GLOBAL CONSUMER TRENDS

COVID-19 EDITION

THE REOPENING

EXECUTIVE SUMMARY

WE ARE ENTERING A NEW WORLD.

For many of us, the COVID-19 pandemic has brought change to our everyday lives, leading to unprecedented shifts in consumer behavior. Our prior reports – Global Consumer Trends COVID-19 Edition: ***Understanding the Pandemic*** and ***The New Normal*** – explored both the immediate and longer term effects of the pandemic, looking at the changes in how we work, shop, pay for things and where we spend our time.

Now, with businesses opening, we're examining those industries and sectors hit hardest by the pandemic - including airlines, hotels, restaurants, public transportation, rideshare, gyms and car buying - to see what measures they need to consider adopting for a successful reopening. We asked more than 11,000 consumers across 11 countries to help us understand what will make them feel better – and safer – when they travel, dine out, or exercise. And what will it take for these businesses to bounce back?

SOCIAL DISTANCING, CLEANING AND SAFETY MEASURES ARE PARAMOUNT

For the sectors we asked, there wasn't one single practice that consumers pointed to that would make them feel comfortable; rather, there was a consistent grouping of measures on the path to reopening, from regular cleaning to observance of social distancing to available proof of sanitization.

CONSUMERS WANT TO FEEL IN CONTROL

Even with documented measures in place, consumers want hotels, restaurants and gyms to make cleaning/sterilization products available so that they can clean their own space.

PLANS ARE DELAYED, BUT PURCHASING/SPENDING WILL RETURN

While the pandemic has delayed plans for booking vacations or buying cars – along with plane travel, hotel stays or restaurant visits – most consumers say they still intend to book trips or purchase a vehicle, though initial plans have been adjusted (traveling in country only, changing the specs of their vehicle, etc.)

METHODOLOGY

Dynata conducted 11,352 interviews from June 11-16, 2020 using its proprietary first-party research panels. Interviews were conducted in 11 countries, approximately 1,000 interviews per country. Countries covered were the USA, Canada, the UK, France, Germany, the Netherlands, Spain, Italy, China, Singapore and Australia. Quota controls were applied at the country level to ensure a well-balanced sample. At these samples sizes we are 95% sure, at a country level, that the results produced here are within +/-3% of the reality.

AIRLINES

Delayed Takeoff?

While just about everyone reports they will fly on airlines again, caution levels of consumers may be uneven even when restrictions are lifted. Business travelers are a bit more likely to return as soon as airlines reopen, while leisure travelers are more cautious. Travelers express different preferences for cleanliness for airports versus the airlines and planes, and sterilizing planes between flights, cleaning bathrooms and toilets, and social-distancing practices as most important.

JUST ABOUT EVERYONE WILL FLY AGAIN

Three in 10 don't feel at all comfortable doing so as soon as restrictions are lifted

Business travelers are less cautious than those travelling for leisure

THE TOP 3 THINGS THAT AIRLINES CAN DO TO REASSURE PASSENGERS

Proof of sterilizing the plane between flights

On-board social distancing (for example not selling the middle seat)

Cleaning the toilets between each use

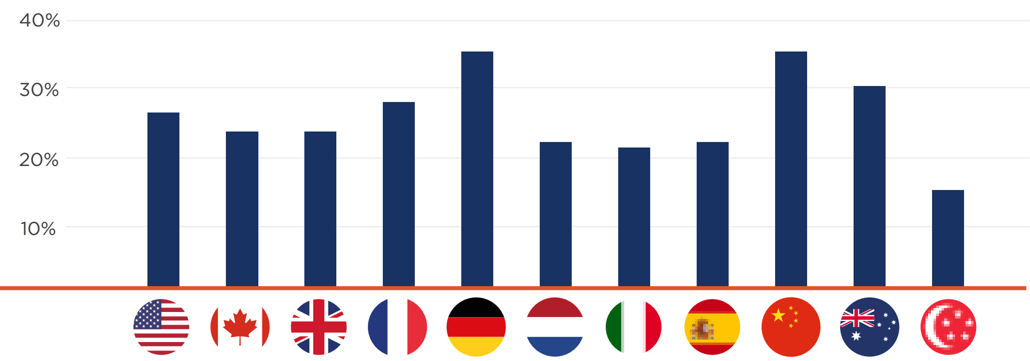
CLOSING AIRPORT RETAIL OR ELIMINATING FOOD SERVICE DOES LESS TO REASSURE TRAVELERS

Airlines are operating at historically reduced levels, though not completely shut down; in fact, June 11 marked the first time that more than 500,000 people crossed through Transportation Security Administration checkpoints at US airports since the start of the pandemic in March.

There is a cautious level of optimism, however, when it comes to people taking to the skies again. **Of those who normally flew – pre-pandemic – just about everyone (98%) reports they will fly again eventually.** However, opinions vary on whether people will feel comfortable doing so as soon as restrictions are lifted, with 30% not feeling comfortable at all about doing so and only just over a quarter (26%) feeling totally or very comfortable returning as soon as they are allowed. **Not surprisingly, given their countries' relative success in combatting the pandemic, Germans (34%), Chinese (34%) and Australians (30%) are most enthusiastic about returning right away.** All other countries we studied are clustered at around a quarter being ready (22%-28%) except for Singapore, most reluctant at 15%.

Comfort Level to Fly Again

Totally/very comfortable flying again once restrictions are lifted, by country



Airlines may have a better chance of filling planes again with business travelers, rather than leisure, as those flying for business are slightly more likely to be reassured by the safeguards airlines are likely to have in place when they open again. This is good news for the airlines, of course, since business travelers traditionally bring the most revenue.

Both business and leisure travelers in our survey indicated the top five things airlines can do to make passengers more comfortable about flying again. Proof of sterilizing the plane between flights; onboard toilets cleaned after each use; in-plane observance of social distancing practices (e.g., not selling the middle seat); increased levels of cleanliness in the airport; and proven levels of cleanliness on the plane – all have almost identical scores of 49-51% among travelers as to what would make them very much or a lot more comfortable. But among the less-reassuring measures business travelers are more reassured than leisure travelers.

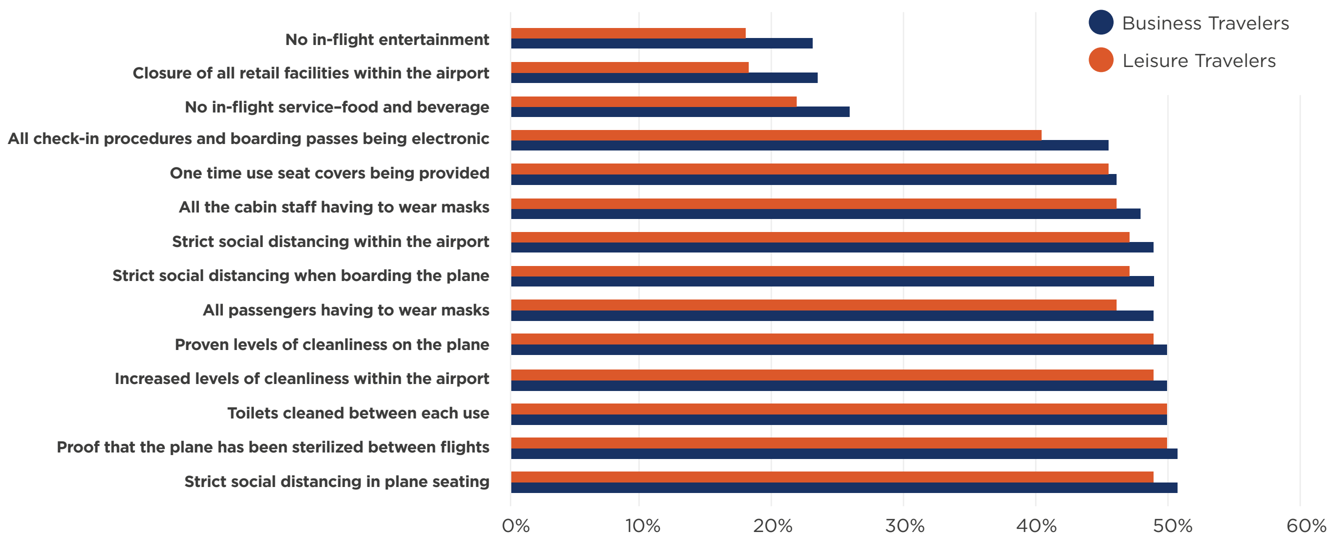
Less resonant to travelers was closing airport retail stores – another piece of potential good news for airlines and travelers alike, since airport stores help subsidize lower ticket costs.

The move to eliminate food service and onboard entertainment is not as reassuring for travelers as other practices, which is interesting considering that discontinuing food and/or beverage services has been prominently mentioned as a safety measure for those airlines considering reopening. Mask-wearing is in the middle of the pack of our surveying for providing comfort, as are seat covers and electronic check-ins – perhaps because travelers believe the check-in process is primarily electronic already.

Globally, leisure travelers are less comforted than business travelers on every metric we asked about.

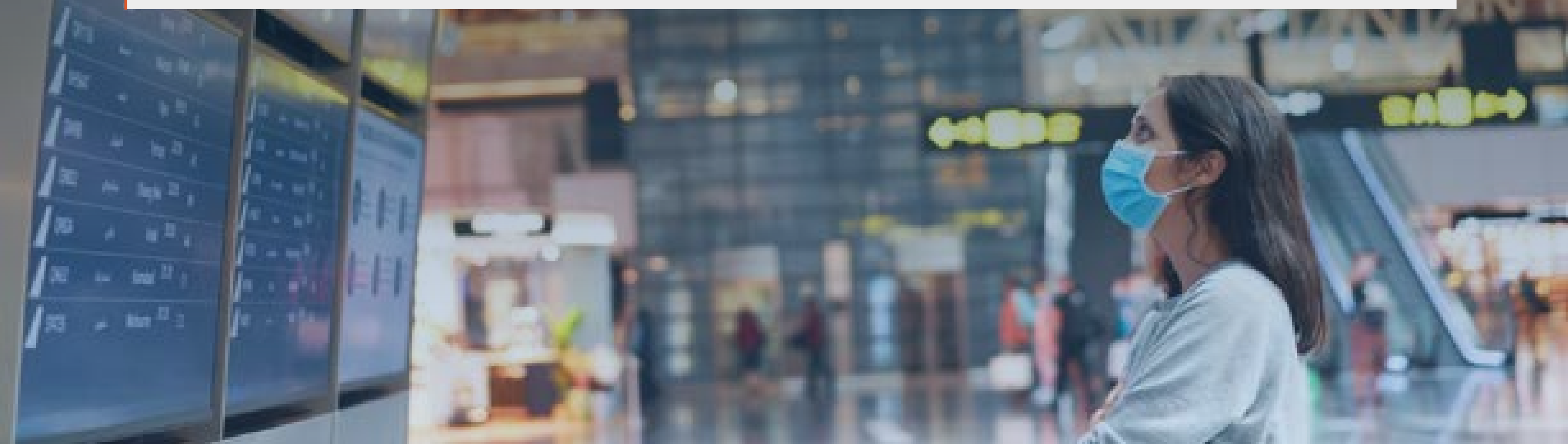
Airline Practices to Make Us Feel Safe

Cleaning/social distancing practices that will make travelers feel very much/a lot more comfortable



IMPENDING IMPACT

If leisure travelers are slower to come back, will airlines and airports pivot to more business-traveler-friendly messages and practices? What kind of cleanliness reassurances can airlines provide to travelers? And what are the cost ramifications for travelers if airports and airlines must increase cleanliness levels and practices, and/or return with scaled-back schedules and less robust in-airport or inflight offerings?



HOTELS

Cleanliness Matters

Most business or leisure travelers surveyed are not totally or very comfortable about staying in a hotel after restrictions are lifted. Travelers want hotels to help ensure their personal health and safety, enforcing cleanliness in the rooms and social distancing/mask wearing among guests and staff. And business travelers are more likely to come back sooner than leisure travelers.

