

GLOBAL CONSUMER TRENDS

COVID-19 EDITION

THE NEW NORMAL



THE COVID-19 PANDEMIC HAS CHANGED OUR WORLD.

These drastic changes are causing an unprecedented shift in consumer behavior across all parts of our lives. In March and April, we explored the immediate effects of the pandemic in our Global Consumer Trends COVID-19 Special Report, examining some of the immediate and profound changes experienced by consumers – from the sources they were turning to for information, how fast they were pivoting to online shopping, and early expectations on when the pandemic would end.

Now, as many governments and businesses consider reopening and many countries are approaching or passing the first peak of infection, we're looking at changes in consumer behaviors and trends with a goal to help uncover which ones might be temporary, and which ones could become permanent. What do brands need to know to stay ahead of these consumer trends and meet their emerging wants and needs?

Our Global Consumer Trends COVID-19 Edition: The New Normal seeks to identify those changed consumer trends to help brands and agencies find insights on which might have long-term staying power. In times of unprecedented change, Dynata reports on new consumer trends across 11 countries as we all settle in to our COVID-19-influenced world.

METHODOLOGY

Dynata conducted 11,322 interviews between the 30th of April 2020 and the 2nd of May 2020 using its propriety 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.



HOME FOR WORK:

Will we go back to the office?

There's been a dramatic increase in people working from home. Having experienced it, most people don't want to go back to an external work environment. Two thirds say they're just as or more productive at home.



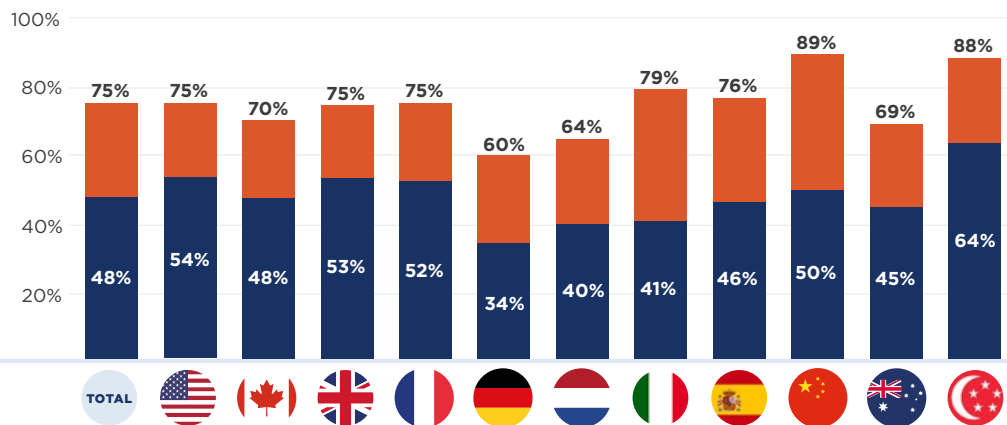
IMPENDING IMPACT

As more people embrace a work from home model, will companies still invest in full office space? Is there a potential impact on commercial real estate industry and urban planning - fewer office visits might mean new terms for office leasing, fewer cars on the road, or maybe a drop in public transportation usage? And will we need to redefine concepts of collaboration, teamwork and the classic office environment?

The impact of COVID-19 on people's working lives has been dramatic. In our latest results we see considerable variation by country, as well as by age and income, on just how dramatic the changes have been.

Dramatic increase in people working from home since start of pandemic

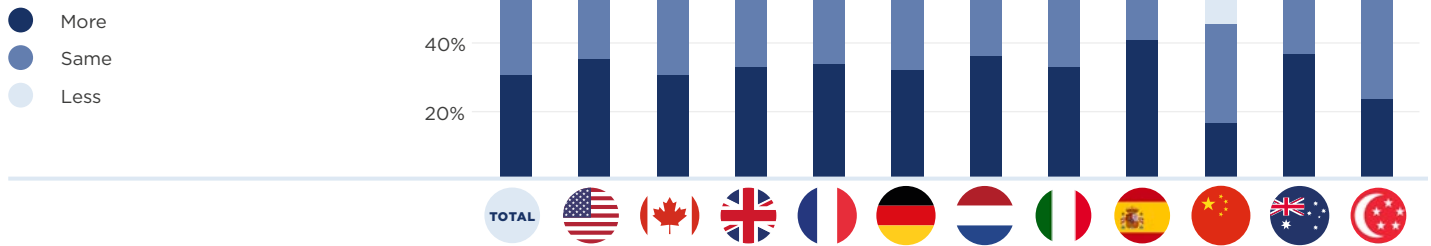
- All the time
- Some of the time



In China, nearly **nine in 10 working people** are doing so from home at least some of the time, as are 88% of those working in Singapore, 79% in Italy, 76% in Spain, and 75% in the USA, UK and France. At the lower end, 70% in Canada, 69% in Australia, 64% in the Netherlands and 60% in Germany are doing so.

