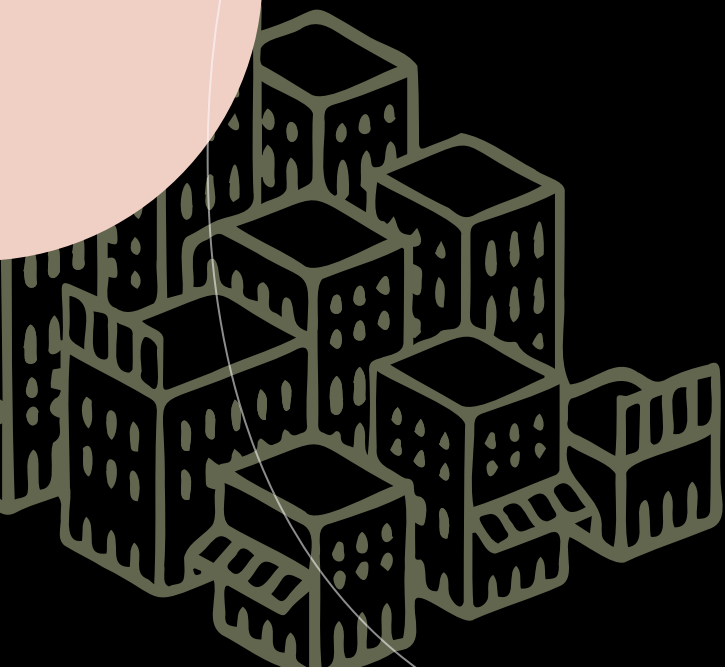


THE STATE OF LOCAL BUSINESS

— **COVID-19 and Local
Consumer Behavior**





— In the months since the outbreak of COVID-19, we've all heard a lot about "a new normal."

There's a shared understanding that this phrase represents a shift into doing business and life virtually, relying on digital interactions more than ever before. We've heard stories of innovative businesses that have adapted overnight, facilitating their customers' rapidly changing needs with awesome success. Will every business need to reinvent themselves to survive? What are consumers looking for in the current circumstances, and how will that affect what they expect going forward after social restrictions lift?

We surveyed 1,000 consumers across the US, ages 18-75, to help bring some clarity to what local businesses can expect from their customers in the coming months and years, and how they should prioritize the inevitable changes that will need to happen within their business in order to grow despite unprecedented challenges.



— Key Insights

01 **COVID-19 has changed the factors that influence how consumers choose local businesses.**

The top influencing factor hasn't changed—it's price. But while before COVID, price was the most commonly prioritized factor by a landslide, it now only beats offering curbside and contactless services by less than 1% (see data on pg. 6).

02 **Social distancing restrictions have made many consumers more interested in texting with local businesses.**

While texting was already the preferred communication method for 9 out of 10 consumers¹, 42% of respondents said they are more interested in texting with local businesses now than they were before COVID-19 (see data on pg. 18).

03 **Texting with local businesses became very common during COVID-19.**

60.6% of consumers reported having received or exchanged text messages with a local business within the last 30 days, and 11.8% of consumers reported having received or exchanged text messages with a local business *within the last day* (see data on pg. 9).

04 **Consumers prefer texting to other common methods of business communication.**

This sentiment is not limited to millennials. Texting is the preferred communication channel of all age groups, including those over 60 years old (see data on pg. 17).

05 **Consumers have enjoyed the convenience of pandemic-friendly services and don't want them to go away once restrictions lift.**

Of consumers who have taken advantage of services like curbside pickup, local delivery, and contactless payments, 80.3% want one or more of those services to continue post-COVID (see data on pg. 12).

¹Twilio (2016). Article found at <https://www.twilio.com/press/releases/twilio-study-finds-that-9-out-of-10-consumers-globally-want-to-message-with-brands>.

01—

COVID-19

Consumer Behavior



— COVID-19 consumer behavior at a glance.

84.4%

Flocking to pandemic-friendly services

84.4% of consumers have used services like curbside pickup, local food and grocery delivery, and/or contactless payments since COVID-19.

56.9%

Discovering businesses based on pandemic-friendly services

56.9% of consumers say a local business' pandemic-friendly services (curbside pickup, local food and grocery delivery, contactless payments, etc.) led them to purchase goods or services from the business for the first time.

