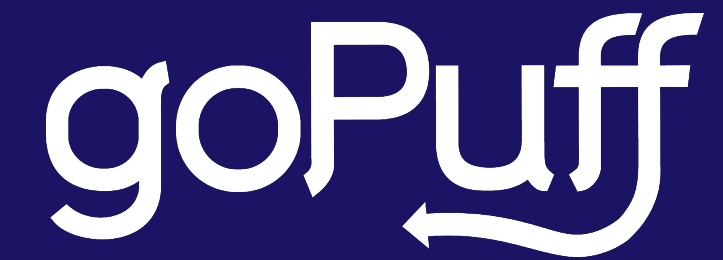


2020 CONSUMER YEAR IN REVIEW

Perspective from goPuff's Business Insights practice on how consumer behavior has changed over the course of the unprecedented events of 2020.



When the COVID-19 pandemic first enveloped the American consciousness in early spring, goPuff was among the first to monitor and identify the disruptions in consumer behavior that would come to define our new reality. Since then, our teams have leveraged a deep customer understanding to guide decisions amid uncertainty and reach the ever-changing consumer as effectively as possible.

After nine months of collecting additional transactional, behavioral and attitudinal data in real time, we are better able to understand how those early behaviors settled into longer term habits, routines and emotions.

PANDEMIC EXHAUSTION: EARLY ATTEMPTS AT A RETURN TO NORMAL

For many Americans, the novelty of the pandemic wore off by mid-spring. Things once considered new and foreign became normalized and regular. And as cities and states began to reopen in May and June, shoppers began exhibiting a more normal state than the generalized anxiety of early spring, even though the pandemic never went away. This behavior highlighted a key insight that continues to be true today: **consumers are hastening their return to normal due to emotional exhaustion.**

PANDEMIC EXHAUSTION:

EARLY ATTEMPTS AT A RETURN TO NORMAL

A Tale of Two Searches

goPuff's search terms shed light on this story. Popular searches in March and April such as "Toilet Paper," "Cleaning," "Water" and "Corona" gave way to "Ice Cream," "Chips" and "Candy" by mid-May, almost as if the pandemic **never happened**.

Just weeks after the nation went into lockdown, goPuff witnessed a return to some of the most popular searches from the **pre-pandemic period**.

Search Term Rankings: June vs. March

"toilet paper"	↓	60 spots
"cleaning"	↓	38 spots
"lysol"	↓	16 spots
"pizza"	↑	14 spots
"popcorn"	↑	13 spots
"coffee"	↑	15 spots

PANDEMIC EXHAUSTION:

EARLY ATTEMPTS AT A RETURN TO NORMAL

Balancing the Basket

We simultaneously witnessed the stabilization of product preferences at the order level. Whereas orders for cleaning supplies were **up 416%** from February to March, the subsequent months brought a gradual return to more sustainable purchase levels. Instead of focusing solely on hand sanitizers and disinfectant wipes, customers were more willing to purchase Dunkaroos, Talenti and BBQ essentials: Products associated with **good times** that could take them away to a **different emotional place**.

It's difficult for consumers to go to a different emotional place when their physical environment **prevents them from doing so**. Physical retailers may be unable to provide this for their customers as long as the shopping experience is characterized by plexiglass, hand sanitizer, and waiting to be allowed in the store. **As such, digital shopping has effectively become the fastest path to normalcy.**

CONTINUED PANDEMIC EFFECTS: EARLY ATTEMPTS AT A RETURN TO NORMAL

CONTINUED PANDEMIC EFFECTS:

CONSUMER EMOTIONAL STATE

While consumers may be attempting to shop, eat and live as “normally” as possible, awareness of the pandemic and its ongoing effects is still very much present in the United States. But with a light beginning to appear at the end of the tunnel, goPuff’s Business Insights practice surveyed goPuff customers to understand their emotional states looking ahead to the new year. Three key themes emerged:

- 1. Stress and anxiety prevailed in 2020¹**
- 2. Many expect to feel more positive emotions in 2021²**
- 3. Most are still turned off by the prospects of large crowds and in-person shopping³**

"I just want to be able to see friends or family without social distancing and shop without wearing a face mask."