MAJORITY NOT TOTALLY OR VERY COMFORTABLE STAYING IN A HOTEL IMMEDIATELY AFTER RESTRICTIONS ON TRAVEL ARE LIFTED - WHETHER BUSINESS OR LEISURE TRAVELERS

Business users slightly more comfortable than leisure (39% vs. 31%)

TRAVELERS WANT YOU TO HELP THEM ENSURE THEIR OWN HEALTH AND SAFETY

Cleaning/sterilizing equipment, available in every room

Staff wearing masks

Guests to wear masks in public areas

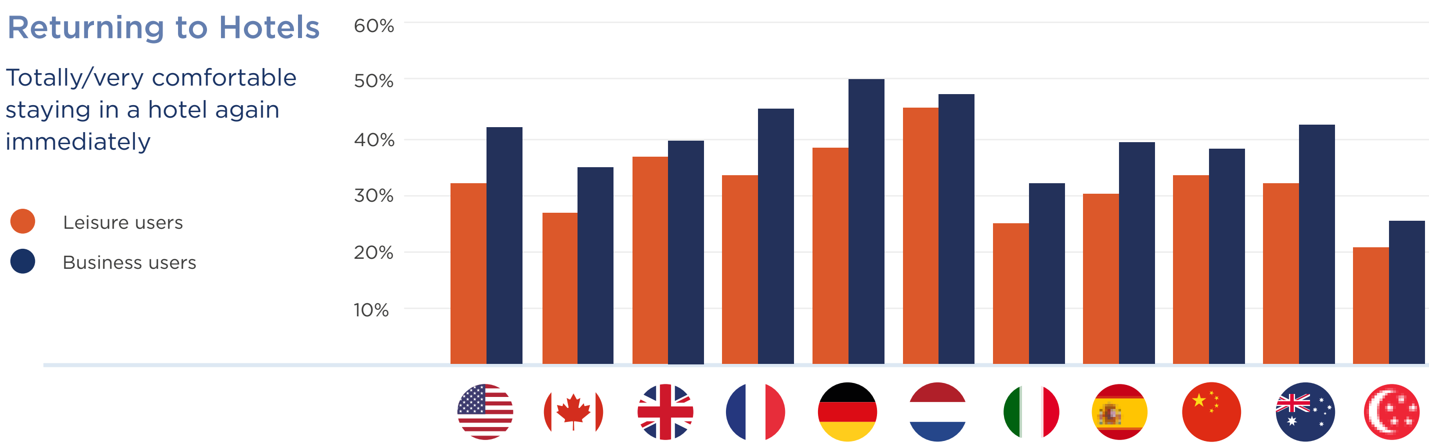
TECHNOLOGY SOLUTIONS (APP-BASED KEYS AND CHECK-IN): NICE TO HAVE, BUT NOT NECESSARY

Sealing rooms post cleaning

Physical barriers between reception and guests

Both score better than technology

Alongside the reduction in air travel has been a drop in hotel visits and stays. When asked whether they will return, however, the results are very similar for hotel returns and resumption of air travel. **Nearly seven in ten leisure hotel users report that they would be uncomfortable staying in a hotel immediately after any travel restrictions are lifted.** This is consistent across countries, ranging from 79% in Singapore and 75% in Italy to 61% in Germany and 62% in the Netherlands.



To make guests feel more comfortable, hotel owners will need to provide cleaning and sterilizing equipment within the rooms. Almost half of leisure travelers said this would make them feel very much or a lot more comfortable, more so than simply allowing guests access to internal cleaning records.

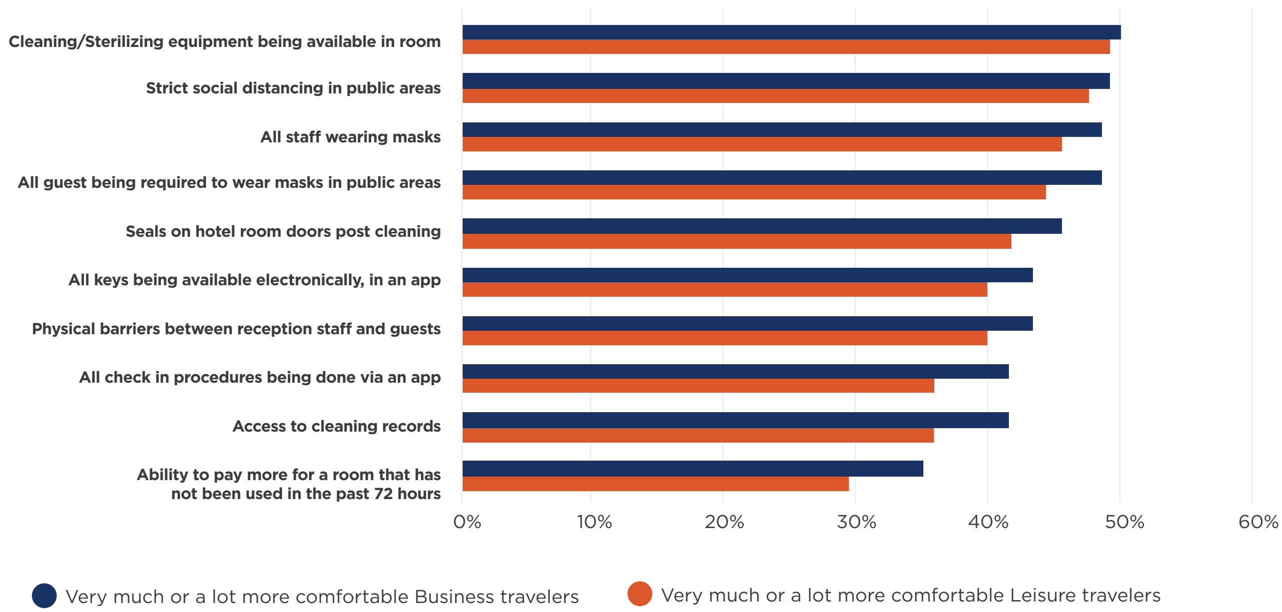
Second on the list is the strict observance of social distancing in public areas, with 47% reporting they would be comforted by this. This is followed closely by the wearing of masks by staff, and by guests in public areas, at 45% and 44% respectively.

Seals on hotel room doors, post cleaning, that mark rooms as sanitized would be desirable, as would physical barriers between the reception staff and guests. Technological solutions – app-based door locks or check-ins – are less desirable, at 40% and 36% respectively, likely because they were available pre-pandemic. The ability to pay more for a room that has itself been quarantined for 72 hours appealed least, only 29% would feel more comfortable if this were an option.

This rank ordering of solutions was, by and large, similar across countries. Notable differences were the British, Dutch and Australians, who were less keen on mask wearing, either by staff or guests.

Comfort/safety measures for hotel guests

Measures making me feel very much/a lot more comfortable staying in hotels

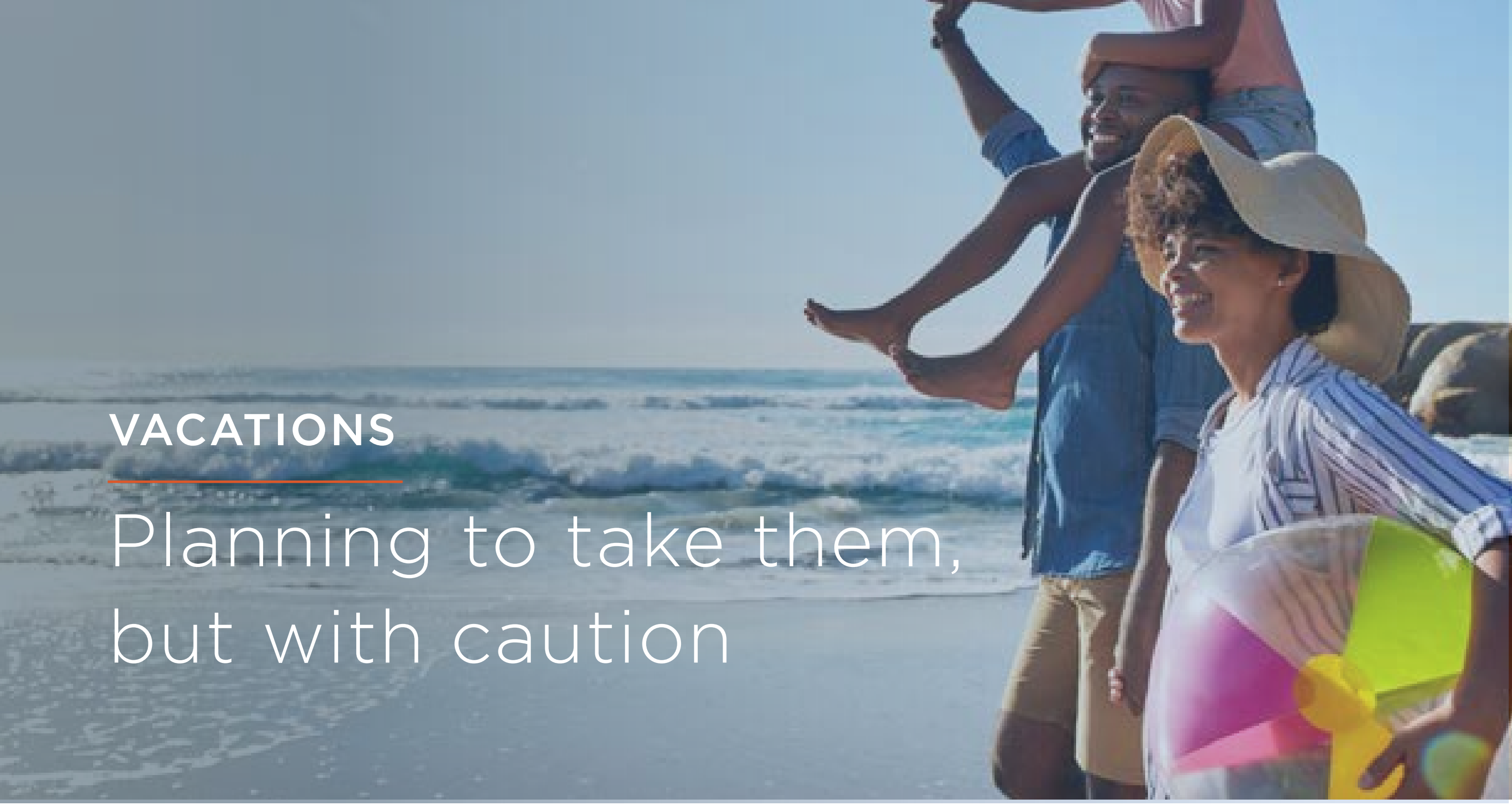


Users of hotels for business purposes are more comfortable staying in hotels post travel restrictions being lifted, with just under four in 10 saying they would be totally or very comfortable staying in a hotel at that point. Many of the business travelers in our survey (96%) were also leisure users of hotels, leading one to conclude that the measures hotels could implement will appeal to business travelers to the same degree as the leisure travelers.

Interestingly, differences occur in intensity rather than rank order, as on average each proposed solution was comforting to 3% more business travelers than leisure travelers. **The largest difference was seen on the opportunity of using a quarantined room, appealing to 35% of business travelers compared to 29% of leisure travelers.**

IMPENDING IMPACT

How can hotels reassure consumers of their commitment and adherence to heightened cleanliness practices? As with airlines, what are the cost implications for hotels of increased cleanliness practices for consumers?



VACATIONS

Planning to take them, but with caution

Prior to the pandemic, many of us were planning vacations; today, more than half still are. Plans have been adjusted, however, with people wanting to stay in their home country and looking to avoid tourist “hot spots” and air travel.

MORE THAN HALF ARE STILL PLANNING TO TAKE A VACATION THIS YEAR

High of 71% in France

PLANS HAVE CHANGED

84% have modified their vacation plans because of the pandemic

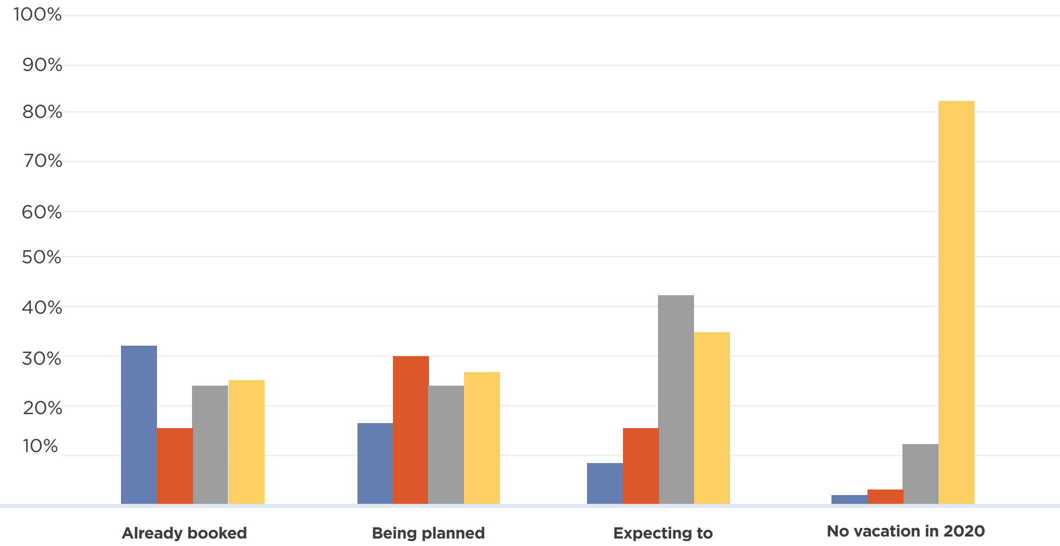
More than a third are planning to stay in-country

Three in four people (76%) were thinking of taking a vacation in 2020 before the pandemic, ranging from a high of 86% in Spain and 82% in Italy to a low of 68% in Australia. Perhaps surprisingly, more than half of everyone we asked (57%) are still planning to take a vacation this year. In France for example, 78% were planning to take a vacation before the pandemic, and the percentage drops only modestly to 71% of people saying that now. It appears that, having suffered through months of lockdown and seeing countries opening, many people are weighing the mental health and wellbeing benefits of vacations against the continuing risk of infection, and choosing the former while proceeding with caution due to the latter.