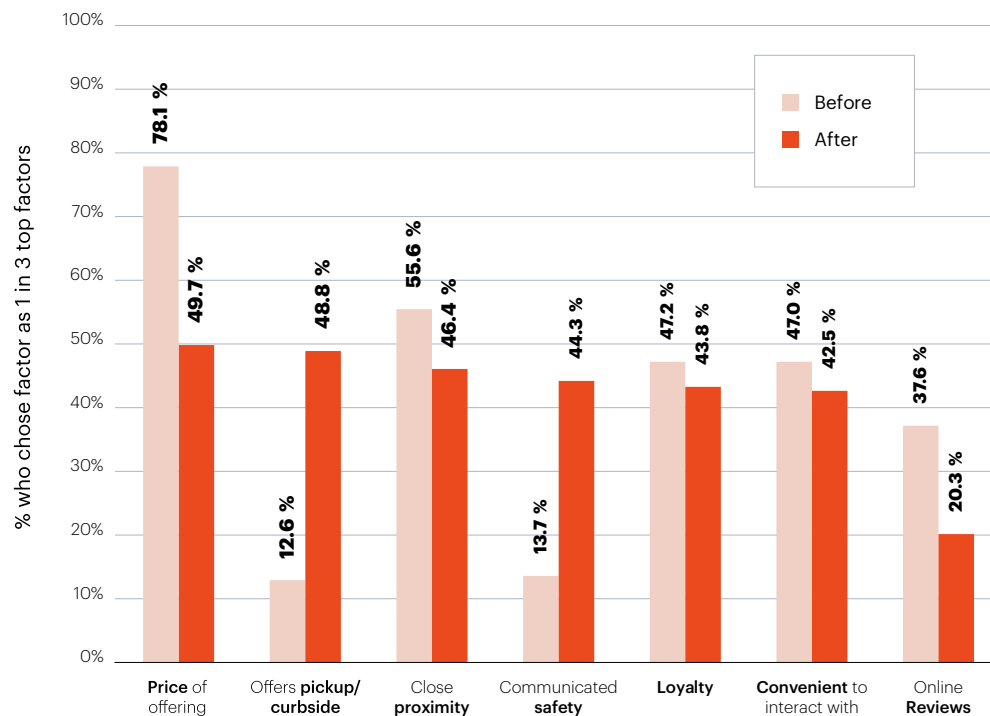
53.3%

Avoiding businesses without pandemic-friendly services

53.3% of consumers say a local business' failure to offer pandemic-friendly services has led them to seek out and work with/purchase from a competitor, or discontinue patronage all together.



— How has COVID-19 changed the factors consumers prioritize when choosing a local business to work with?



The importance of curbside conveniences increased significantly.

“Offers pickup/curbside/contactless options” went from the least considered factor before COVID-19 (12.6% of respondents selected) to one of the mostly highly considered factors (48.8% of respondents selected), second only to price by a margin of less than 1%.

Price is less of a priority since COVID-19.

Respondents were 56.5% less likely to say that price was a top consideration since COVID-19 began, compared to before.

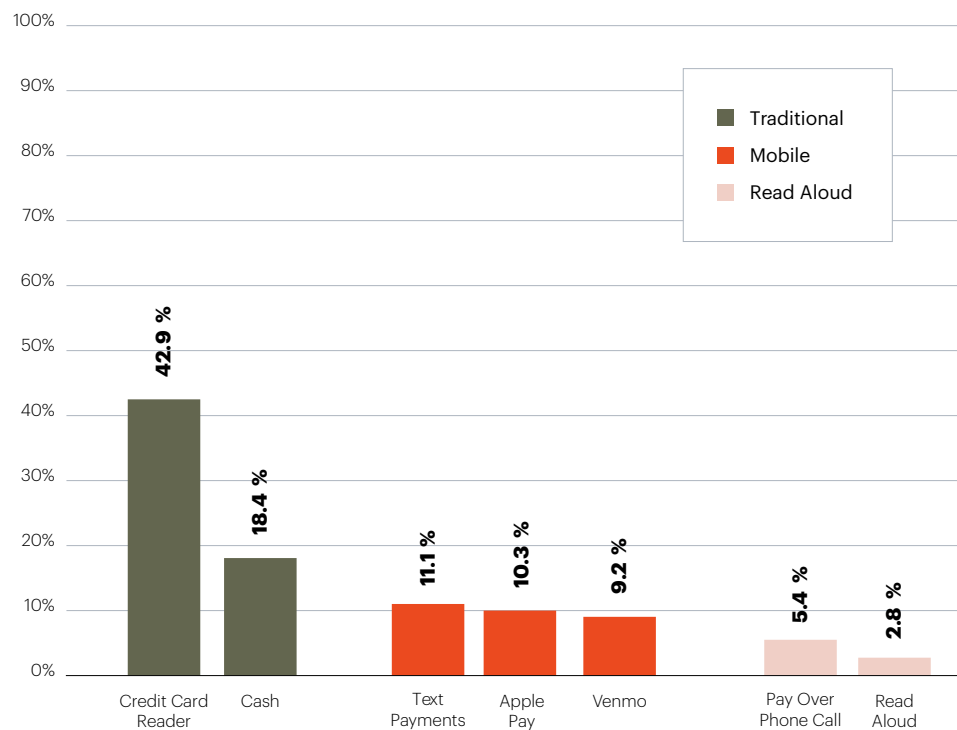
Clearly communicating safety practices matters.

44.3% of consumers say that “well-communicated safety practices” is now among the top 4 most important factors when choosing a local business.



— How do consumers prefer to pay local businesses since COVID-19?

COVID-19 has forced some businesses to operate remotely, requiring contactless payment methods to be implemented. Other businesses have tried to mitigate safety risks by offering these same methods. This data reveals that a majority still prefer traditional payment methods, but a significant portion chose mobile payment methods as their #1 preferred method.



61.3%

prefer a traditional payment option.

30.6%

prefer a mobile payment option.

