



# COVID-19 Impact on US eCommerce

An in-depth look at what is currently going on, what experts say, what we can expect, and what to do

TREND





# A Quick Snapshot

COVID-19 has quickly changed from an issue just affecting China into a global pandemic.

As a result, many governments are responding by trying to slow the viruses spread by asking citizens to quarantine, shutting brick and mortar businesses, and trying to stimulate economies to prevent a global collapse.

These policies and measures have shifted the way consumers behave. More consumers are finding themselves at home, spending less time in traffic, and having to change their purchase habits.

We will explore these changes and their impact on eCommerce.



# eCommerce Now: By the Numbers

Week of 3/4-3/10 vs 3/11-3/17



-0.61%

ROAS



-23.28%

CPM



+16.73%

CPC



+6.28%

CTR

Here's a look at 20 top accounts with ~\$50M annual spend rate from agency Common Thread Collective.

Looking at accounts with \$50M annual spend rate gives a great overall picture as these accounts have the bandwidth to do some serious testing and help us understand the full picture.





# eCommerce Now: By the Numbers

ROAS (Return on Ad Spend): -0.61%

**What It Means:** Despite increasing store closures in the US, ROAS has held steady. This means that brands are still finding decent success on digital ad spend.

CPM (Cost per Impression): -23.28%

**What It Means:** As more consumers turn to online media to fill their time, ad sets have the benefit of an increased audience. As a result, we're seeing a drop in CPM, which offers a great opportunity to test different creatives at a lower cost.





# eCommerce Now: By the Numbers

CPC (Cost per Click): +16.73%

**What It Means:** Even though more consumers are turning online, these new consumers are not opening up their wallets. Brands will need to get creative to convince new consumers to purchase.

CTR (Click-thru Rate): +6.28%

**What It Means:** Consumers are clicking through ads more, but as CPC suggests, they are not adding to carts as often. Optimizing this part of the funnel should be the top priority.



# eCommerce Now: Top Performers and Low Performers

Top Performer  
Beauty



+7.2%  
ROAS

Low Performer  
Apparel



-12.4%  
ROAS





# Looking at China for Possible Answers

China has been dealing with the fallout from COVID-19 longer than other countries.

As a result, China can offer key insights into how eCommerce could be impacted by the current global situation.





# COVID-19 eCommerce Impact on Companies in China

**Food** - Despite an initial shock in supply chain, manufacturers in China are now seeing recovery. MasterKong, an instant noodle and beverage producer, has recovered by more than 50% by shifting offline retail to eCommerce.

**Cosmetics** - Despite being forced to close stores, cosmetics companies are still seeing growth. Cosmetics company Lin Qingxuan in China was able to achieve 200% growth compared to the previous year by shifting beauty advisors in store to become online influencers.




# COVID-19 eCommerce Impact on Companies in China

Fashion and apparel - Cosmo Lady, which is the largest underwear and lingerie company in China, has shifted its focus to selling on WeChat. They've engaged all employees by creating a sales ranking for every single employee.

Luxury - Les Petits Joueurs, an Italian producer of luxury bags and shoes, is launching a full virtual showroom with Augmented Reality (AR) options to try on every product. In just the last few days, they have observed more on-line as a result of this innovation.





**“Although the data coming out of China points to a 20% drop in commerce-related activity for the months of January and February, ecommerce was actually up 3%”**

- Brian Wieser, Global President of Business Intelligence at GroupM





**WeChat released a report comparing consumption. Payments increased by 356% from last month! Top industries include beauty, nails&hair, express delivery and snacks.**

TREND





# US Impact from COVID-19

Here's what experts are saying and predicting for COVID-19's impact on the US.

