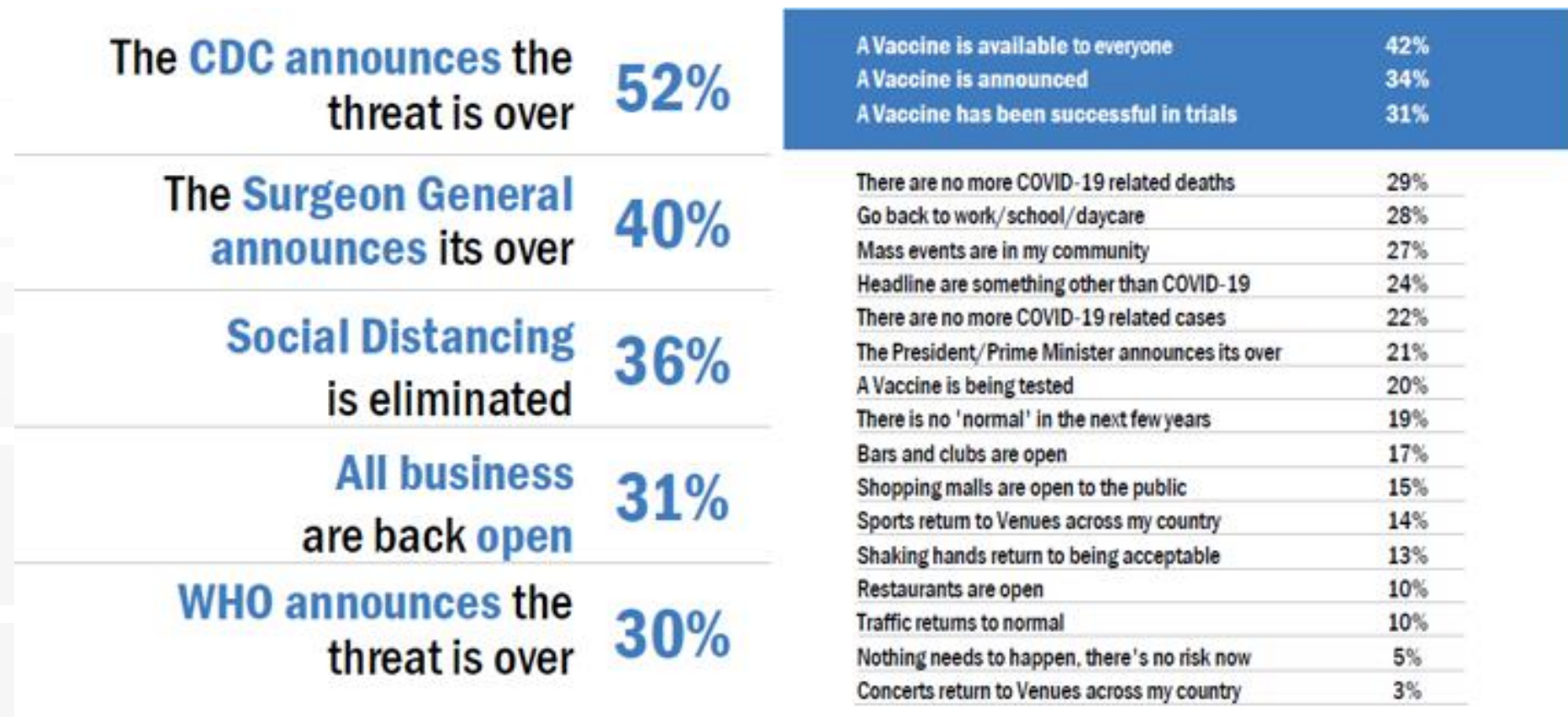


“Vitamin C might boost my immune system.”

Without commutes, many have **more time for breakfast**, and for some this means more time spent cooking “weekend” breakfasts on weekdays. OJ was also cited as ‘go-to breakfast beverage’ by 1/3 of respondents and consumers stated immunity as a key benefit of OJ.