7.2%

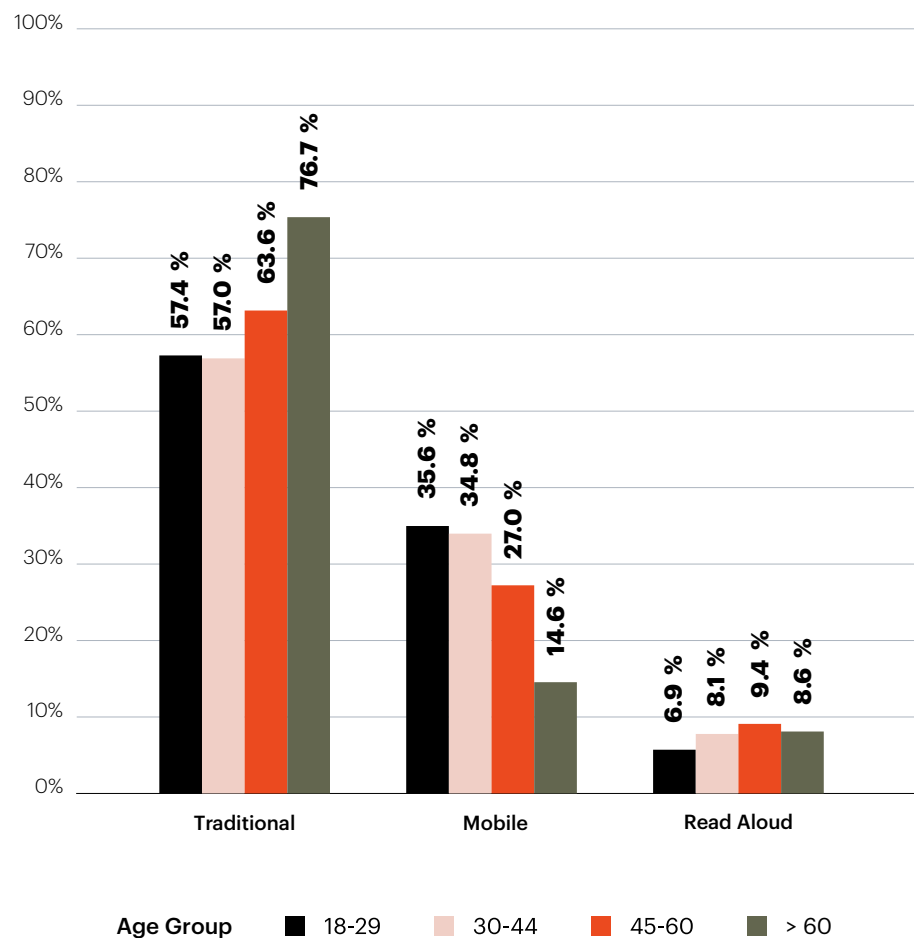
prefer a payment option that requires reading their card number aloud—whether in person or over the phone.

49.2%

of consumers said that reading their card number aloud was their least preferred payment method.

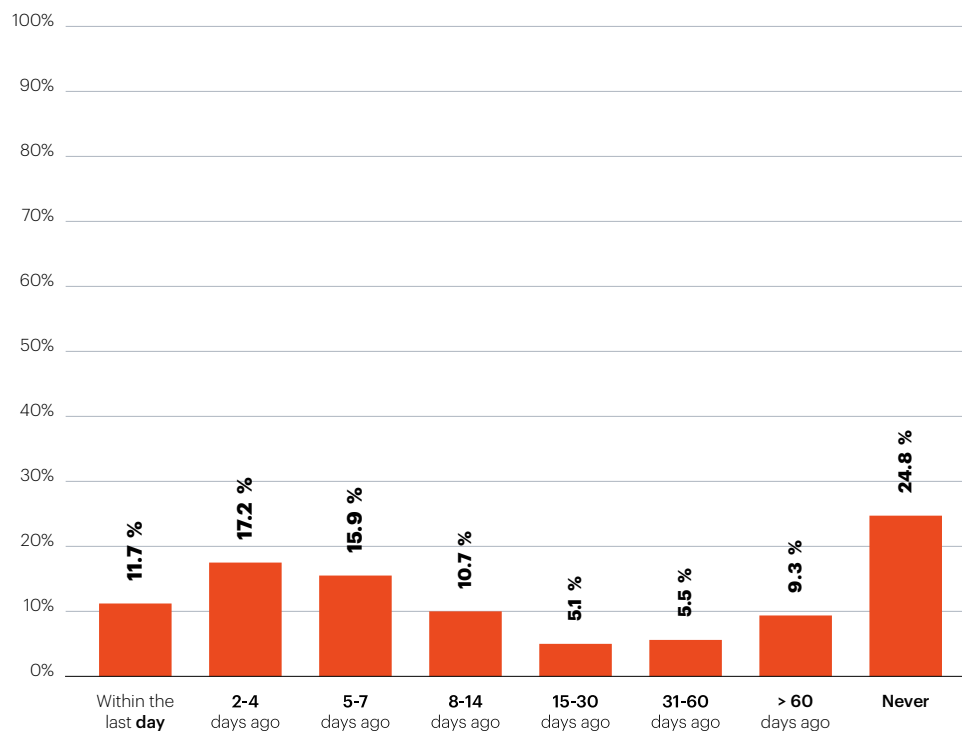


— Overall, payment method preferences followed surprisingly similar trends from age group to age group.





— More than 1 in 10 consumers said they had received or exchanged texts with a local business in the last day.



61.3% of consumers reported having received or exchanged texts with a local business **within the last 30 days.**

44.8% of consumers reported having received or exchanged texts with a local business **within the last week.**

11.7% of consumers reported having received or exchanged texts with a local business **within the last day.**

— Respondents over 60 were more likely than any other group to have exchanged texts within the last day.

Many businesses assume that texting is a channel that only appeals to Gen Y and those younger, yet this research shows that consumers over 60 are only slightly less inclined to text with a business than millennials and other age groups.