2020 Vacation intentions

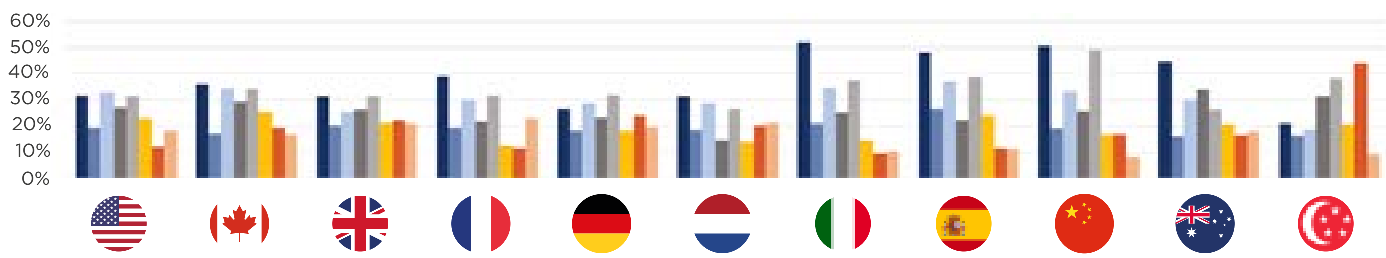
Planning a vacation in 2020, pre-pandemic

- Definitely not
- Possibly
- Probably
- Definitely



Most people (84%) have modified their vacation plans because of the pandemic. The most common adjustment is to avoid travelling overseas – **almost four in 10 (39%) will stay in their own country.** The numbers who intend to stay in their home country vary significantly, being higher in Italy (52%), China (51%) and Spain (48%), countries who have been living with the situation for longer than others, and in Australia, where travelling almost anywhere outside the country involves a lengthy trip by air.

Planning a vacation in 2020, now



- Will be taking a vacation in this country, not abroad
- Will be staying in some form of private accommodation
- Will be going somewhere we can drive to, not travel by air
- Will not be going on a cruise
- Will avoid tourist "hot spots" or crowded attractions
- Will not be visiting a theme park not a hotel
- Will go abroad, but not to a country that has had a big problem with the pandemic
- Nothing, my plans are unchanged

A similar number (35%) will avoid tourist hot spots and 31% will avoid travel by air. Theme parks will be avoided by just under one in five (19%) with this being relatively high in Canada (26%), in Spain (24%) and the USA (23%).

IMPENDING IMPACT

How can vacation bookers and local and national tourism boards thread the needle of encouraging vacationers while acknowledging the pandemic and consumer fears? With "typical" tourist destinations being scrutinized by vacationers, how can they pivot their messaging and operations to emphasize pandemic safety and health security?

PUBLIC TRANSPORTATION AND RAIL SERVICES

Pandemic knocks it off-track

Globally, public transportation and rail travel has been heavily impacted by the pandemic as social restrictions and national lockdowns keep us in our homes. Consideration should be given to the full experience of train travel, from managing crowds at stations and at platforms to reinforcing cleanliness and social distancing practices on the train itself.

PUBLIC TRANSPORTATION AND RAIL TRAVEL HUGELY HIT BY PANDEMIC

Current usage levels around 60% of normality

RAIL USERS' DESIRES FOR HEALTH SECURITY WOULD UNDERMINE COMPANIES' ABILITY TO RUN A SERVICE

Rationing of seats impossible

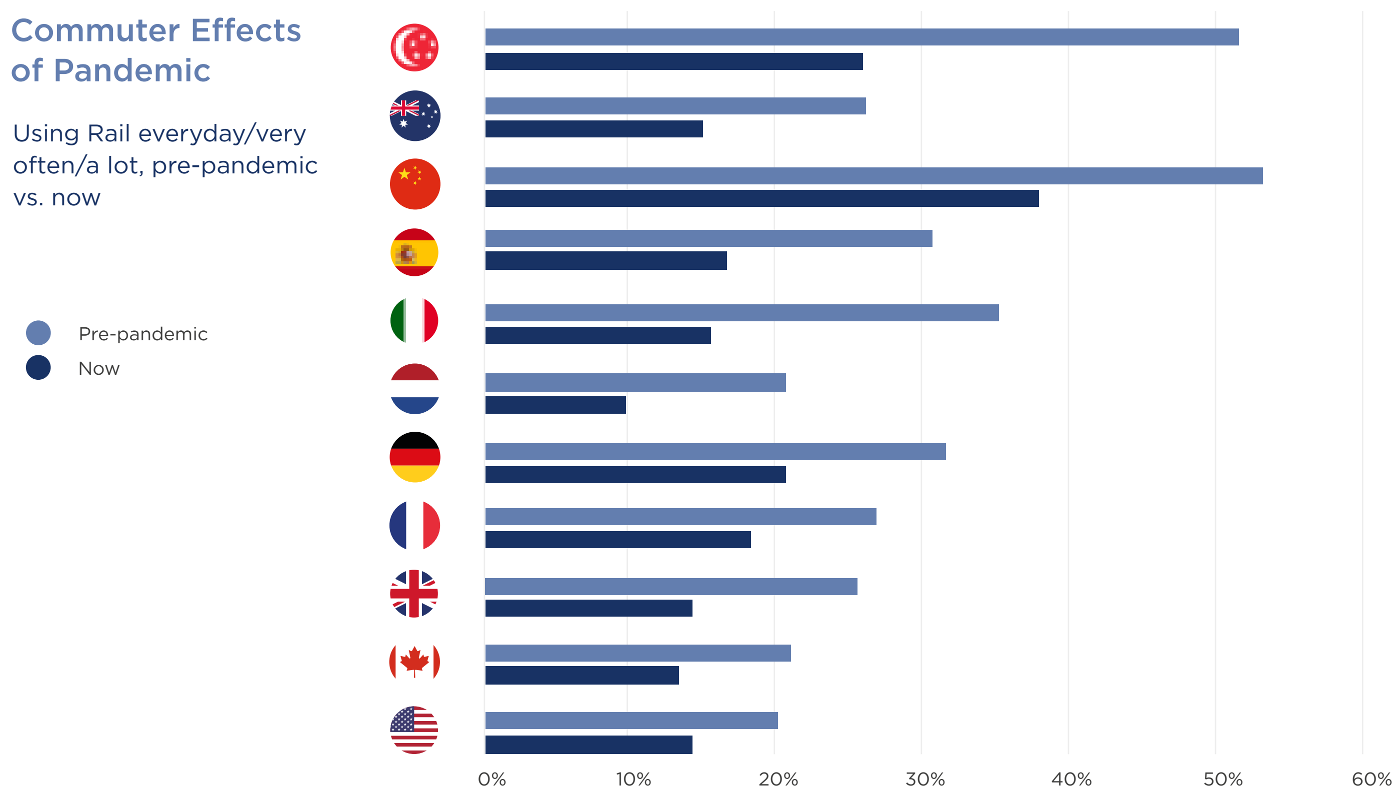
Effective social distancing extremely difficult

Face masks, sanitizer availability and ongoing cleansing the best solution

Prior to the pandemic, public transportation by rail – local subways, and commuter and long-distance passenger trains – was part of our everyday work and personal lives. Globally across all 11 countries we surveyed, seven out of 10 consumers traveled by train, with a high of 96% in China and a low of 41% in the USA. A total of nearly three in ten (31%) used rail services more than a fair amount, with 8% using them all the time, 12% very often and 12% saying "a lot." We observe this evenly across geographies – excepting China at 53% and Singapore at 52% - with other countries ranging from 35% in Italy down to the USA at 20%.

Today, with the onset of the pandemic and national lockdowns of varying degrees in place, the number of people traveling by rail has dropped, with the UK in particular down to less than 5% of normal levels. This is driven, in large part, by many more people working from home (75%, as reported in Dynata's Changing Work Models mini-report in May), maintaining social distancing and only making essential journeys for groceries and the like. And even with the recent development of cities entering the early phases of reopening, expectations remain low of a return to pre-pandemic travel rates; in New York City, for example, transit officials expect only 15% of regular riders to return as the city cautiously reopens.

As lockdown eases around the world people are returning to public transportation. **Our survey reveals a little under 60% recovery of passenger numbers in terms of those using services at least "a lot."**



Among commuters, 39% have returned to the daily commute, with 18% using rail services very often or a lot, while nearly a quarter of commuters (23%) are not using rail services at all. When asked why, three quarters of those not fully returned to daily commuting say it is due to continued working from home. Other reasons include being laid off from a job (9%) and choosing to avoid rail in favor or alternative means of transport (16%).

Rail services could have problems in installing and maintaining preventative measures against an infectious disease like COVID-19, as they are high-volume service that carries many passengers – often in very close proximity to each other – with much boarding and exiting at various stops along the way. The stations and platforms can be crowded also, and yet the service must run to a timetable with little flexibility, leading to high-traffic boarding and exiting and much unintentional physical contact.

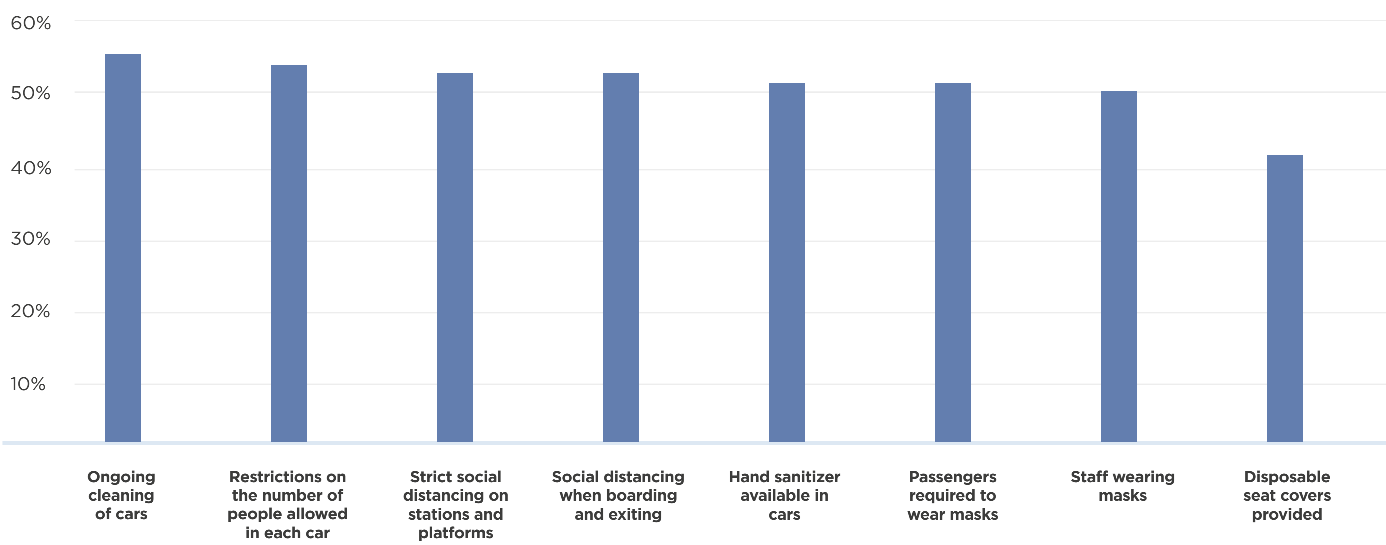
To get more people back on the trains, or at least feeling more comfortable about doing so, our survey respondents named the ongoing cleaning of cars as their number one requirement. More than half (53%) said this would make them feel either "very much" or "a lot" more comfortable about travelling again. By country, this rises to 73% of Spaniards, 70% of Italians and 62% of Singaporeans.

Social distancing within the train and on train stations and platforms, along with social distancing when boarding and exiting train cars, were also selected as efforts that could be made that would make rail service users more likely to travel by rail again. Between 54% and 52% selected these measures, again highest in Italy, Spain and Singapore.

Measures less disruptive to scheduling, such as the requirement to wear masks, were also endorsed; 51% saying passengers wearing masks would make them feel more comfortable about travelling by rail again, and 50% indicating the same for staff wearing masks. Similar numbers would welcome seeing hand sanitizer in cars (51%).