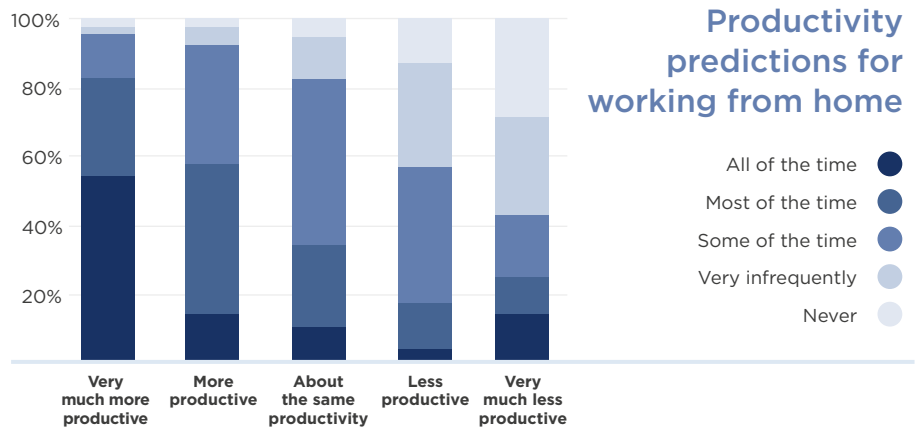
Are people more productive when they work from home? Overall, **just under two thirds report they are just as, if not more, productive at home than they were in the office (31% more productive, 31% just as productive)**; 38% percent believe they are less productive. Americans have the highest opinion of their productivity from home, with 18% saying they feel very much more productive, compared to 10% overall. China, on the other hand, stands at the other end of the scale, with less than half feeling they are as productive or more so now than when they worked outside the home, and just 3% say they are very much more productive.

How productive are you when working from home vs. working in an office?



Not surprisingly, those who feel very much more productive at home are the ones most likely to want to continue to work from home all the time (55%). But the benefits of working from home don't appear to be limited to just productivity, as 43% of those who say they are very much less productive at home still want to work from home at least some of the time. Surprisingly, a quarter of those who say they are very much less productive at home still want to work at home all or most of the time when the pandemic is over!

Certain types of jobs are more conducive to working from home, so it's no surprise that people who previously worked from home all the time are most likely to feel that working from home makes them as productive or more so than being away from home. **However, more than half (55%) of those who have never worked at home before say they are just as productive or more so than they were previously.**



Our questions about the benefits of working from home were asked fully six weeks after most countries went into lockdown - some have been in lockdown for much longer. Therefore, we believe the results don't appear to reflect just the novelty or "honeymoon period" of working from home, but rather suggest that - in the minds of many workers - working from home is a productive option for the long term.

These results suggest that, contrary to prior belief, many more types of jobs are good candidates for a work-from-home approach. This has ramifications for the office of the future and for the roles of managers, workplace cooperation, teamwork and more.

Those in higher income brackets are more likely to be working from home full-time during the pandemic (57%), compared to 42% of those in the low-income range. Those with low income are over 60% more likely to be still going out to work (29% are doing this compared to 18% of those with high income). **High income earners self-reported feeling slightly higher levels of greater productivity than those with low income (63% vs. 58%).**

There is enthusiasm for switching to working from home across all income ranges, with 75% of those with low incomes wanting to work from home at least some of the time, 72% of those in the medium category and 77% of those with high incomes.

GenX, Millennials and GenZ were all working at home full time at the same rate pre-COVID-19 (15%, 16% and 16%, respectively); during the Coronavirus pandemic, Millennials are more likely to be working from home full time, at 53%, compared to 47% of GenX and 44% of GenZ.