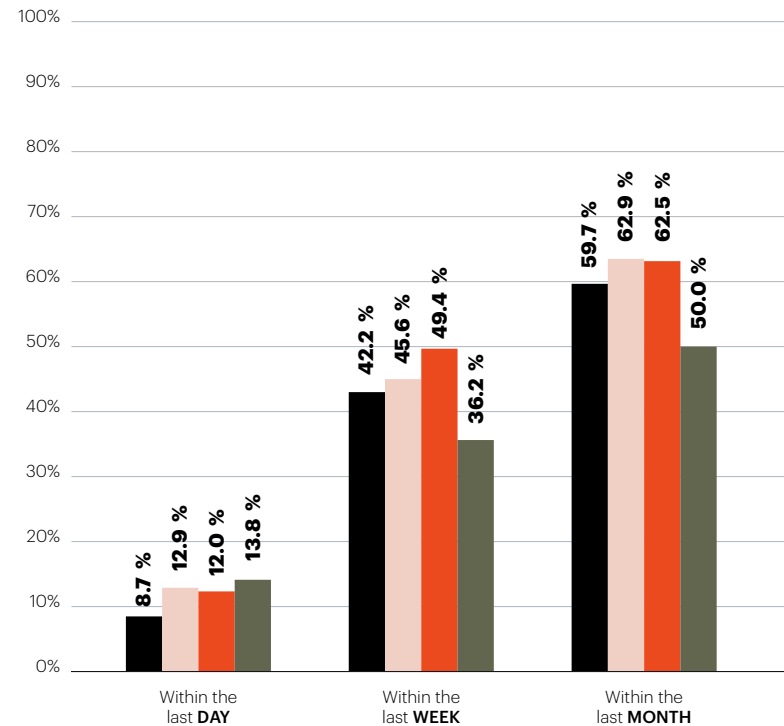
Age Group

■ 18-29

■ 30-44

■ 45-60

■ > 60



50%

of consumers over 60 reported having received or exchanged texts with a local business **within the last 30 days.**

36.2%

of consumers over 60 reported having received or exchanged texts with a local business **within the last week.**

13.8%

of consumers over 60 reported having received or exchanged texts with a local business **within the last day.**



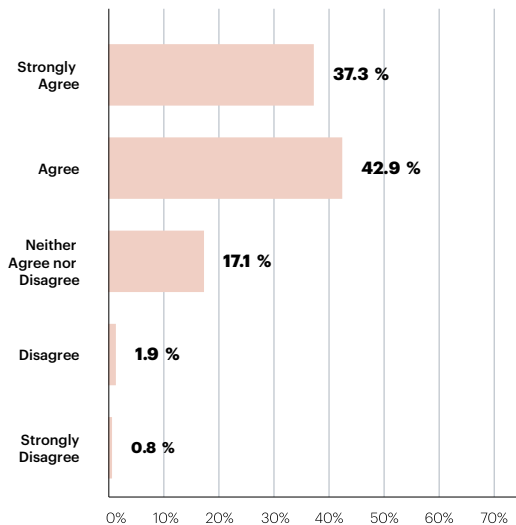
02—

**Looking ahead to a
post-COVID world**

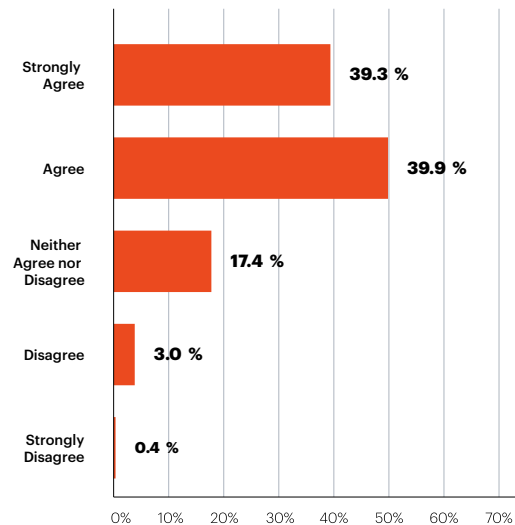


— Consumers who have used pandemic-friendly services would like businesses to continue offering them after COVID-19 restrictions lift.

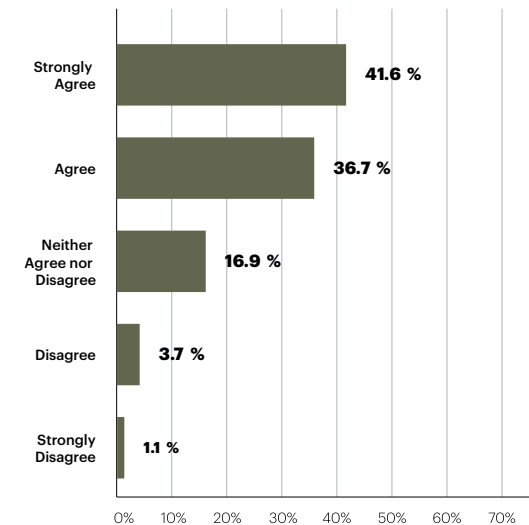
80.2% would like local businesses to continue offering **curbside pickup**.



80.3% would like local businesses to continue offering **local food/grocery delivery**.



78.3% would like local businesses to continue offering **contactless payment**.





— Businesses will win or lose future business based on their good or bad pandemic-friendly services.

Consumers are discovering businesses during COVID-19 that they plan to continue to patronize, and visa versa. This means that the impact of these services should not be thought of as a band-aid fix for a short term problem. Losing customers to competitors during COVID-19 is likely to have lasting consequences.

89.1%

89.1% of respondents say they are likely to return to businesses they first visited because of pandemic-friendly services, even after COVID-19 restrictions lift.

70.0%

70.0% of respondents who had an unpleasant customer experience during the pandemic say they are less likely to purchase goods or services from that business in the future.