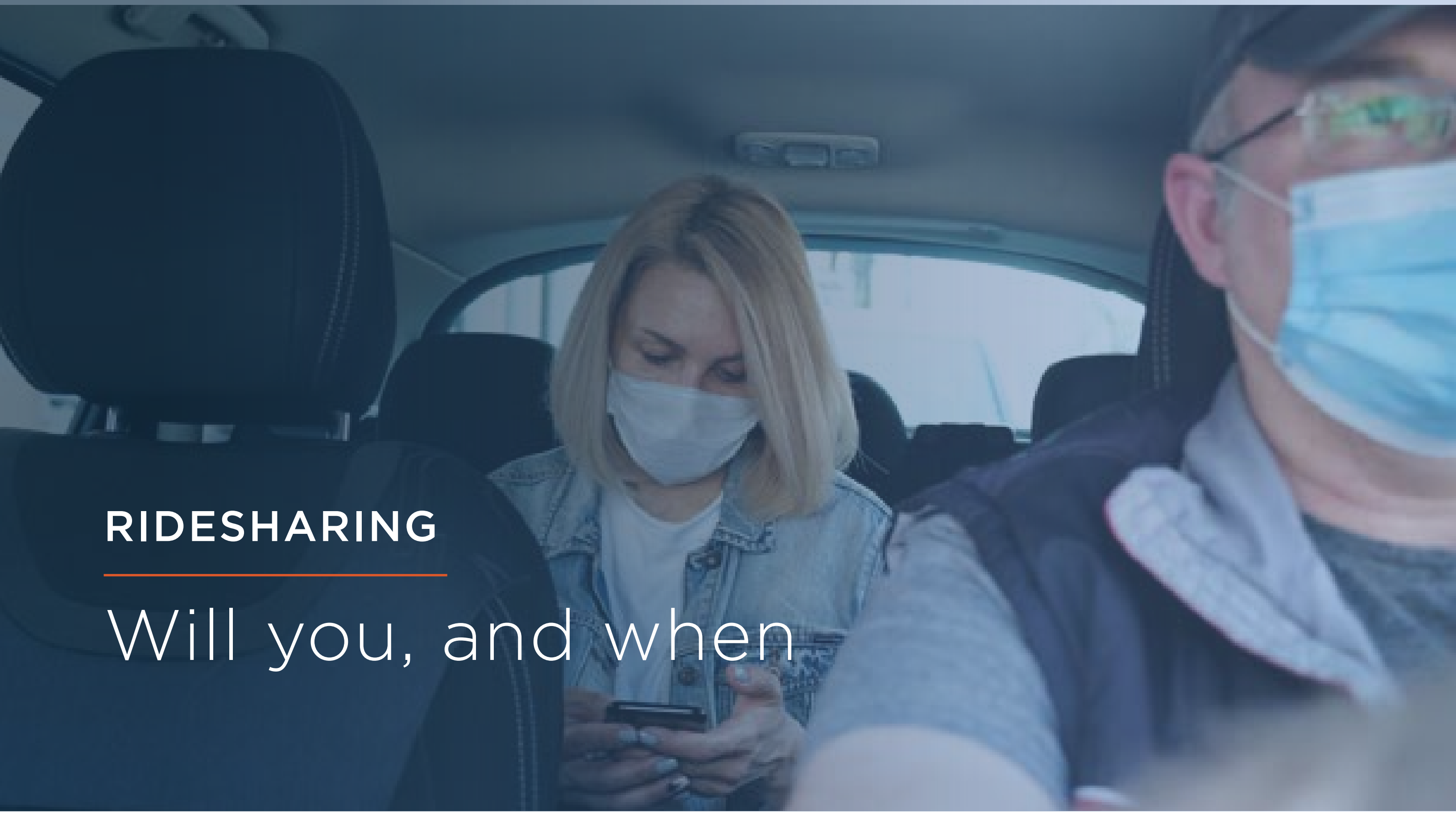
Getting travels back on the track

Cleaning and social distancing practices to make me feel very much/a lot more comfortable



IMPENDING IMPACT

Will health fears of rail travel – crowded subway cars, frequently-sat upon seats, stuffy carriage cars – make it harder for public transportation to come back post-pandemic? And with more people working from home, and liking it, what are the longer-term effects on public transit? What safety measures can trains implement that will prove most effective in encouraging travelers to come back?



RIDESHARING

Will you, and when

The pandemic is influencing ride-sharing, with just under four in ten no longer doing this. Cleanliness is no more important than measures like physical barriers, isolation periods for vehicles or proof of driver vaccination. And there is a cautious attitude towards car-pooling, which seems set for a slow return to pre-pandemic levels.

6 IN 10 REMAIN CAUTIOUS ABOUT RETURNING TO THESE CAR-POOLING OR TAXI-ING WITH STRANGERS, SAYING THEY WON'T DO SO FOR A WHILE

PROOF OF A DRIVER'S VACCINATION IS NO MORE APPEALING THAN BASIC CLEANING MEASURES AS FAVORED MEANS TO REASSURE PASSENGERS

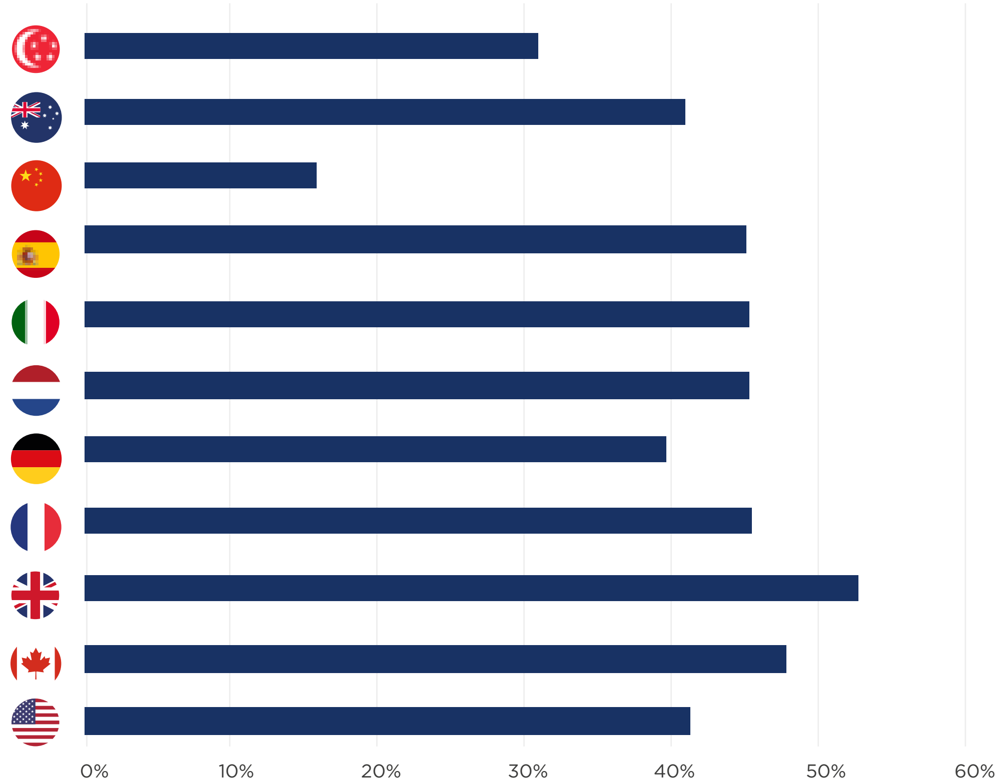
Cleaning measures are more popular

Little interest in paying more for a cab that hasn't been used in the previous 72 hours

During the pandemic, around four in 10 of those who used to ride in taxis or Ubers are saying they no longer do so. Thirty nine percent of those who used to ride as the only passenger are no longer doing this now, ranging from a high of 53% in the UK to a low of 16% in China. For those who use to ride with others, in an "Uber pool" type arrangement with strangers in the car, 37% of those are no longer doing so.

Taxi/rideshares usage

Frequent ridesharers no longer using taxis/ride share, by country



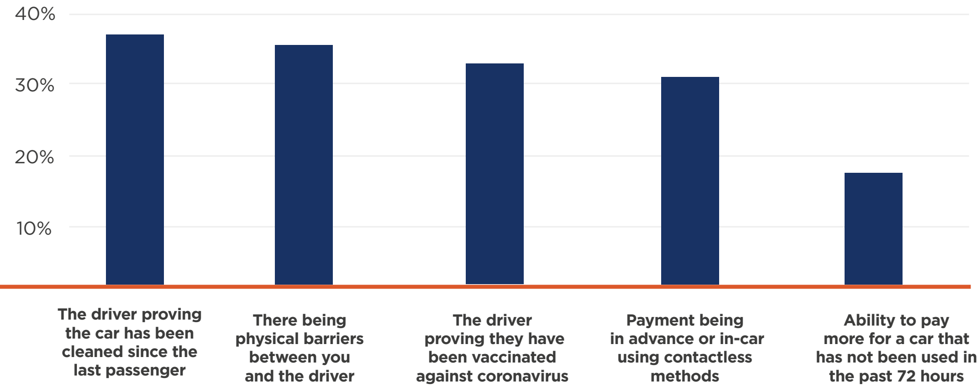
Looking at getting a ride from someone who is not expecting to be paid to carry you, and where you are the only passenger - 34% are no longer doing this. For those who rode in a carpool with people they know, 38% are no longer doing so, while 28% of those who used to ride with strangers have stopped.

For those who took cabs or used Uber-type ride share services but are no longer doing so, there was no single standout safety measure that riders said would make them feel most comfortable about returning. The most popular measures selected was proof by the driver that the car had been cleaned since the last passenger – 38% indicated they would feel very much or a lot more comfortable, with a high of 61% in Spain and 49% in Italy – and 37% saying physical barriers between passenger and the driver would make me feel very much or a lot more comfortable, with a high of 53% in Spain, 45% in Italy and 44% in France, while China (28%) and Australia (29%) are at the low end.

Across all countries studied, 34% would feel very much or a lot more comfortable if the driver showed proof of vaccination, ranging from a high of 46% in Spain and 44% in Singapore to a low of 23% in The Netherlands. Just 17% say the ability to pay more for a car unused in the past 72 hours would make them very much or a lot more comfortable, bookended by a low of 11% in the Netherlands and a high in Spain at 29%.

Getting back on the road?

Comfort/safety measures to make riders feel very much/a lot more comfortable

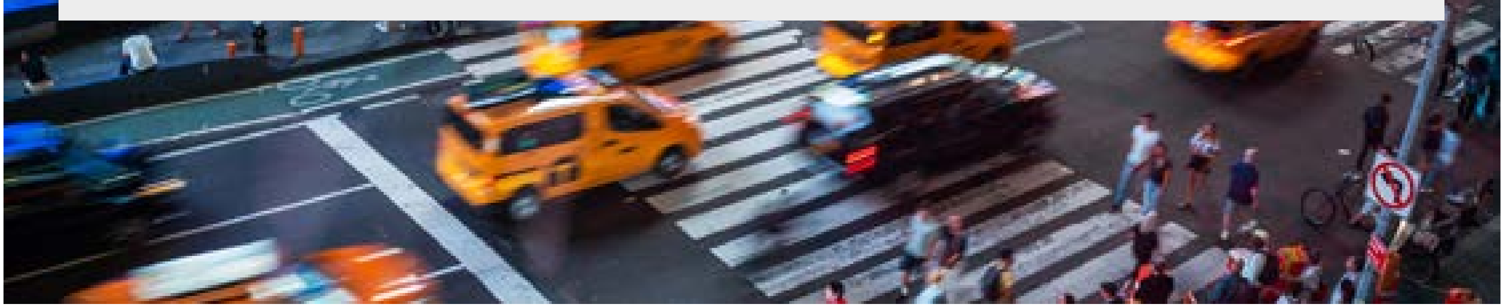


When it comes to returning to carpooling or Uber pool with strangers, for those who used to do it but now no longer do, it's a similar pattern to what we saw last month when we asked about the return to live entertainment: people are not planning to rush back. **Only 8% said they would return to carpooling right away; 20% quite soon; and 60% will wait a while after measures are relaxed, with Singaporeans at 69% and Chinese at 68% most likely to choose this cautious option and Italians at 48% and Americans 49% least likely to. However, as we found with returning to live entertainment, most plan to resume carpooling at some point (88% will do so.)**

There has been a belief that Uber, Lyft and similar options might transform the way we think about transportation, leading to decreased levels of car ownership. The pandemic may change that, either temporarily or for the long term. A recent report from BCG predicts a change in mobility behavior towards private vehicles, with people feeling that private cars are safer, while a recent DePaul University study suggests that the road to recovery for mass transit and ridesharing may include partnerships for expanded and/or more personalized services. Given that more of us will be working from home, the economy will take some time to recover and gas prices may remain low, mass transit might have to eliminate less-used routes. Ridesharing partnerships could help fill those gaps.

IMPENDING IMPACT

How can ride-sharing services convince consumers of their safety? Could cleanliness concerns on taxicabs and Uber or Lyft cause people to take longer to return to pre-pandemic usage levels? And if more of us work from home, is carpooling an endangered practice? Will partnerships develop between these companies and public transportation, to the benefit of both?