Interestingly, the younger generations, whom we might think are more likely to have children at home and therefore suffer more distractions, are more likely to self-report being more productive at home. Just a quarter of Boomers say they work more productively at home compared to outside the home, while 31% of GenX'ers, 32% of Millennials and 33% of GenZ'ers say this. However, we should note that when same and better levels of productivity are combined, the picture changes: 62% of Boomers, GenX'ers and Millennials say they are at least as productive as they were previously; only GenX disagrees, with 57% of them saying they're at least as productive as they were before they started working from home.

Younger generations are more likely to want to work from home moving forward, with 34% of Baby Boomers wanting to do so all or most of the time, 37% of GenX, 41% of Millennials and 40% of GenZ.

As companies start to cautiously reopen, these trends can help them understand the feasibility of which tasks can be done from home permanently, and the implications for office space, supplies, company culture, team structures and more. Second order effects resulting from a migration to work from home could include impacts on car manufacturers, public transportation, road maintenance, food consumption, clothing, the social role of colleagues in people's lives, and much more.



TELEMEDICINE

Here to Stay?

Eighty-four percent of those trying telemedicine during the pandemic were doing so for the first time. Results are positive – over half found the experience very or extremely satisfactory.

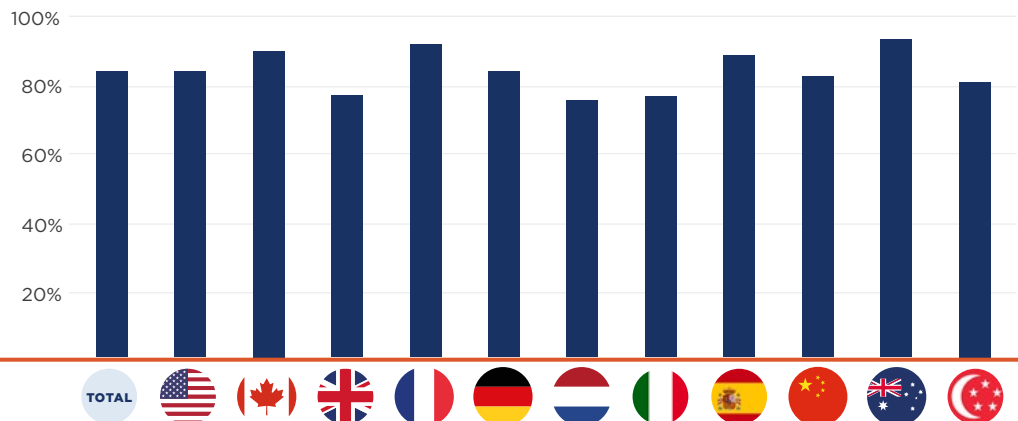


IMPENDING IMPACT

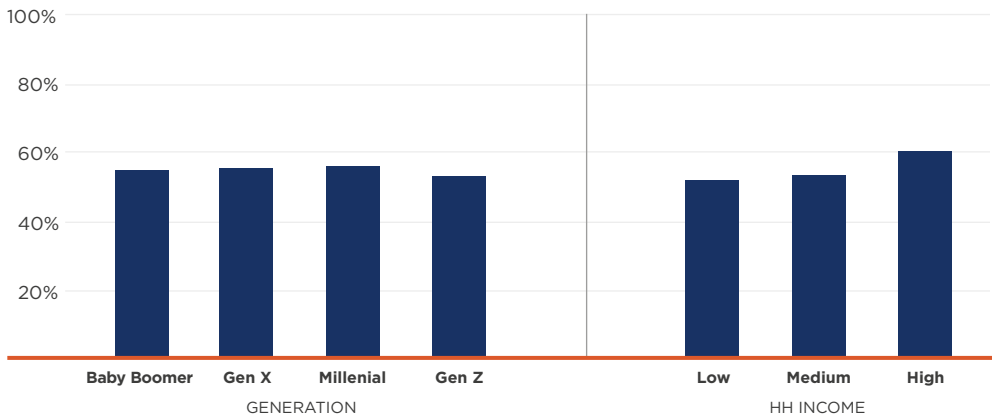
If more consumers choose the convenience of telehealth/telemedicine, will hospitals and health systems put more resources behind developing better technology? How will insurance companies respond to the increasing needs of telehealth? How will this change how doctors and nurses are trained? Will this lead to widespread use of AI diagnoses through home assistants (Amazon Alexa, Google Home), and 24/7 “Dr. Anywhere” services?