TREND





**According to Nielsen, staying home can lead to an almost 60% increase in the amount of content people watch.**



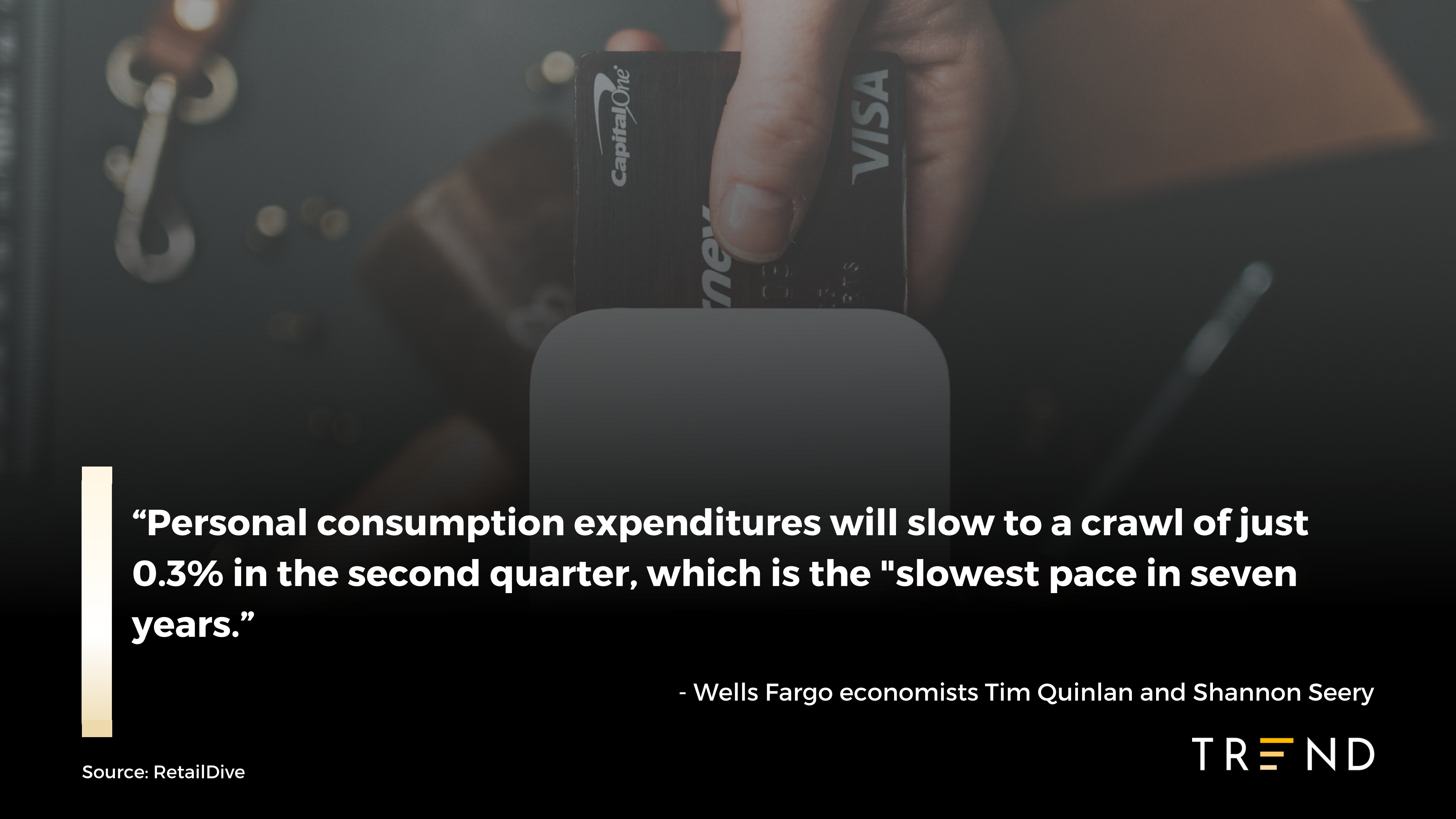


**WARC expects global ad spend will rise 7.1% to \$660 billion this year, supported by strong growth of 13.2% in internet investments despite COVID-19**