–Male, Age 45+, Tucson

¹ A recent survey of goPuff customers shows that while nearly 75% of surveyed customers indicated feeling more stressed or anxious than in 2019, 47% expected to feel less so in 2021.

² When asked the emotions they expect to feel more in 2021, words such as *happy*, *excited*, *optimistic*, and *healthy* headlined goPuff customers’ outlook after seeing little resonance in 2020.

³ In addition to 79% of surveyed customers agreeing that *large crowds make me uneasy*, more than two in three indicated that they have grown *less comfortable* shopping in-person.

CONTINUED PANDEMIC EFFECTS:

CONSUMER EMOTIONAL STATE

When we look at this emotional state compared to that of the pre-pandemic period, we see that behaviors are becoming increasingly grounded in digital-first thinking.

71%

of customers have **shopped online** more

68%

of customers have **ordered takeout or delivery food** more

57%

of customers have **kept up with current events** more

57%

of customers have **binged watch a TV show(s) or movie(s)** more

“In 2020, we saw that customers had to actively work to carve out moments of joy in their days. In the absence of activities like socializing and in-person shopping, small acts of **digital self-care**—from spontaneous delivery orders to binge worthy shows—took on new significance. Customers gained a new appreciation for these micro mood-boosters, one piece of a larger trend in perception shifts that we observed.”

–Lizz Niemeyer, Executive Creative & Brand Director

Retailers must now confront a shopper who is more digitally-minded, plugged in, reflective and optimistic than this time last year. However, in order to connect with these consumers, it is necessary to first understand their new mindset and intentions. We know how they feel, but how will they act?

⁴ A survey of goPuff customers shows that 85% of surveyed customers stated that the COVID-19 pandemic *has made me reflect on what is most important to me* while 76% believe that *the social climate of the nation has made me reflect on what's important to me*

LOOKING PAST THE PANDEMIC: BEHAVIORAL TRENDS

LOOKING PAST THE PANDEMIC:

BEHAVIORAL TRENDS

Consumer sentiment suggests a desire to break free of 2020 and the baggage that came with it. Based on our real time research and first-hand observations, we believe this reset will bring two key behavioral shifts as consumers enter a new world with a new mindset:

- 1. A renewed emphasis on wellness and self-care**
- 2. Digital solutions to real-world problems**

Together, these shifts paint a reborn consumer who is focused on optimizing time and well-being. Separately, they each show a different facet of the year's impact on how we interact with the world around us.

"I can't wait to leave 2020 behind. It feels like it's only up from here for me in all areas: job, health, relationships, and mindset. I will definitely take some time to check in with myself and make sure I'm in the right headspace. 2020 was life changing in a bad way, but hopefully 2021 will be life changing in a good way."

–Female, Age 26, Philadelphia

LOOKING PAST THE PANDEMIC:

BEHAVIORAL TRENDS

Wise & Well

When asked what they're most looking forward to in the year ahead, goPuff customers have a new focus.

"Getting healthy and getting to be with friends and family."

–Male, Age 42, St. Louis

We find this simple quote to be quite fitting because it highlights the dual nature of wellness: looking after our physical **and** emotional well-being. The transactional, behavioral and attitudinal data collected by goPuff's Business Insights practice all suggest a trend in this direction.

**PHYSICAL
WELL-BEING**

&

**EMOTIONAL
WELL-BEING**

LOOKING PAST THE PANDEMIC:

BEHAVIORAL TRENDS

Beginning with physical wellness, we've witnessed a yearlong trend toward food and drink that promotes a **healthier lifestyle**. From CNN's COVID-19 tracker and weekly updates from local officials to social distancing signs and hand sanitizer stations, we've spent our year **surrounded by reminders of our health and the many threats to it**. So in addition to wearing masks and washing their hands, consumers have also turned to products like Health-Ade Kombucha, Soylent Cacao, Bragg's Apple Cider Vinegar and Emergen-C for perceived protection.