DINING OUT

Not Quite Ready

FINE DINING

For restaurants of all kinds – fine dining, casual seating, or fast food – recovery looks to be slow. The most regular customers should come back quicker than most. Diners are expecting restaurants to help them look after themselves, enforcing rules and providing sanitizer and other cleaning supplies. And consumers are firm – if you don't put protective measures in place, recovery will take longer.

RECOVERY WILL NOT BE IMMEDIATE

Two-thirds of core customer base (often or occasional users) will return within a month

Rest of core within 3 months

Irrespective of restaurant type (Fine, Casual or Fast Food)

HELP ME TO LOOK AFTER MYSELF

You enforce strict social distancing

You wear masks

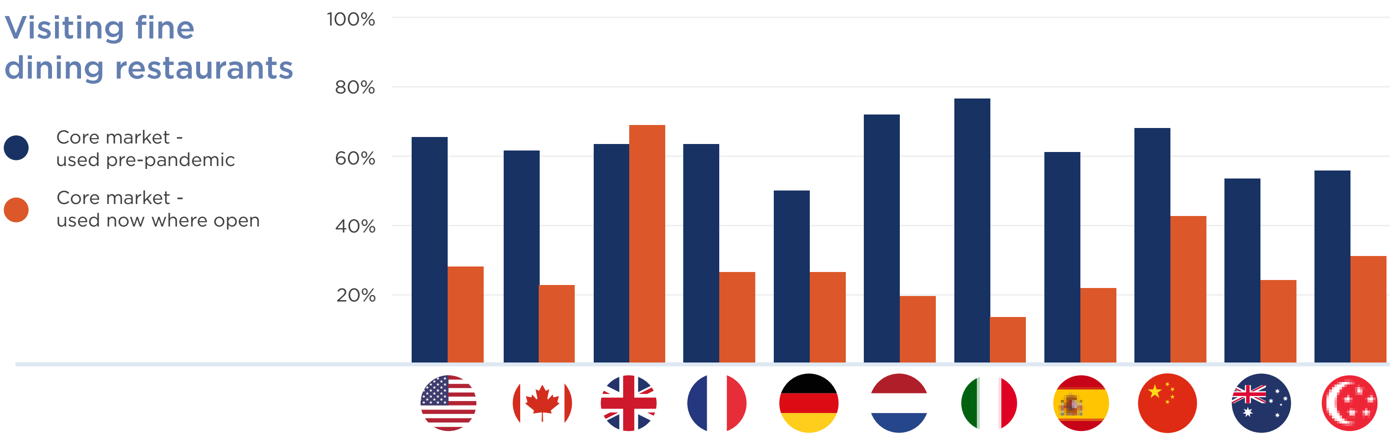
You provide cleaning/sterilizing equipment for me to use

THESE PROTECTIVE MEASURES ARE A MUST HAVE, NOT A NICE TO HAVE

Without them recovery times are extended

Prior to the pandemic eight out of 10 participants reported dining out at a "fine dining" restaurant – that is, one that has a higher quality of food, atmosphere and service – at least rarely. Half classified themselves as doing so "occasionally" or "often." with 13% choosing "often." By country, this ranged from a high in Italy (90% ever, 25% often) to a low in Germany (55% ever, only 7% often). Overall, out of all who ever use such restaurants, two thirds are in the core market of "often" or "occasional" use.

Lockdowns hit the fine-dining (and restaurant) sector particularly hard in many countries, but as of early June 2020 we already see these establishments beginning to re-open. **Nearly six in 10 Italians report fine dining restaurant open in their area, and half of Dutch and French participants also report their restaurants are open.** Approximately a third of Americans, Germans, Spaniards and Australians reported their restaurants were open; only the UK and Singapore (at 6% and 8% respectively) remain in near total lockdown.



Being open does not necessarily mean being used, however; in Italy, for example, under one in five are currently going out to restaurants where they are open.

Overall, across all countries, we see just under three in 10 (28%) of those who ever use fine dining restaurants using them where they are open. Countries around that average are the USA (28%), France, Germany (both 27%), Australia (25%) and Spain (24%). Below them we find Canada (22%) the Netherlands (20%). Topping the list for restaurant usage is China, at 46%.

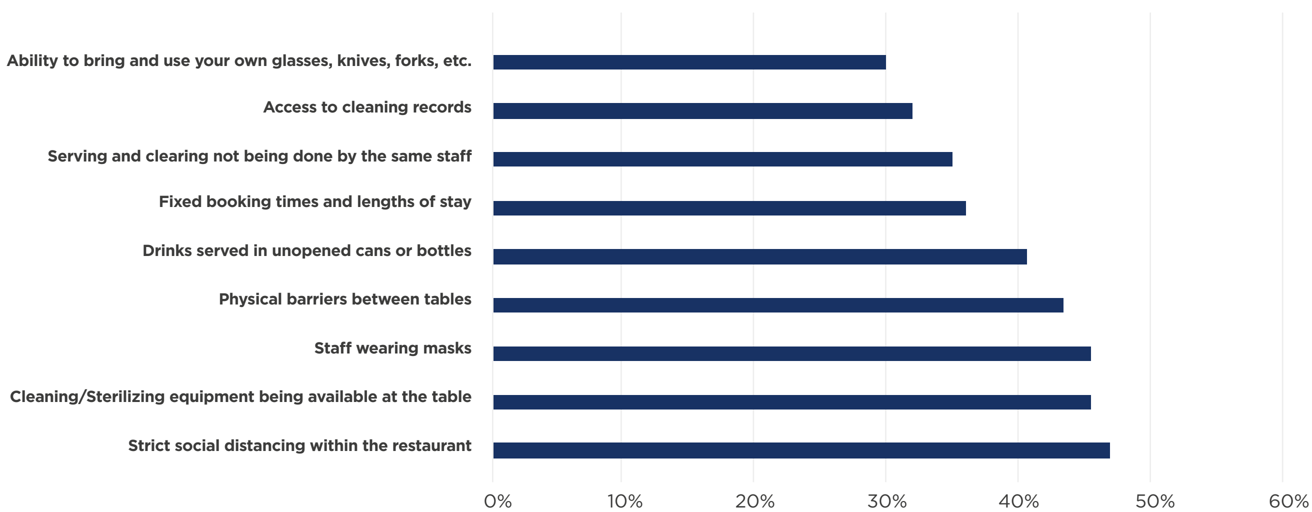
We observe a similar proportion (29%) saying they will return within one month after fine dining restaurants re-open in their area, a little under half of the “core market.” Within 3 months almost all the core market will have returned. 61% of all who ever use feel they will be eating out at a fine dining restaurant by then, this is 96% of the core market figure of 64%. Italy and the Netherlands may lag slightly. In the Netherlands 72% of the core market looks to return within 3 months, in Italy this is 82%.

The key to getting a faster return to normal levels of business is likely to change business practices so that consumers feel better about dining out. Unfortunately, there is no single “cure all” consumers agree upon; the average person chose 3.6 of the 9 solutions we offered, and many of the solutions will impact the number of customers who are able to be catered to.

Just under half (47%) of those who ever use fine dining restaurants, in areas where they are not yet open, would be very much more or a lot more comfortable using them if strict social distancing measures are introduced within the restaurant. This was just slightly more effective than having staff wearing masks (45%) or having cleaning/sterilizing equipment at the table (also 45%). Physical barriers between tables were next most popular as a comforting measure (43%), followed by serving drinks in un-opened bottles (41%). Even the ability to bring your own glasses or cutlery was selected by just under one in three as a comforting measure.

Getting comfortable dining out

Cleanliness and social distancing measures to make diners very much/a lot more comfortable



Should such measures be put in place we see an increase in the numbers who say they would return within the first month, from 46% of the core market to 60%.

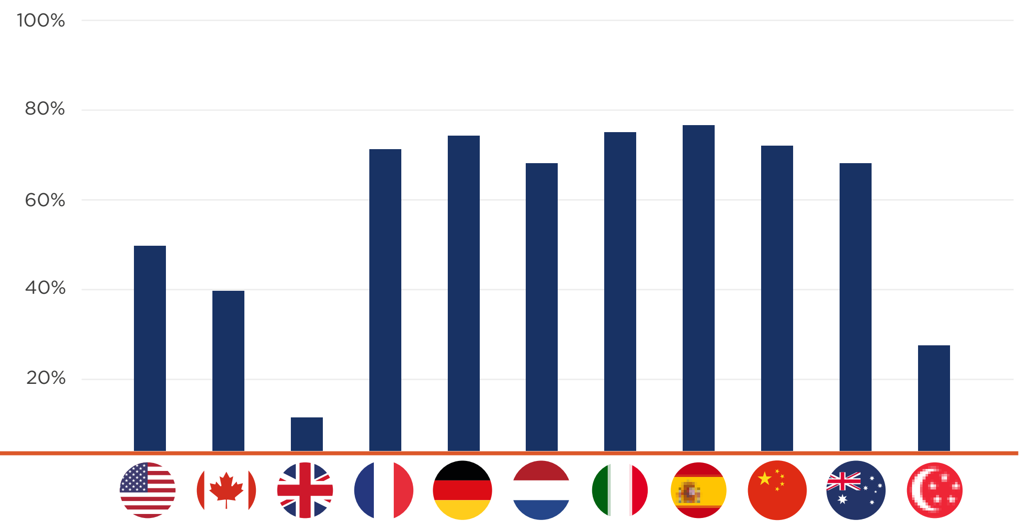
CASUAL DINING – A FASTER RETURN?

Prior to the pandemic over nine out of 10 participants were ever using casual dining restaurants (those with moderate prices, faster service and a casual atmosphere) at all. A quarter reported having used them "often" with just under a half saying "occasionally." This ranged from highs in China (97% ever, 34% often) and Spain (95% ever, 34% often) to a low in the Netherlands (84% ever, 12% often).

Today, outside of the UK and Singapore, casual dining restaurants are largely open for business. Spain has the highest percentage reporting they are open at 76%, followed by 75% in Italy and China, and Germany at 74%. France, the Netherlands and Australia are just behind at 69%, 67% and 67% respectively; in the USA the figure is 56%, and Canada is at 40%. Even in Singapore a third (34%) report casual dining restaurants are open, compared to just 12% in the UK.

Casual dining open for business?

Casual dining restaurants open in my country



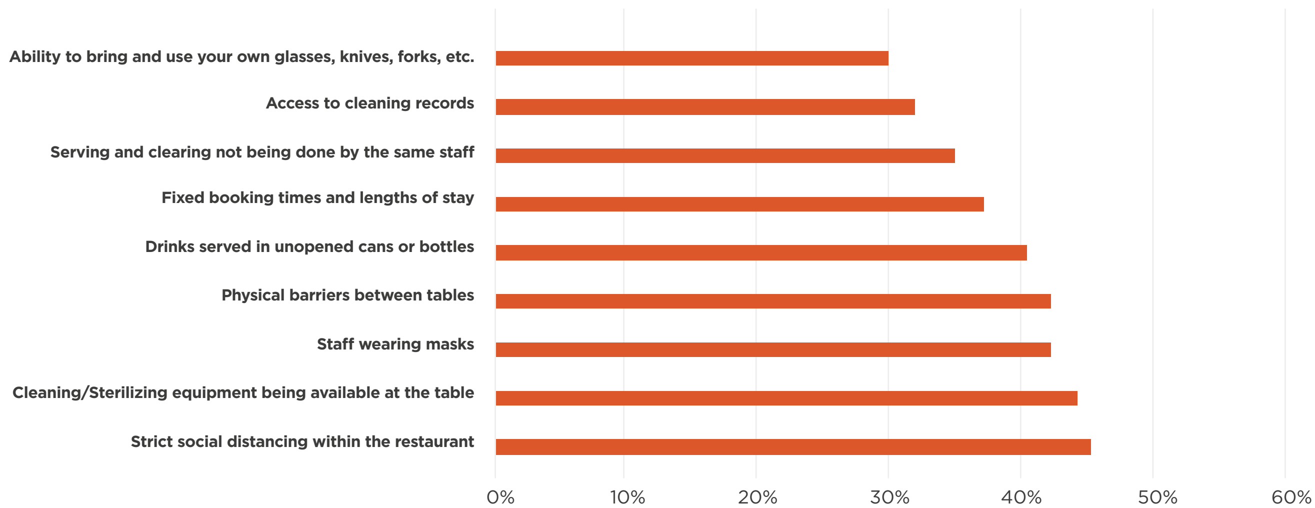
Nearly four in 10 of those who ever use casual dining restaurants, in areas where they are open, are currently using them today. This is roughly half of the number of people who would, pre-pandemic, have visited them "often" or "occasionally."

When we ask about visiting these establishments when they reopen, we see a similar picture. Few (about one in 10) say they will use them immediately, with around a third saying it will be within a month. Within three months, casual dining restaurants should recover about 80% of their pre-pandemic business.