85.5%

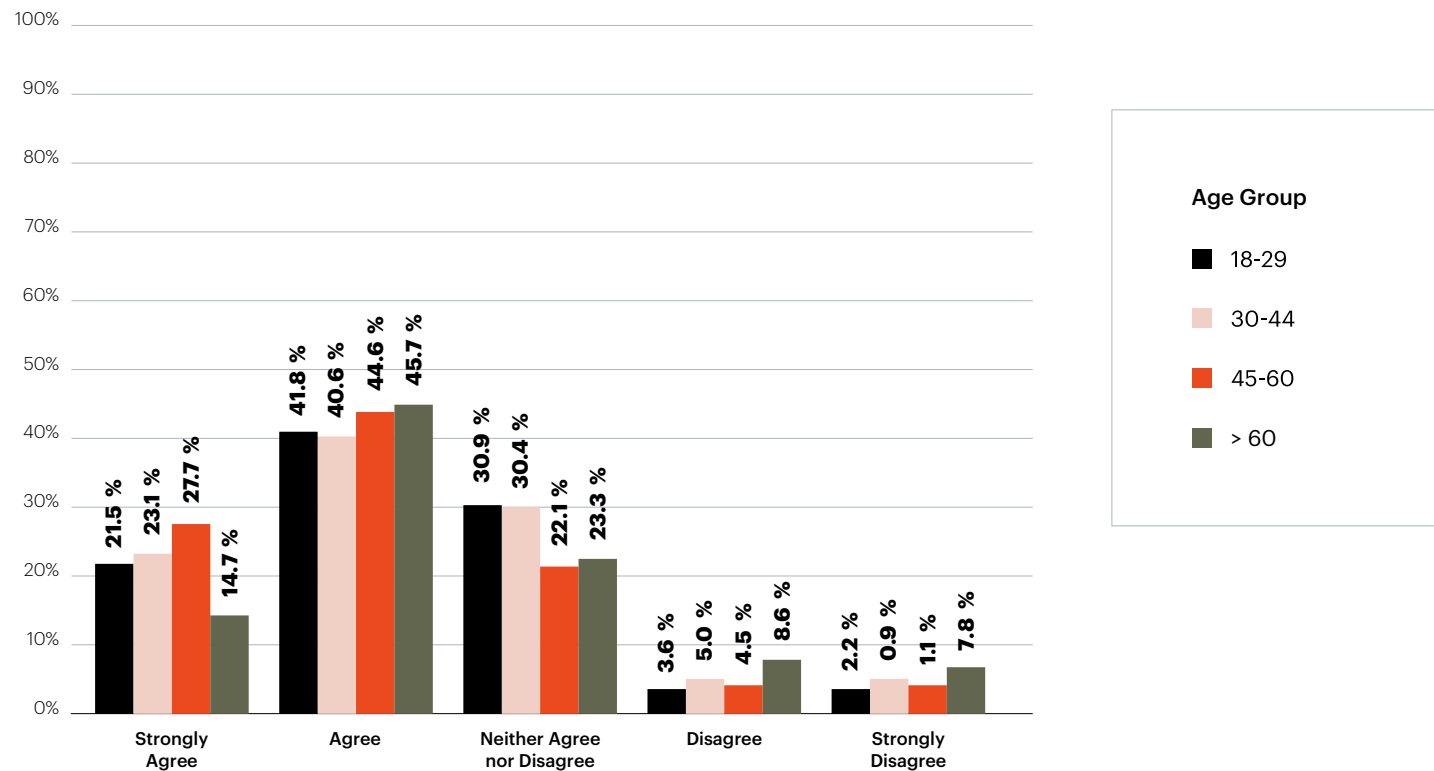
of consumers expect local businesses to offer more convenient communication and services now than they did prior to COVID-19.

65.6%

of consumers think that texting makes working with a local business more convenient.



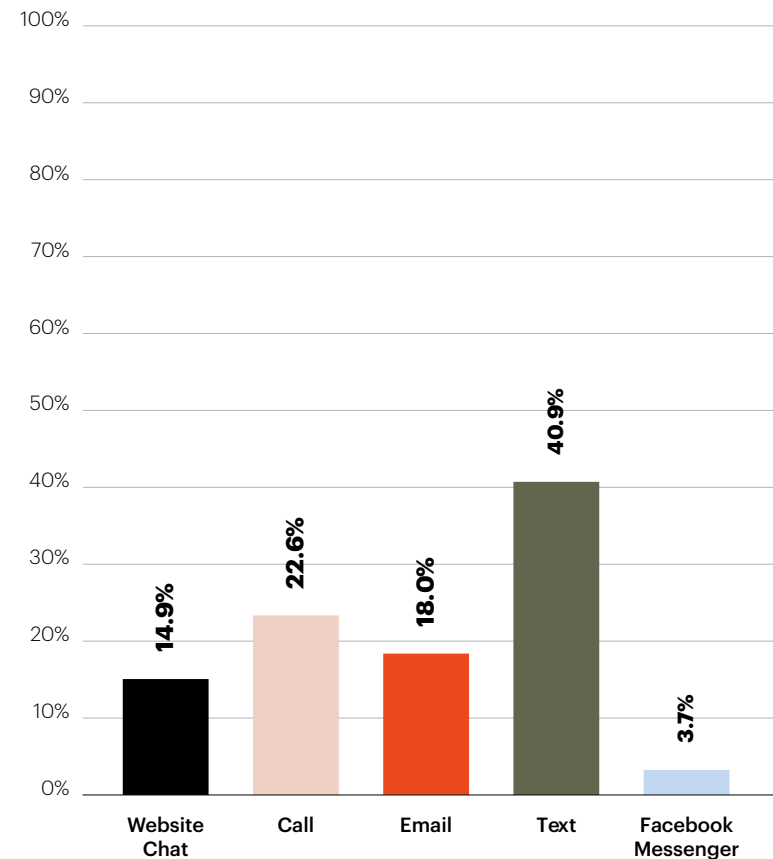
— Consumers of all ages agree that texting makes working with a local business more convenient.