This loosely follows the precepts of Daniel Kahneman and Amos Tversky's loss aversion theory. A loss of our health is felt more negatively than an improvement to our health of an equal magnitude. Simply put, we are primarily fearful of getting sick, so we buy the products that we think will keep that from happening.



LOOKING PAST THE PANDEMIC:

BEHAVIORAL TRENDS

The heightened awareness of actions I can take to stay healthy is a defining factor of 2020, playing out in both the kitchen and the home gym.

96%

of surveyed customers plan to **exercise** as much or more in 2021 than they did in 2020

97%

of customers plan to find opportunities to **“unplug”** or de-stress in 2021

It's true that hope springs eternal and New Year's resolutions often lose steam. But given the unique and deeply visceral motivations behind these behaviors, we believe they are here to stay.

LOOKING PAST THE PANDEMIC:

BEHAVIORAL TRENDS

Increasing our Digital Dependence

The second behavioral shift we've observed this year is consumers turning to digital outlets to deal with real world situations. 2020 has allowed us to find great value in the digital domain, as evidenced by each of the following:

- **A desire to use online shopping to create a sense of normalcy**
- **A newfound willingness to use digital self-care as both a reward and a respite from anxiety**
- **Having a single place to turn before taking action in a pandemic-affected world**

The cascading effects of the pandemic have encouraged us to go online for all of our needs. Everything from social interactions and high school classes to grocery shopping and decompressing all begin with a click. The ubiquity of digital solutions has thus accelerated an environment in which **doing anything offline is inefficient.**

We expect the comforts of this environment to extend past the pandemic and reshape the way we approach the world around us. Our screens have become a centralized hub that facilitate the various things we do, feel, get, and experience on a daily basis. Because the pandemic both reinforced and accelerated this centrality, it's become clear that the digital-first mindset is more than just a blip on the radar of consumer behavior. It's here to stay.

WHAT IT MEANS:

goPuff CONCLUSIONS

As seen in the data presented throughout this consumer insights white paper, goPuff customers experienced an **early pandemic fatigue** which led to a **quicker return to pre-pandemic purchasing behavior** than seen in other shoppers. However, this did not happen as a solitary event. The lessons learned from consumers' time in quarantine created a reshaped mindset that may guide them for years to come.

WHAT IT MEANS:

goPuff CONCLUSIONS

1. The effects of the pandemic on consumption will long outlast the pandemic itself.

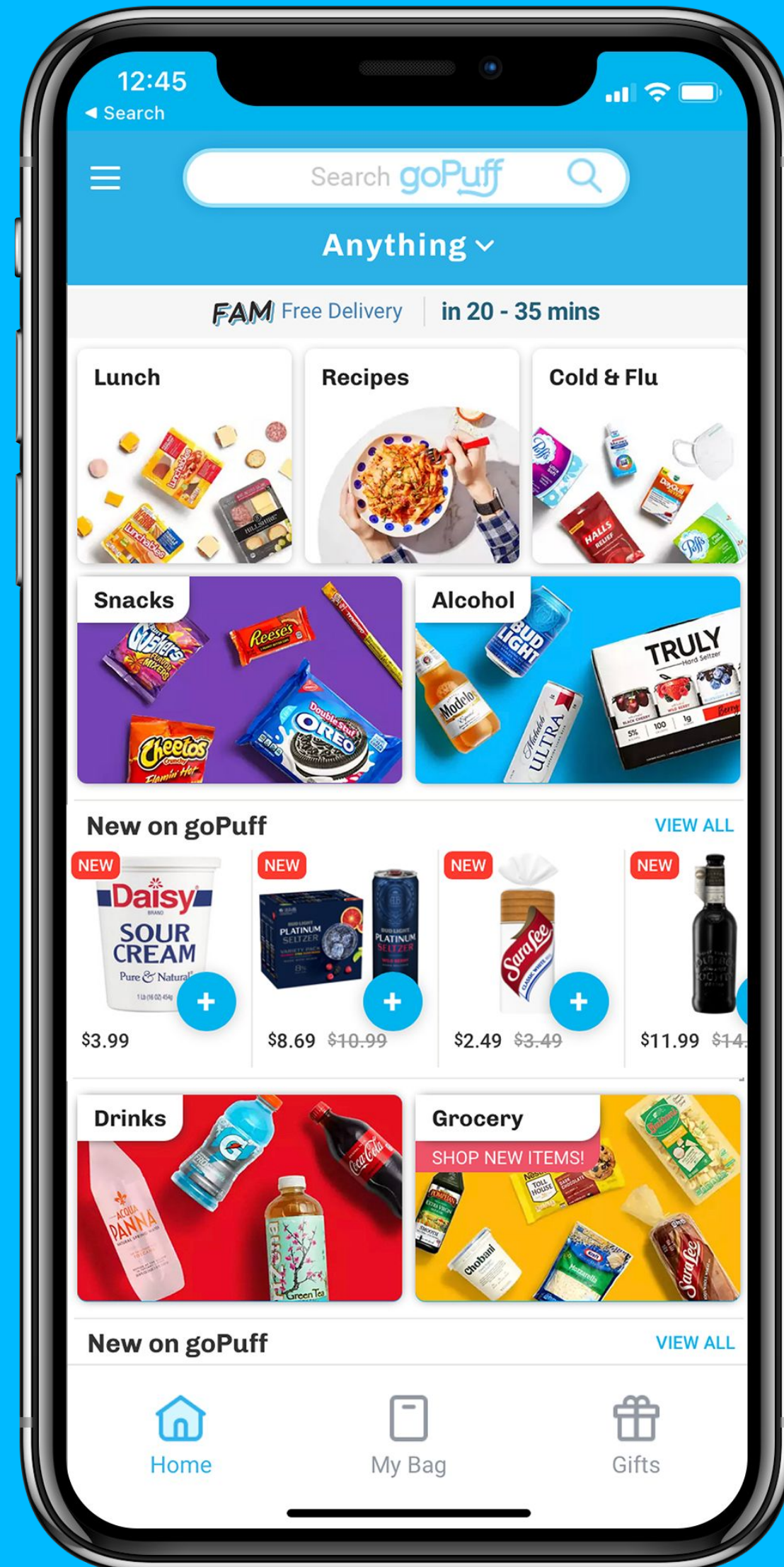
In the words of Aristotle, “We are what we repeatedly do.” From grabbing an extra roll of toilet paper to opting for pick up or delivery instead of in-person shopping, we have repeatedly trained ourselves in a pandemic-first mindset. Consequently, our new realities have become ingrained in our psyche. Unlearning these behaviors will be a very gradual process, in which certain actions or preferences will assimilate into our new normal for years to come.

2. Find ways to transport the consumer out of their reality

As the brick-and-mortar store visit has been altered for the foreseeable future, brands must find ways to create an environment that makes the shopper feel free of the constraints placed on their shopping experience. With many shoppers expressing wariness over traveling and eating out in the year ahead, brands must focus on ways to bring the outside world to the target audience. In a digitally fatigued world, they must place an even greater emphasis on how to make customers feel what they can't see or touch.

Contact goPuff's Business Insights practice at businessinsights@gopuff.com to learn more about how you can leverage deep behavioral insight and take your brand to the next level.

ABOUT goPuff



goPuff is the go-to solution for immediate everyday needs, fulfilling customer orders of cleaning and home products, over-the-counter medications, baby and pet products, food and drinks, and in some markets, alcohol - in just minutes. With micro-fulfillment centers in every market it serves, the company delivers thousands of products quickly for a flat \$1.95 delivery charge. goPuff is open 24/7 in many markets and late night everywhere else to bring customers what they need, when they need it most.

Founded in 2013 by co-founders and co-CEOs Rafael Ilishayev and Yakir Gola, goPuff is headquartered in Philadelphia and currently operates more than 200 micro-fulfillment centers servicing over 500 U.S. cities. To learn more, visit www.gopuff.com or follow goPuff on Facebook, Twitter or Instagram. Download the goPuff app on iOS and Android.