As with fine dining establishments, implementing business practices that take account of the pandemic and make people feel more comfortable, should (in theory) speed up a return to full usage. **When asked which practices would make them feel more comfortable, strict social distancing within the restaurant was most endorsed, and yet just under a half (45%) said this would make them feel very much or a lot more comfortable.** This was closely followed by cleaning/sterilizing equipment being on the tables (44%), and staff wearing masks and well as physical barriers between tables (both at 43%).

Stricter approach for casual dining?

Measures casual dining restaurants can adopt to make me feel very much/a lot more comfortable



With those required measures in place, we do see an increase in the number of people who say they will go back to casual dining earlier, within a month, with the percentage of core customers returning rising from 41% to 47%.

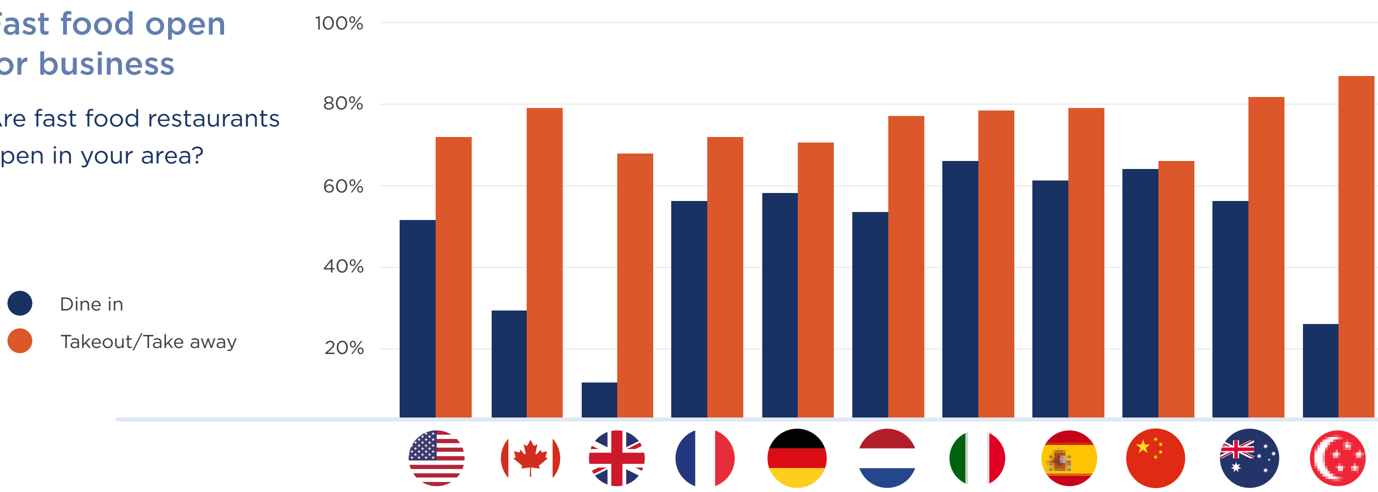
FAST FOOD – DINE-IN OR TAKEOUT

Almost nine out of 10 used fast food dine-in restaurants at all pre-pandemic, with two thirds of them "often" or occasionally" patronizing these establishments.

Today, one half of all participants report these types of restaurants are open in their area, with highest numbers in Italy (72%), China (68%) and Spain (61%). Once again, UK restaurants are the most "locked down," with just 11% reporting these restaurants as open. Usage, where open, is low at a third.

Fast food open for business

Are fast food restaurants open in your area?



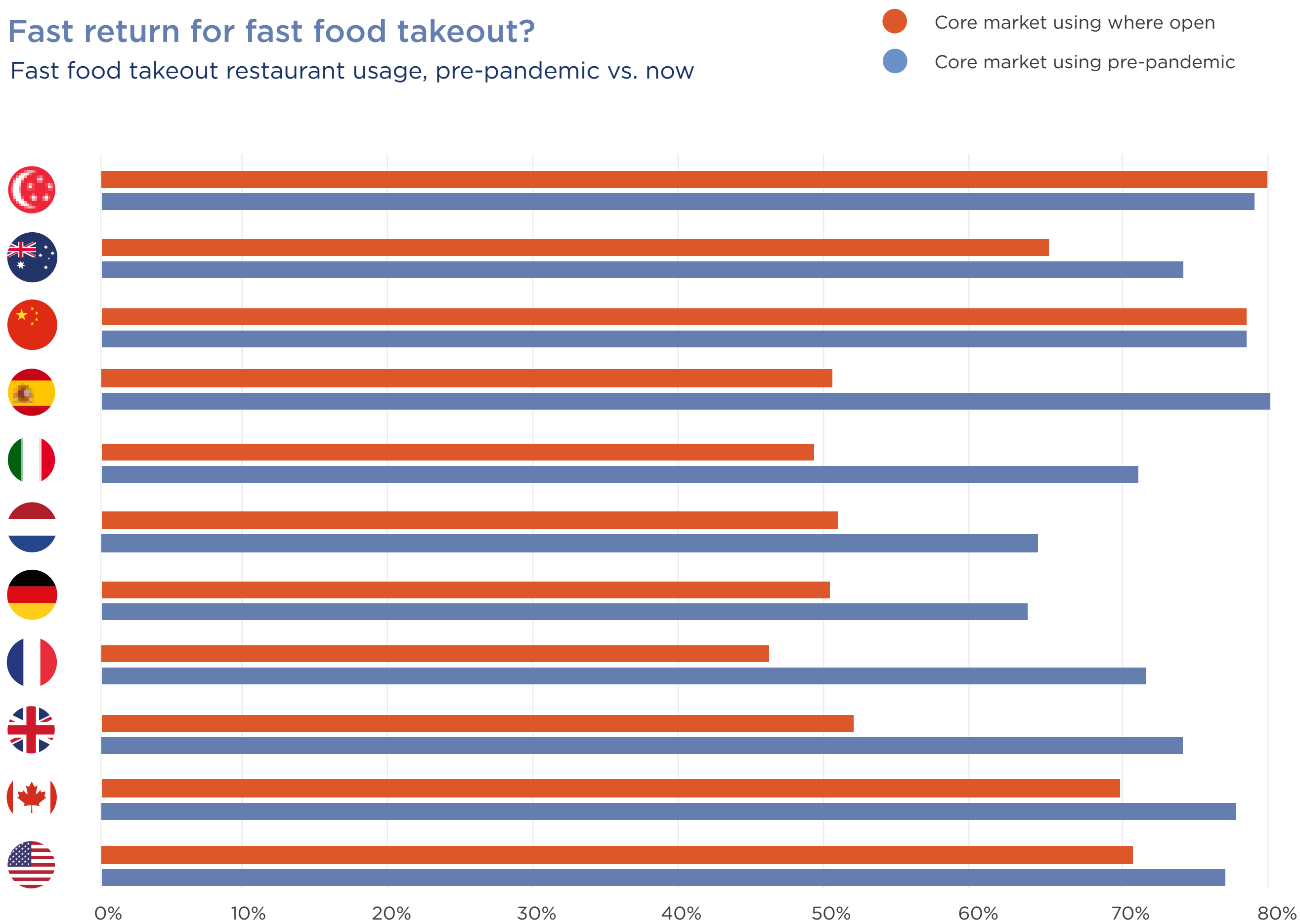
And, like their fine dining or casual dining cousins, they share some of the same solutions sought by consumers to encourage usage. This includes strict social distancing, staff wearing masks and cleaning/sterilizing equipment available at the table, along with physical barriers between the tables. Our data suggest that the right practical implementations put in place could help demand return to pre-pandemic levels within three months, and that within the first month about 60% of users might return.

As for fast food takeout or take-away restaurants, the core market pre-pandemic was approximately two thirds of the population using their establishments often or occasionally. Unlike other categories, these restaurants have largely remained open during the pandemic, with **77% of survey respondents saying they are open in their local area.**

Despite this, usage has not been universal, and is less than the core market. **Where open, only about 60% of people who ever used fast food takeout/take-aways restaurants are using them, compared to the 74% who used them pre-pandemic.** Higher than average usage rates are seen in Singapore (80%), China (78%), the USA (71%) and Canada (70%), while lower levels of usage were reported in Italy (49%) and France (46%). It is likely that the temporary closure of other businesses – bars, nightclubs, etc. – normally allied to takeout restaurants is having an effect, as is the closing of offices (and the diminished lunchtime trade).

Fast return for fast food takeout?

Fast food takeout restaurant usage, pre-pandemic vs. now



Takeout restaurants can likely expect a faster return to normal than sit-in restaurants. Just under two thirds of their core business expect to return within the first month of reopening or relaxed lockdown.

Return rates will be slightly higher, perhaps 65% within the first month, if social distancing and safety measures are put in place. These would include strict social distancing in queues, with just under half feeling more comfortable visiting a takeout establishment if in place; this is followed by requiring masks for staff (44% feeling more comfortable) and cleaning/sterilizing equipment being available at the counter (43%). Separating the entrance and exit from such establishments (if possible) would also be a comfort to 44%.

IMPENDING IMPACT

How can restaurants educate patrons on proper social distancing etiquette and cleanliness practices? Could there be a "recommended" level of cleanliness that becomes a competitive edge for restaurants? And will consumers be willing to take on any additional cost of new cleanliness and sanitizing measures? Could the success of fast food takeout restaurants prompt other establishments in different sectors to adopt take out as a viable option?

GYMS

Exercising Caution

Gyms and fitness centers are opening with caution, and consumers seem equally as cautious about returning. Enhanced cleaning, attendance restrictions and social distancing are most desired to make people feel comfortable about returning to work out.

CLEANING AND SOCIAL DISTANCING ARE THE MOST REASSURING MEASURES WHEN IT COMES TO RETURNING TO GYMS. A MUST HAVE, NOT A NICE TO HAVE

ONLY 1 IN 5 ARE COMFORTABLE RETURNING AS SOON AS THEY ARE ALLOWED

Almost a third say they're not at all comfortable

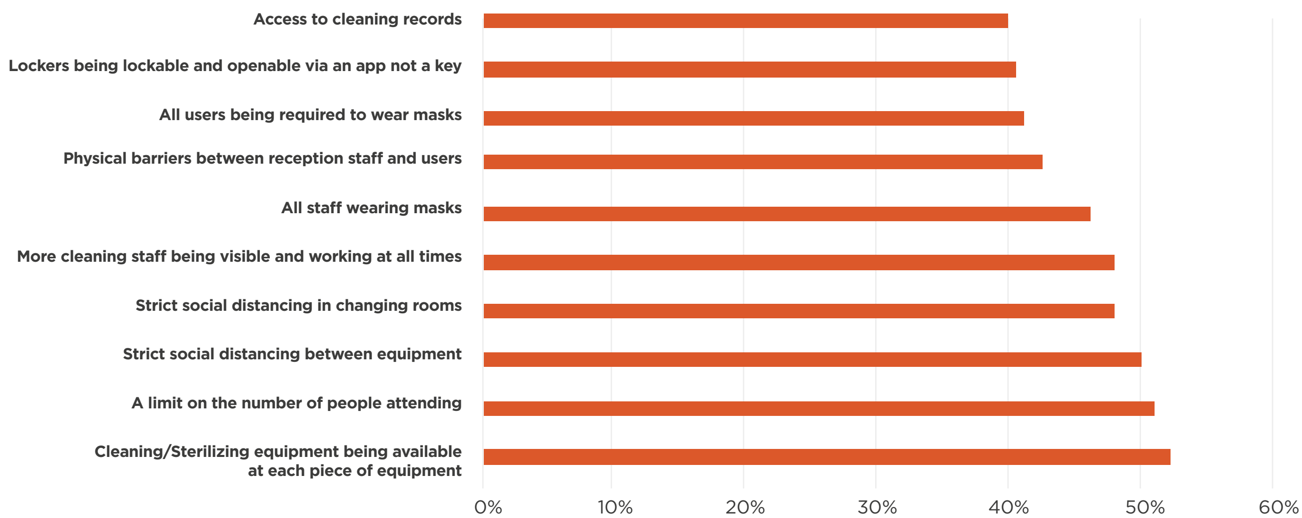
Prior to the pandemic, 54% of people reported using a gym, with some expected variations by generation: 73% of GenZers go to gyms, while 39% of Baby Boomers report the same. **Today, four in 10 report that gyms are open in their area, and 43% of those who live in areas where gyms are open are now using them.**

However, continuing the pattern of a cautious approach to returning to activities outside the home, **fewer than one in five say they would be totally or very comfortable returning to a gym as soon as it opens in their area. three in 10 say they wouldn't be at all comfortable, and 6% say they will never go back.**

When asked what could make them feel "a lot more" or "very much more" comfortable returning, potential gym-goers ranked the provision of cleaning/sterilization equipment at each piece of equipment as the most important (53%), followed by limiting the number of people admitted (52%). Half cited social distancing between equipment, 48% chose social distancing in changing areas and locker rooms, and a similar number named visible cleaning staff in the facility. Staff wearing masks (47%), barriers between gym-goers and staff (44%), users required to wear masks (42%), "no touch" app-based locker door functionality (41%) and access to cleaning records (40%) were also cited.