Source: InsideOut Insights, Qualitative, n=69

# Consumers clear on what will signal return to normalcy – and look for communication from the most trusted sources



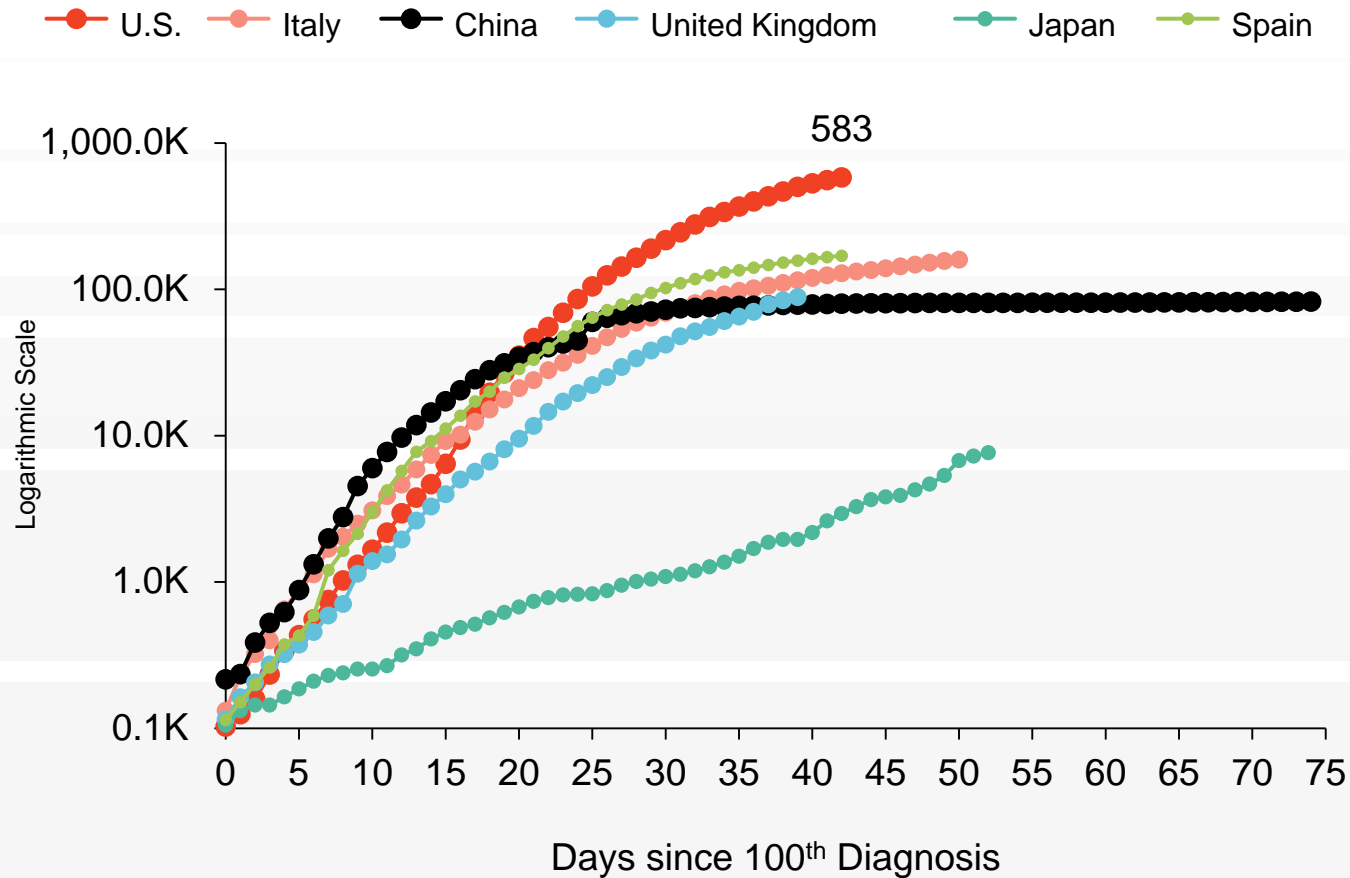
- Supplemental **COVID-19 Spread and Response Info**

# US rate of daily diagnoses growth continues to decline, but is still a high absolute number (25k); daily testing decreased

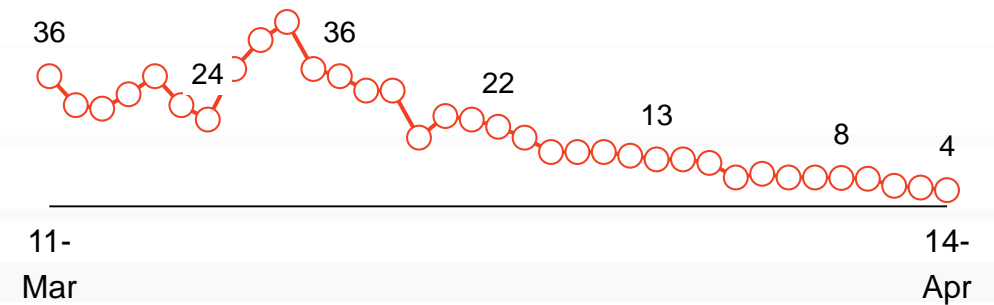
[Click to Return to Summary](#)