Source: MarketingDive

TREND

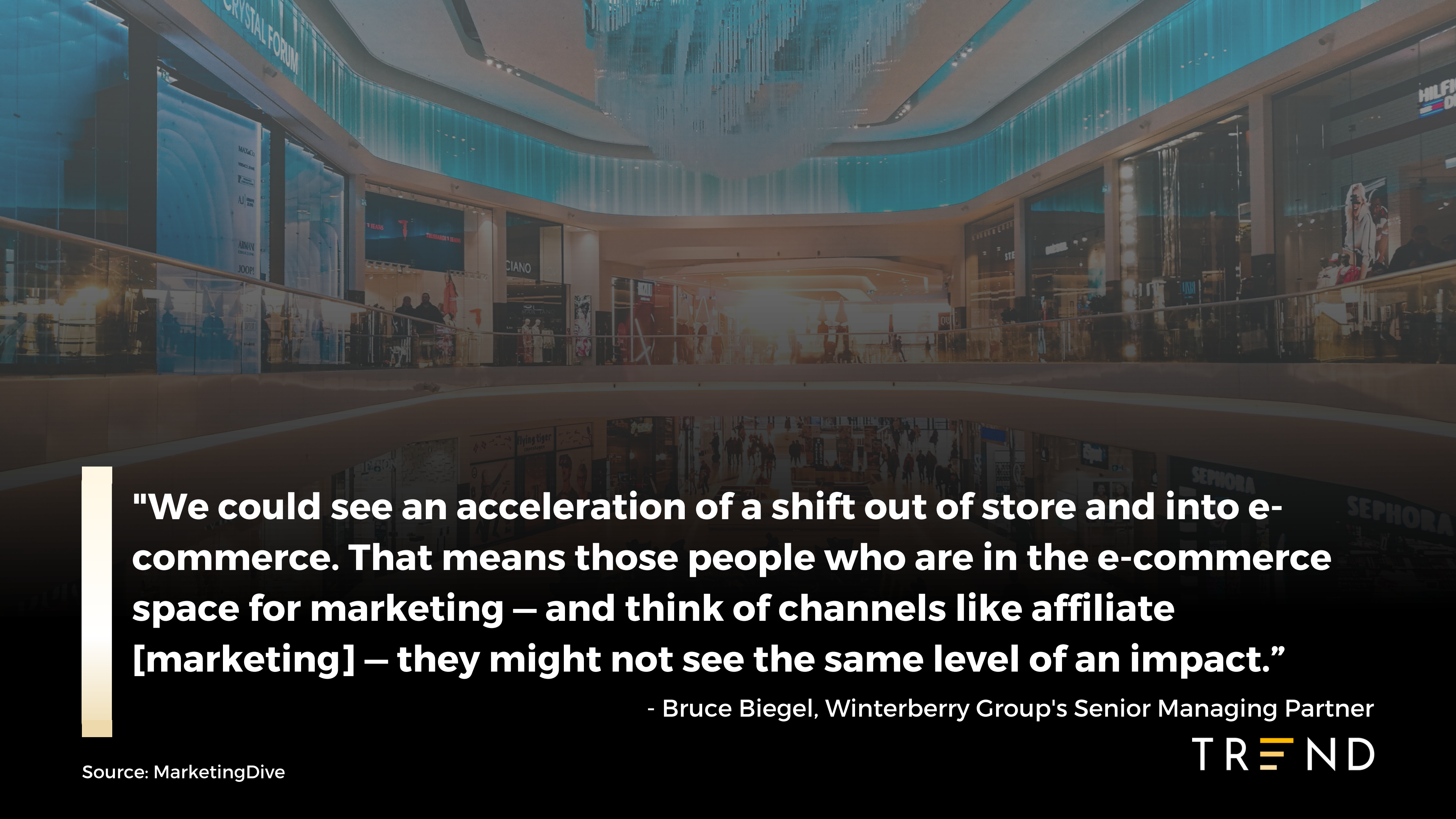


A hand is shown holding a dark-colored Capital One Visa credit card, positioned over a grey payment terminal. The background is blurred, showing what appears to be a retail environment with some metallic fixtures.

**“Personal consumption expenditures will slow to a crawl of just 0.3% in the second quarter, which is the “slowest pace in seven years.”**

- Wells Fargo economists Tim Quinlan and Shannon Seery





**"We could see an acceleration of a shift out of store and into e-commerce. That means those people who are in the e-commerce space for marketing – and think of channels like affiliate [marketing] – they might not see the same level of an impact."**

- Bruce Biegel, Winterberry Group's Senior Managing Partner





# Strategies to test for eCommerce with COVID-19

With changing consumer habits, supply chains, and policies, here are some ideas brands can test to cope with COVID-19's impact



# Strategies to Test

1. Messaging “the moment” with honesty - Consider addressing concerns like shipping and product safety
2. Essentials and adapting for an at-home audience - Consider creating products like books, DIY activities, toys, soaps, hygiene, candles, plants, self-care, etc.
3. Facebook and Instagram Feeds versus Stories Ads - News about COVID-19 dominates regular feeds, but Instagram Story Ads have a different location.





# Strategies to Test

4. “Show it off on social” to fill the communal void - Foster community, encourage UGC, and give products that rely on social non-distancing motivations a chance to shine.
5. Use displaced groups as newly available micro-influencers - People in event industries like music, minor-league sports, and food could be used for marketing and content production.
6. Test owned coronavirus materials versus “support” - Test educational coronavirus-related assets for non-paid distribution vs content that doesn’t name the issue directly



# Strategies to Test

7. Use digital products to serve, engage ... and sell - Create videos, guides, tutorials, infographics, courses, etc. Decide on selling them, using them as list-building materials, or leveraging them as extra incentive to nudge hesitant shoppers
8. “Stay calm and carry on” campaigns - If you have a product that’s for out-of-home environments, offer a call to action to maintain normalcy
9. Using inexpensive traffic to test, test, test - Low CPM’s can be used to test video watch times, homepage CTAs, value propositions, email pop-ups, quizzes, landing pages, checkout as well as cart abandonment, and remarketing. Winners will create new consumers.



# About Trend

Trend is an influencer marketing platform that helps connect brands and influencers who love to create high-quality User Generated Content.

Trend has a curated network of influencers that can help scale any influencer marketing strategy for brands. With Trend, brands receive full licensing rights to content that they can repurpose for any marketing efforts.

**Book a demo at [www.trend.io](http://www.trend.io) now**

**We'll get back to you within the hour.**