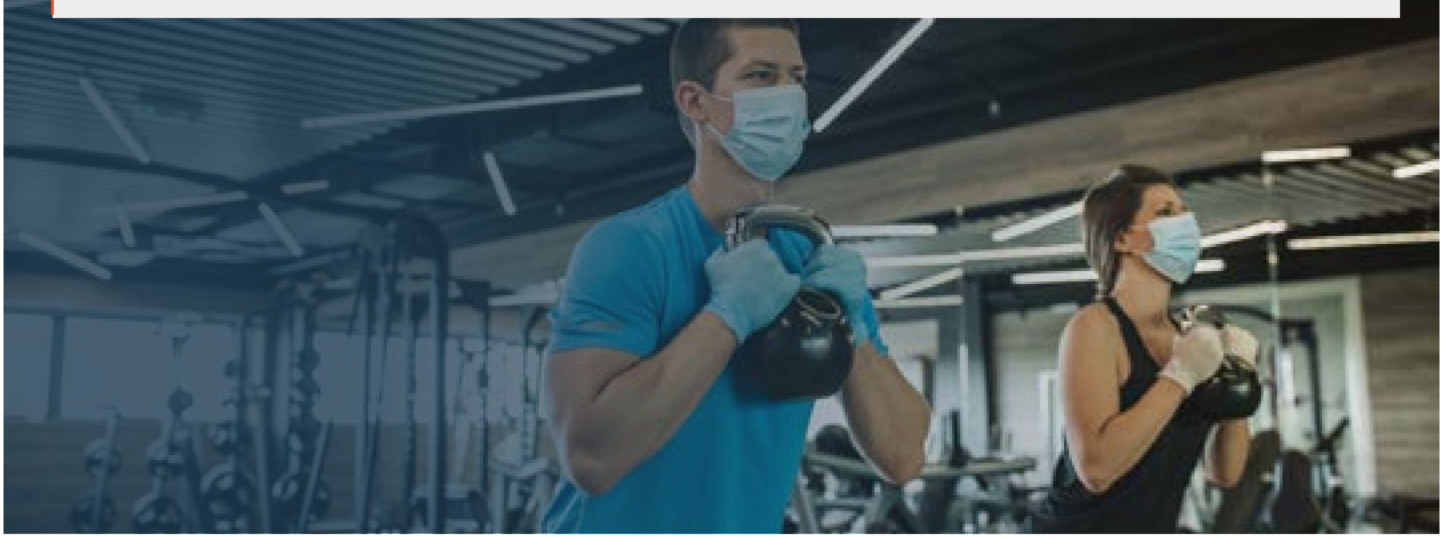
Exercising in a new world

Cleaning and social distancing measures to make gym-goers very much/a lot more comfortable



IMPENDING IMPACT

How realistic is appointment exercising for gyms with large member populations? Will gyms and fitness centers – perhaps the most "high touch" environments available – ever truly recover? And what could this mean for the boom in home-based workout equipment, training and technology?



SMALL BUSINESSES

Primed for Comeback?

Perhaps hardest-hit by the pandemic, small businesses could be primed to bounce back – if consumer sentiment is any indication. Many people agree they have a social obligation to support them and want their government to support them as well. This is consistent across geographies and generations, but it remains to be seen if good intentions will persist post-pandemic.

SMALL BUSINESSES ATTRACTING THE SYMPATHY OF CONSUMERS DURING PANDEMIC

Calls for government support to be aimed more at small businesses

Consumers intend to favor small businesses post-pandemic

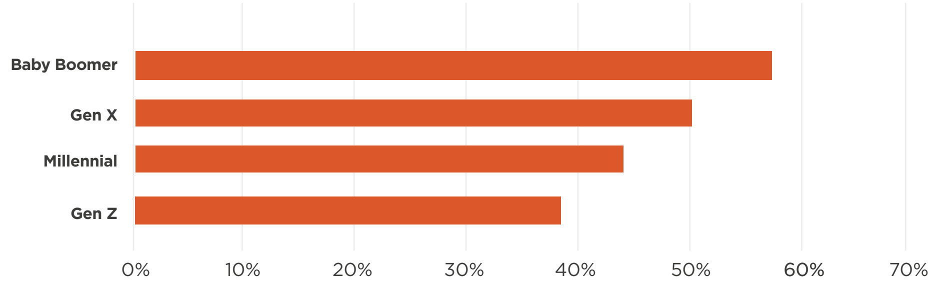
Prior to the pandemic, nearly four out of 10 consumers (36%) agreed that they would always choose a small business to deal with over a large company, led by France, at 45% agreement.

Today, no category has been harder hit by the pandemic than small business, and there is widespread consumer sympathy over their plight. **Half of consumers in our survey agreed that they felt obligated to help smaller businesses survive, rather than larger companies.** There is little variance across country, with Australia as the outlier at 61% agreement and China on the low end at 38% agreeing.

This attitude is more strongly held by the older generation than by the young, with 57% of Baby Boomers agreeing they felt this obligation, compared to just 38% of Gen Z. Millennials and Gen X placed between these two extremes, at 45% and 50% respectively. Interestingly, the generations had little variation when it came to actively choosing small businesses over larger ones, pre-pandemic.

Obligation to help small business

Feeling obligated to help small business, by generation

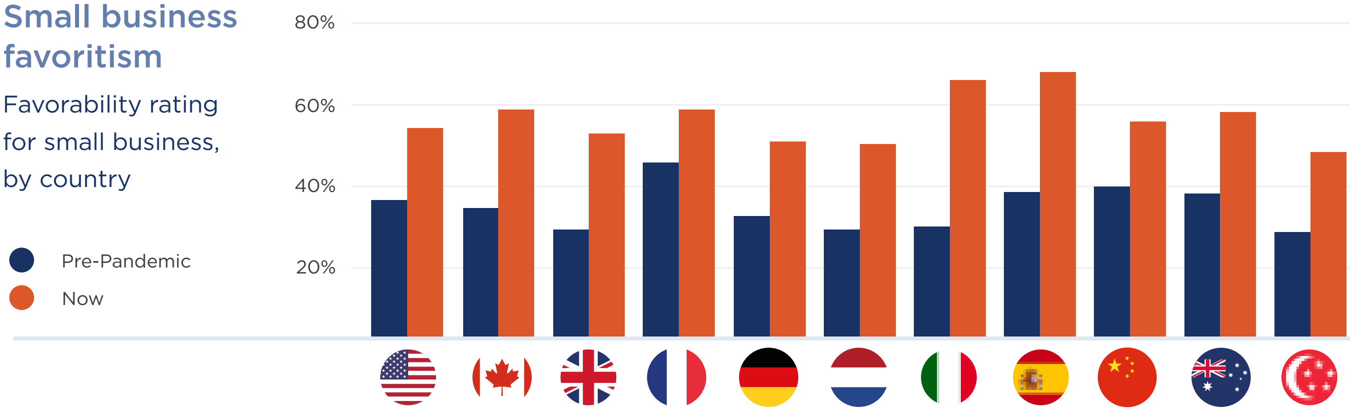


The generations are also in agreement over where the government should concentrate its economic support efforts – on small businesses, rather than large – with over half (54% in total) agreeing with this statement. In no country was this a minority position to hold, and only just over one in 10 (13%) actively disagreed with this idea.

Of interest, our survey shows consumers clearly intend to carry this sympathy through after the pandemic is over. **Post-pandemic, even more people (56%) agreed that they would favor smaller businesses wherever they could (up from 36% pre-pandemic) and increases were similar across all countries.** Similar double-digit percentage point increases were observed across generations as well 34% to 50% for GenZ; 37% to 55% for Millennials; 33% to 55% within GenX; and 38% to 60% of Baby Boomers.

Small business favoritism

Favorability rating for small business, by country



IMPENDING IMPACT

With consumer sympathy and calls for government support at their back, will small businesses weather the storm of the pandemic? What role can small businesses play in reinforcing the social obligation consumers feel to help them return? How can they encourage the fealty of younger generations while holding onto that of older generations?

AUTOMOTIVE

Pandemic is Slowing Car-buying Intentions

People still plan to buy cars but are delaying their plans and rethinking the type of car they will buy when they do. Decisions on make, size, price and features are being reconsidered. And while most people still intend to follow through on their intention to buy a car, those who changed their mind overwhelmingly cite COVID-19 as the reason.

INTENTION TO BUY REMAINS, BUT IS DELAYED BY THE PANDEMIC

Buyers seem to be in “wait and see” mode

24% plan to buy in next six months

OLDER GENERATIONS MORE LIKELY TO CHANGE BUYING PLANS

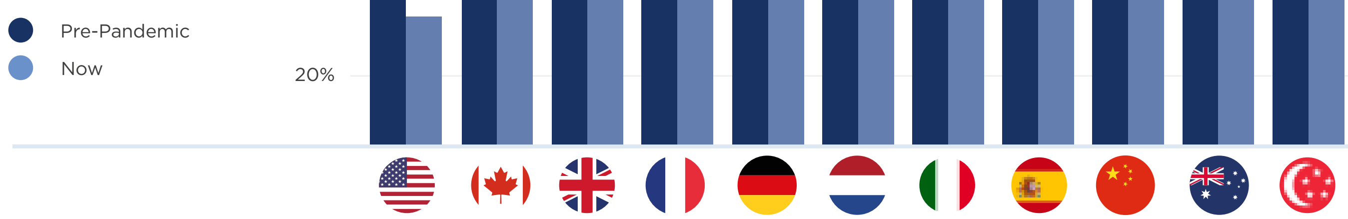
PANDEMIC IS NO. 1 REASON FOR ANY CAR BUYING CANCELLATIONS

In a June 1 report, BCG predicts that automotive sales most likely will decrease 14-22% among Chinese, US and European markets in 2020. BCG also predicts a change in mobility behavior, with people feeling private cars are safer.

Dynata’s research shows that people have similar intentions to buy cars as they did before the pandemic but are delaying the decision. For example, 71% (pre-pandemic) intended to buy a car in the next 12 months, this figure is now 61%. Intention to purchase between June and September 2020 was 19%, now it is 15%.

Car-buying intentions

Intend to purchase a car, next 12 months



There does appear to be an emerging "wait and see" intention in car buying. If people had carried out their intentions from before the pandemic, we would have expected to see 13% having bought a car by now – compared to just 7% who did so in our research. We would have also expected to see 43% telling us they intend to buy a car within the coming months, yet only 32% now give nine months as their time window, with an additional 15% pushing the window out to 12 months. The same number of people (35% then and 37% now) say they won't buy in the next 12 months.

Overall, 50% of those intending to buy intend to do so within the next six months. This ranges from a high of 68% in China to a low of 42% in the Netherlands and 36% in Singapore. Data gathered in the next three, six or nine months will show whether people have started acting on their initial intentions or are continuing to wait and see.

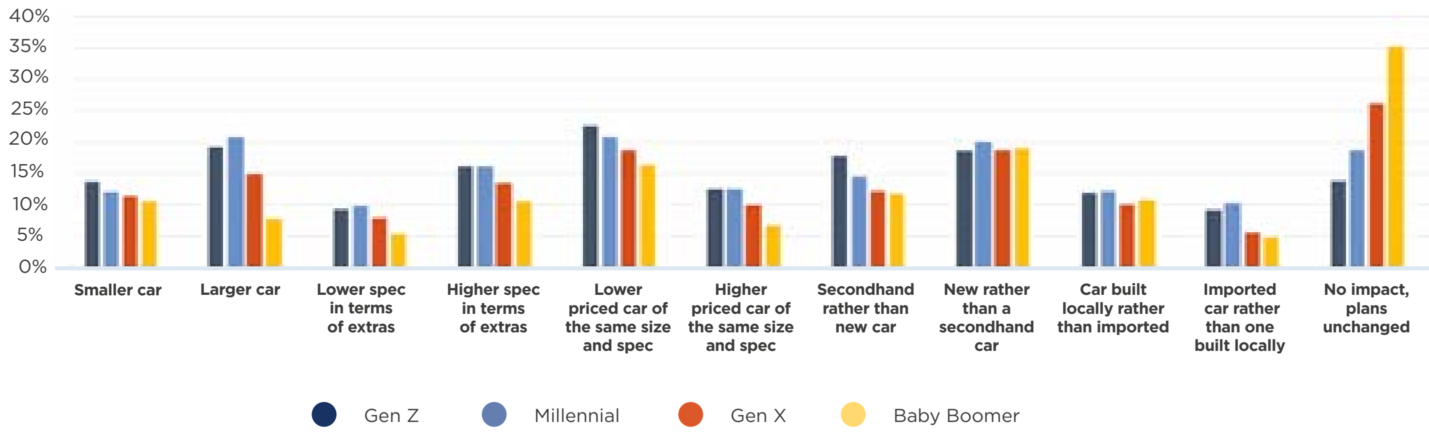
When it comes to COVID-19's effect on the type of car people will buy, 16% of those still intend to buy a car in the next year say they will now buy a bigger car. Similarly, 10% indicated they will buy a higher price car, and 14% say they will buy one with more extras. On the other hand, 8% will buy a car with fewer extras, 19% a lower price car and 12% a smaller car. So, people are reassessing the car they will purchase, but there is no clear direction in their decision-making. Interestingly, only 24% said there was no change in which car they plan to buy.