— Consumers are almost twice as likely (1.8x) to prefer texting over any other communication method.

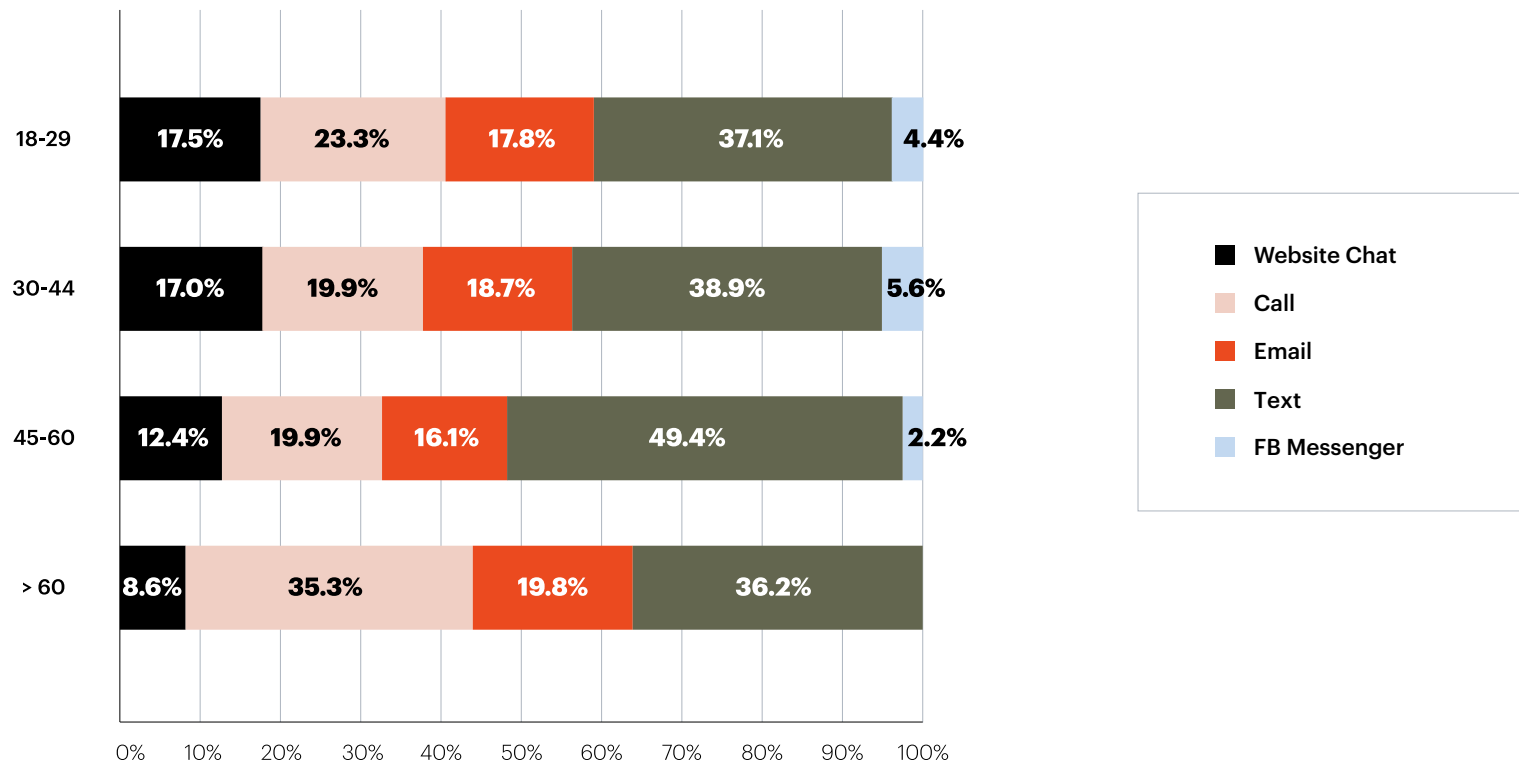
While most businesses think consumers prefer calling and emailing¹, the research revealed that if businesses offered calling, emailing, website chat, texting, and Facebook Messenger, consumers were most likely to prefer texting to communicate with them.



¹ Podium, Inc. (2020) The 2020 State of Business Texting. Report found at <https://learn.podium.com/eb-2020-state-of-texting>.