## # Confirmed Diagnoses by Day since 100<sup>th</sup> Diagnosis

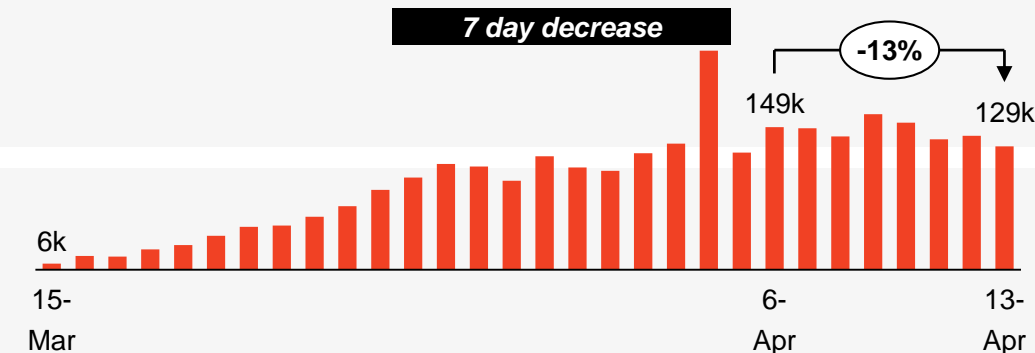
Data as of 4/14 @ 9am



## Day over Day Rate of **U.S. Diagnosis Growth**



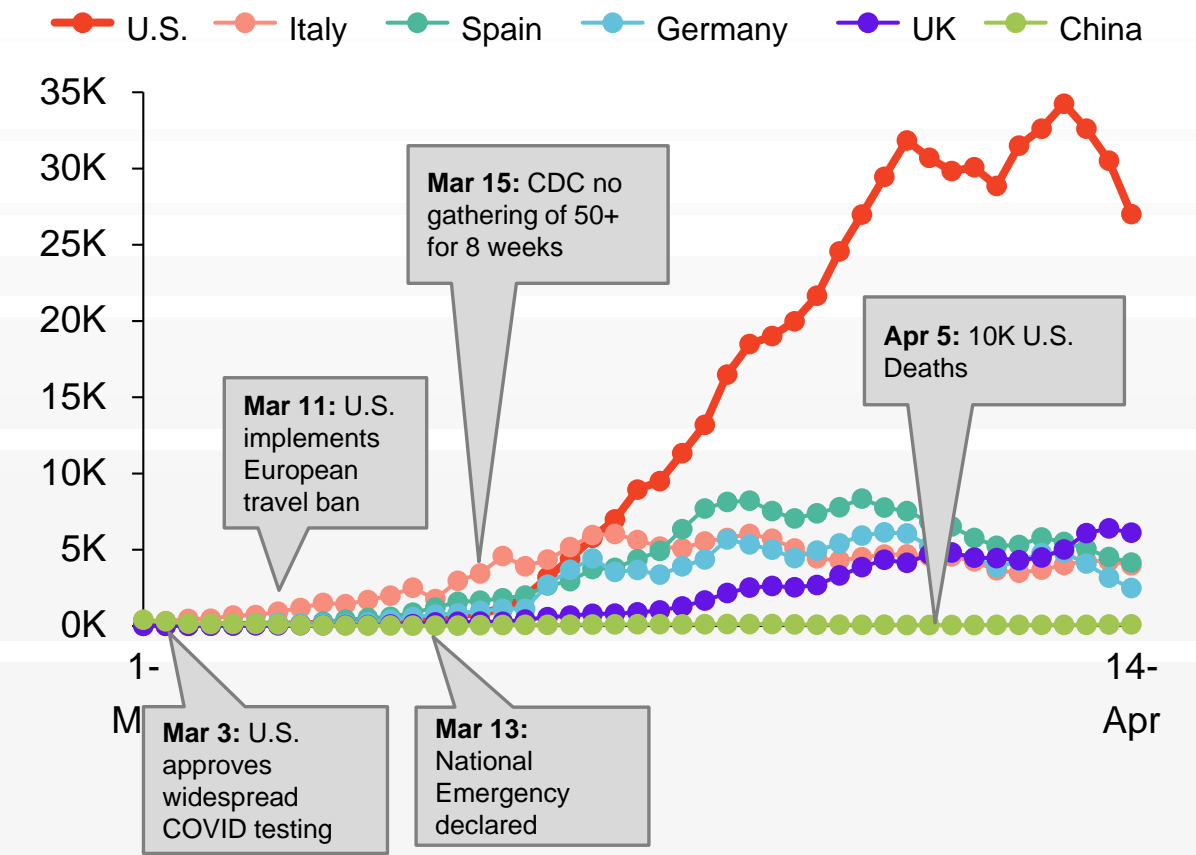
## Daily Tests (**Total US**)



# Both the average daily number of new patients and virus-related deaths in the U.S. is starting to trend downward

Click to Return to Summary

Daily New **Confirmed Patients**: *Rolling 3day Avg*



Daily New **COVID Related Deaths**: *Rolling 3day Avg*