It may be that people feel they can now get a bargain since prices are low, so can now buy a better car, but at a lower cost. On the other hand, they may be feeling more cautious about their personal finances, and subsequently deciding to somewhat lower their expectations. Regardless of their timetable, however, we see no trend towards buying locally in the data, or vice versa. Only 11% have changed their plans to buy "local" (i.e., manufactured in their home country), rather than imported; a similar number (7%) have changed their plans in the opposite direction and intend to buy imported rather than local.

When examining purchase intentions by generation, older generations are less likely to have changed some aspect of their car-buying plans due to the pandemic – 35% of Baby Boomers have not changed their plans, 26% of Gen X, 19% of Millennials and 14% of Gen Z. Nineteen percent of Gen Z and 21% of Millennials say they will now buy a larger car than they planned to versus 8% of Baby Boomers. Younger generations are also now a bit more likely to buy a used car, rather than new, with 18% of Ge Z saying this, yet only 12% of Baby Boomers planning to do so.

Change in plans?

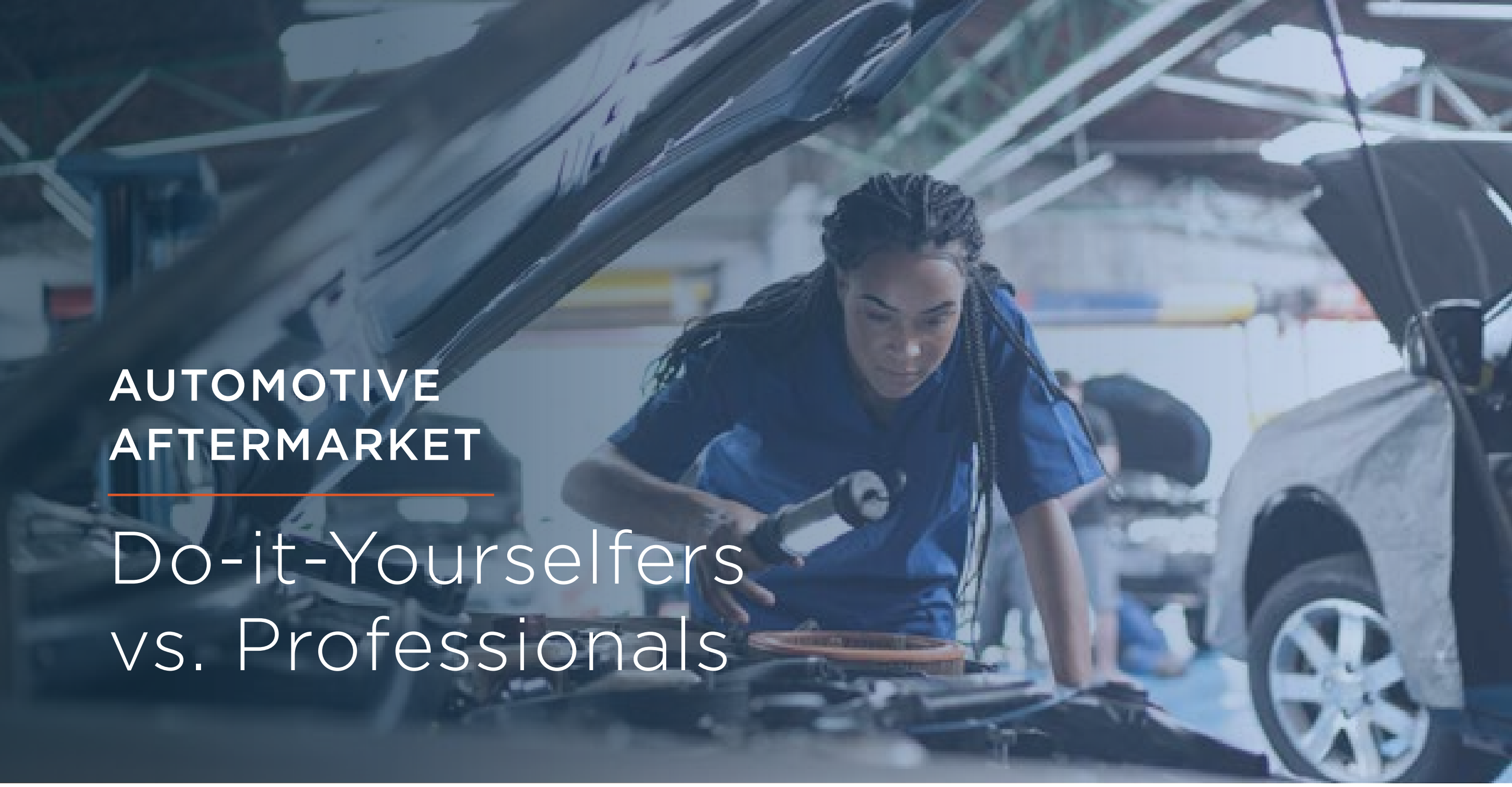
Changes to car-buying plans, by generation



Few people said they had cancelled their plans to buy a new car entirely, but of those who did, the pandemic was the overwhelming reason for the cancellation, cited by 88% of those surveyed.

IMPENDING IMPACT

With consumers delaying buying decisions, will car manufacturers and dealers consider extending existing or offering new buyer incentive programs? If economic worries are influencing buyers, will car companies advertise or market vehicles in different ways, emphasizing value or reliability over style and luxury? Could the declines in rideshare and public transportation usage drive consumer car buying?



AUTOMOTIVE AFTERMARKET

Do-it-Yourselfers vs. Professionals

With many of us at home, more consumers are doing auto repairs and upgrades on their own instead of seeking out professionals. But not many more – the automotive aftermarket sector is one of the few holding stable during the pandemic.

PANDEMIC RESULTS IN A NET SHIFT TOWARDS DIY OVER PROFESSIONAL AFTERMARKET

But not dramatically so, net 11% shift towards DIY

With many of us spending more time at home, there's been a net shift in do-it-yourselfers (DIY) versus professionals for upgrades or repairs to vehicles, aka automotive aftermarket, though less dramatic (just over 10%) than other industries during the pandemic. Post-pandemic, more than half of those using pros expect to continue doing so; almost the same number of DIY-ers expect to continue doing so as well.

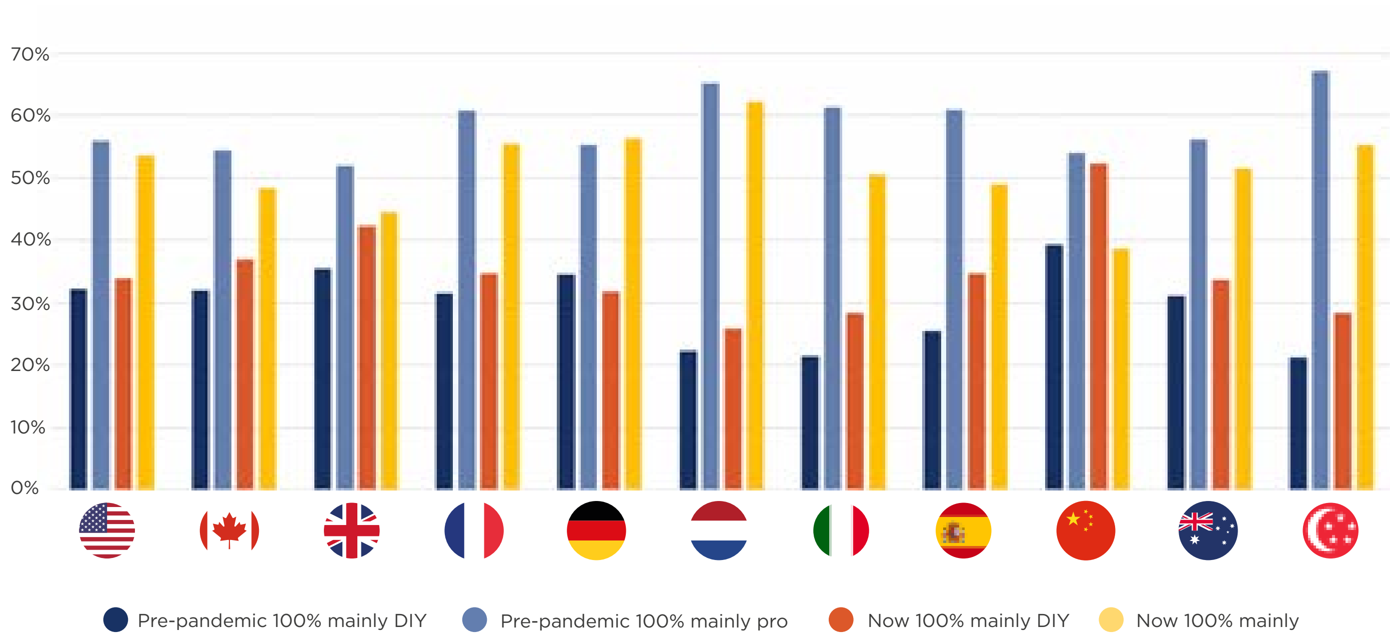
The automotive aftermarket encompasses two distinct categories: upgrading or replacing parts (e.g., upgrading a car stereo or adding alloy wheels); and ongoing, routine vehicle maintenance (e.g., replacing worn wiper blades, blown headlight bulbs, or changing out oil).

Dynata's survey focused on the latter category, done in a "do-it-yourself" (DIY) fashion or by a professional mechanic. In a time when automotive mechanic businesses may be closed, but routine maintenance is still required, has there been a shift towards DIY and will that shift be permanent?

Prior to the pandemic, many consumers (58%) leaned towards having these aftermarket tasks done by a professional. Meanwhile, three in 10 were either 100% DIY or mainly so. China (39%), the UK (35%), Germany (34%) and the US and Canada (32%) tended to the higher side for DIY, with Spain (24%), the Netherlands (22%) and Italy and Singapore (both 21%) being lower than average.

AUTOMOTIVE AFTERMARKET: DIY vs. Pros

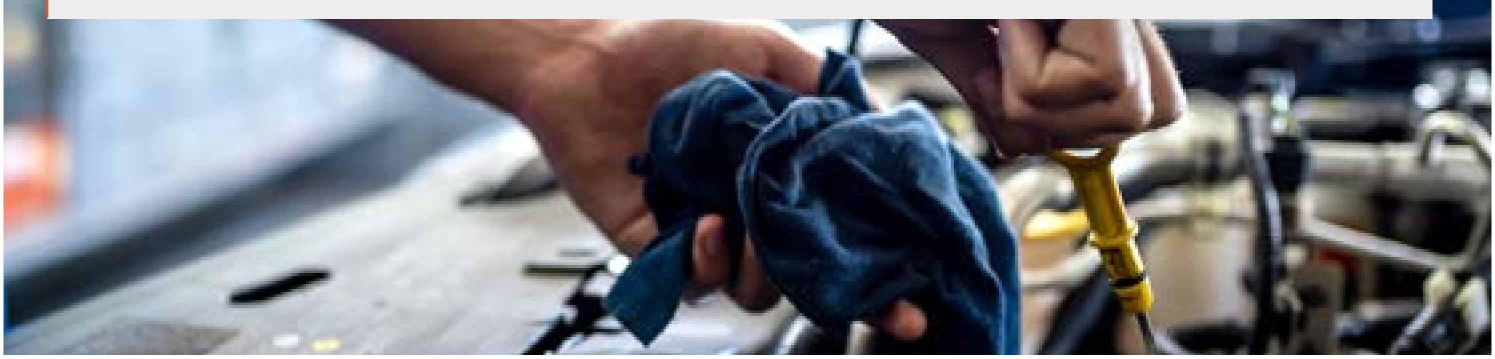
Changes in auto repairs/upgrades, DIY vs. professionals



Among those who report having more work by a professional mechanic, 57% intend to continue doing so and not return to DIY. For those doing more DIY, 54% intend to carry on. With more people shifting towards DIY work than towards professionals, we can conclude that the pandemic will likely mean a slight decline for the professional automotive aftermarket, but certainly not disastrous.

IMPENDING IMPACT

If the pandemic persists, will the professional segment of the aftermarket industry feel a greater COVID-19 effect than the DIY segment? And, with minimal impact on the industry, is the aftermarket sector one of the very few industries who can "stay the course" in messages and advertising?



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