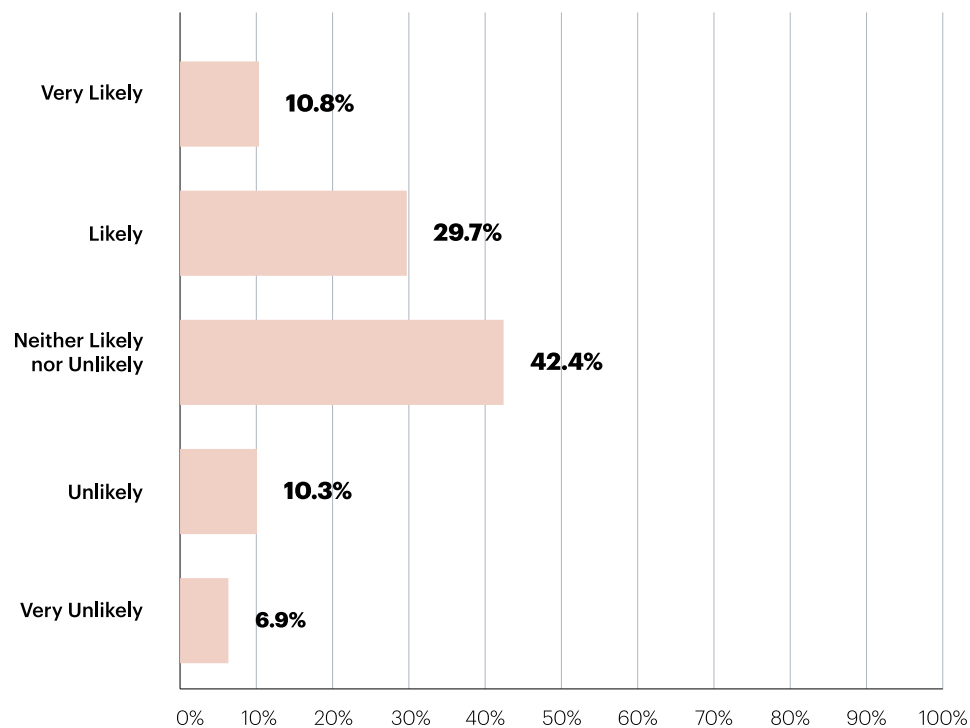


— **Texting is the preferred communication channel of all age groups, including those over 60 years old.**





— In fact, **40.5%** said they were “likely” or “very likely” to switch to a different business because they offer text messaging to communicate.

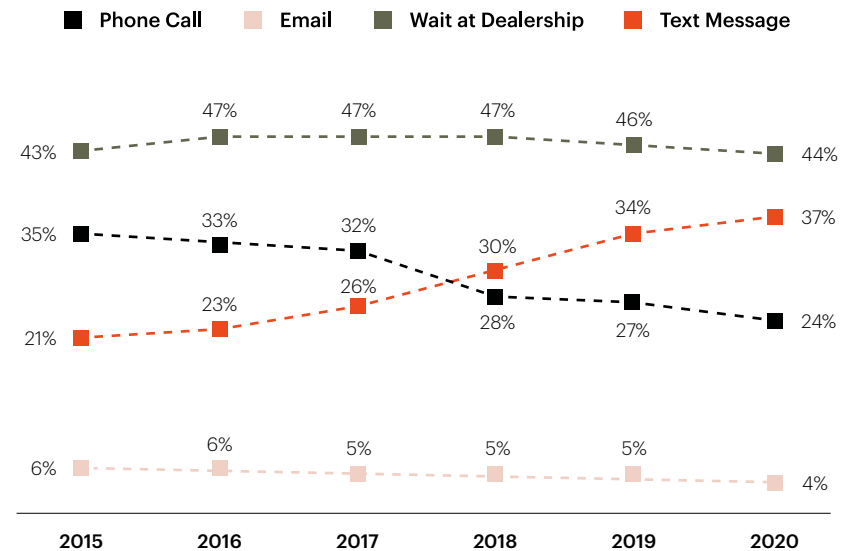




— 41.3% of consumers say they are more interested in texting with a business now than they were prior to COVID-19.

A recent J.D. Power report¹ that looked at feedback from over 28,000 sales customers and 71,000 service customers of auto dealerships showed that while other methods of contact have remained steady in the past 5 years, preference for text contact has been steadily increasing. COVID-19 has accelerated that trend as consumers and businesses have used text messaging to adapt to contactless business requirements.

Contact Method Consumers Prefer from Auto Dealerships



¹ J.D. Power (2020). Using Text to Deliver a Better Customer Experience. Article found at <https://learn.podium.com/eb-jd-power-customer-experience>.

03—

**Next Steps for
Local Businesses**



—“The businesses that will survive and thrive are the ones that can be flexible and adaptable to consumers’ new and evolving needs. You’ll need to plan carefully and understand not only what may need to change about your business, but what new growth opportunities may exist for you in a post-pandemic world.”

[– Small Business Coronavirus Reopening Guide, US Chamber](#)



01 Determine what needs to change in your business to keep customers through COVID-19 and beyond.

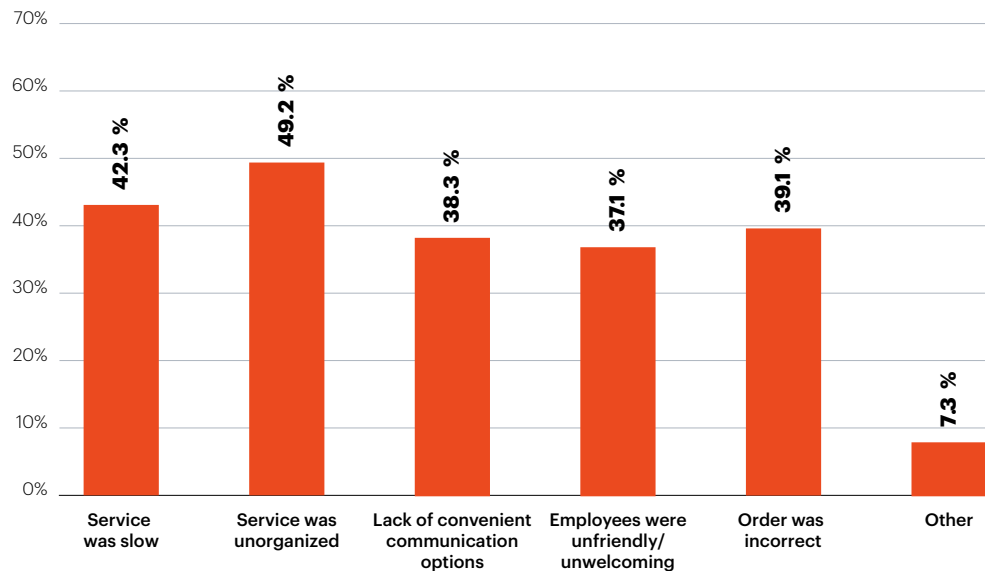
With 53.3% of respondents saying that they have discontinued patronage of a local business because they didn't offer pandemic-friendly services, and 70% of respondents saying that an unpleasant customer experience during the pandemic would make them less likely to purchase goods or services from that business in the future, businesses who do not adapt now are likely to continue losing business later. Providing safe ways to do business with you is table stakes, but with 85.5% of consumers now expecting improved convenience, as well as many consumers prioritizing contactless services and well-communicated safety practices, start by making sure you are keeping up with the competition in these areas.

- ☒ Are you making your safety measures known wherever customers find you? This might include your social media profiles, website, GMB listing, storefront/lobby, and more.
- ☒ Can consumers conveniently communicate with your business to ask questions prior to visiting in person? Do you offer the option to text your business? Download a free "Text Us, We're Open" signage and social media kit [here](#).
- ☒ Are your COVID-relevant store hours accurately displayed on your GMB page?
- ☒ Are you offering a contactless way to pay? Sending payment links through text is a free, easy solution. Learn how [here](#).
- ☒ Are you offering a modified version of your services that requires less in-person contact where possible? To get inspiration from examples in your industry, check out the articles and webinars in Podium's [Local Business COVID-19 Resource Center](#).



02 Invest in processes and tools that will help make these changes sustainable as business picks back up.

COVID-19 forced businesses to get scrappy, moving quickly to adapt to brand new requirements and expectations. However, with approximately 80% of consumers wanting businesses to continue offering services like curbside pickup, local delivery, and contactless payments after COVID-19 restrictions lift, now is the time to make these adjusted offerings high quality and sustainable. We asked respondents who had had a bad experience with pandemic-friendly services (70% of whom said they would not return to these businesses because of it) why their experience suffered, and they offered a wide variety of reasons:





Don't get caught offering contactless options that sacrifice the quality of your customer experience. In order to offer the true convenience and modern customer experience that consumers expect and will continue to expect, put sustainable processes in place that allow these offerings to be fast, organized, convenient, and consistent.

Consumers are almost twice as likely to prefer texting than any other communication method and 65% of consumers think texting makes working with local businesses more convenient. If texting is the solution your business chooses to conveniently coordinate, schedule, video chat, collect contactless payments, etc, be sure to implement a texting platform that makes it easy to manage internally, and creates a seamless experience for guests. Podium now offers a [free version](#) that allows local businesses to get started texting customers in minutes.

03 **Gather feedback from customers regularly to keep a pulse on changing expectations.**

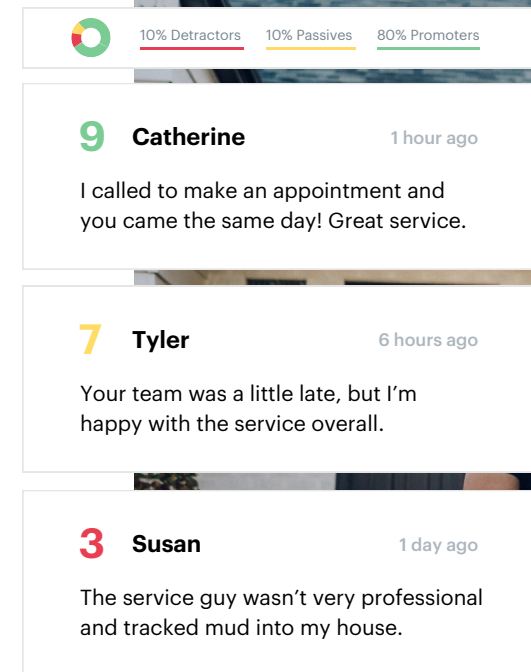
This report gives a look into consumer expectations generally, but you should know your own customers' needs better than anyone. Break down the barrier between your business and your customers. A personal thread of communication can be the difference between knowing your customers' specific needs and feedback throughout their experience (and having the opportunity to right wrongs in the moment), and blindly losing a customer forever. Keeping a pulse on customer interactions and feedback empowers you to consistently adapt your business to their needs.

There are many methods and tools available to collect feedback from customers. Choose a method that gets you insights in the moment, so you can fix problems before they



wind up as a bad review and a lost customer. As with anything you hope to collect from customers, it's best to collect feedback through your customers' preferred communication channel. Preferred channels get used more often, and offer a better outcome for businesses leveraging them. For example, email has a 20% open rate¹, versus the 99% open rate of texts². Consider how collecting feedback fits into your customer journey, and implement the processes and tools that will make knowing your customer part of your company's DNA.

[Podium's suite of messaging tools](#) includes an automated way to collect and measure feedback via text.



¹ Mailchimp. Email Marketing Benchmarks. Article found at <https://mailchimp.com/resources/email-marketing-benchmarks/>

² Tatango (2020). Email Marketing Benchmarks. Article found at <https://www.tatango.com/blog/sms-open-rates-exceed-99/>



Press send with Podium.

Podium offers a suite of messaging tools for local businesses. From getting found online to winning repeat business, Podium powers every step. It's the simplest way to connect to consumers by pressing send—talking to customers, collecting reviews, and gathering insights in real-time through text.

- Press send to **attract more leads** with frictionless communication
- Press send to **retain customers** by staying connected to them throughout the customer journey
- Press send to **save time** by making work more efficient for you and your team

Learn more about how you can add convenience to your business with Podium: [Watch a demo here.](#)



We're in the business
of modernizing local
business.

Learn More