One of the ways the COVID-19 pandemic is likely to transform healthcare is a rise in the use of telemedicine, described recently by the director of the Center for Health and Technology at the University of Rochester (NY) “as big a transformation as any ever before in the history of US healthcare.” Many of us may know someone who has used a telemedicine option during the pandemic for the first time. **Our data shows overall, 39% of people have contacted a healthcare provider during the pandemic and in two thirds of those cases telemedicine was used, either exclusively or in combination with an in-person visit.** Usage of telemedicine ranges from a high of 89% in China and 83% in Spain to lows of 38% in Germany, 41% in Singapore and 49% in France.

Used telemedicine for first time during pandemic



Most people (55% overall) using telemedicine found the experience either extremely or very satisfactory. Only the Netherlands was something of an outlier, with only 30% agreeing, with those low ratings perhaps due to the relative ease of access to doctors there, including the common practice of home visits by doctors. The USA, UK and Canada – each with a relatively low number of doctors per population – were the most satisfied with the experience. However, other countries with even lower doctor-to-population ratios, such as China and Singapore, reported satisfaction levels only in the midrange. Italy joined the Netherlands as the only countries with less than 50% of the population reporting lower levels of satisfaction with the telemedicine experience. More research would provide further insight into the drivers of satisfaction with the telemedicine experience.



Telemedicine satisfaction levels across demographics



THE FUTURE OF “LIVE” ENTERTAINMENT



Over half say they will return to live entertainment slowly or not at all. More than half are streaming sports and entertainment content at home. Older people are even more cautious about going back into crowds to enjoy entertainment.



IMPENDING IMPACT

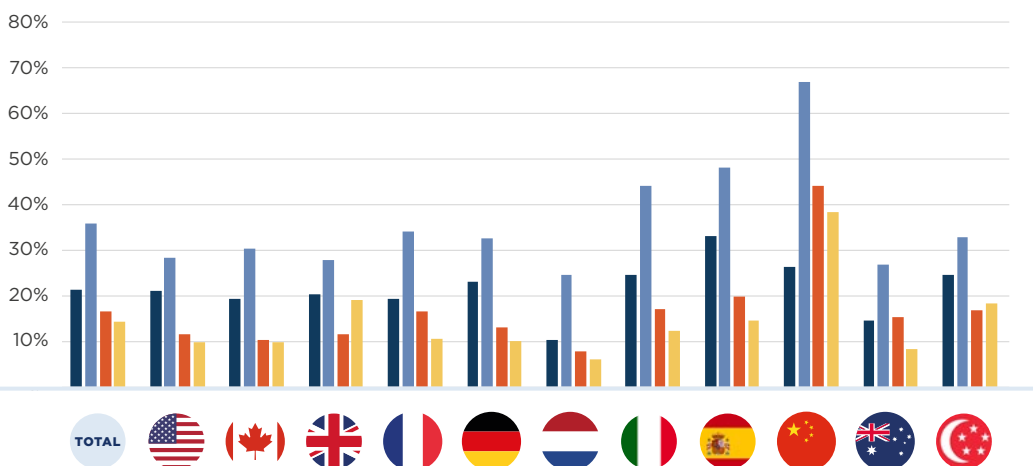
Has the ease and ubiquity of streaming diminished the live experience? If so, what are the emerging revenue opportunities for streaming? If consumers want a live experience how will entertainment companies adapt?

Prior to the pandemic, four out of five people across the countries we studied used to attend some form of live sport or entertainment event. Four in 10 attended live concerts, two thirds went to the movies, just over a third used to go to live sporting events and a third to live theater.

Since the pandemic started, however, **just over half have live-streamed a concert, movie, sports event or theatrical production**, with movies being most popular (36% have streamed movies), followed by concerts (at 21%), sporting events (17%) and theater (14%).

Most popular Streaming content by geography

- Concerts
- Movies
- Sports events
- Theatre



The countries with the highest percentage of people choosing to go to live concerts (Spain, Italy, the UK and Canada) were not necessarily those where the most live concert streaming took place: people in Spain, China, Italy and Singapore are most likely to have been streaming concerts during the pandemic. We can observe the same phenomenon for movies, where those in Italy, Spain, Singapore and Canada were most likely to have enjoyed movies in person, while China, along with Italy, topped the list for live streaming of new movie releases.

The highest levels of live sports event attendance pre-COVID-19 were reported in Spain, Italy and the USA; lately, China, Spain, Singapore, Italy and France were most likely to have streamed sports events. Those in the UK and Spain were most likely to have attended live theater before the outbreak, while those in the China, the UK and Singapore were most likely to have enjoyed these as virtual experiences in recent months.

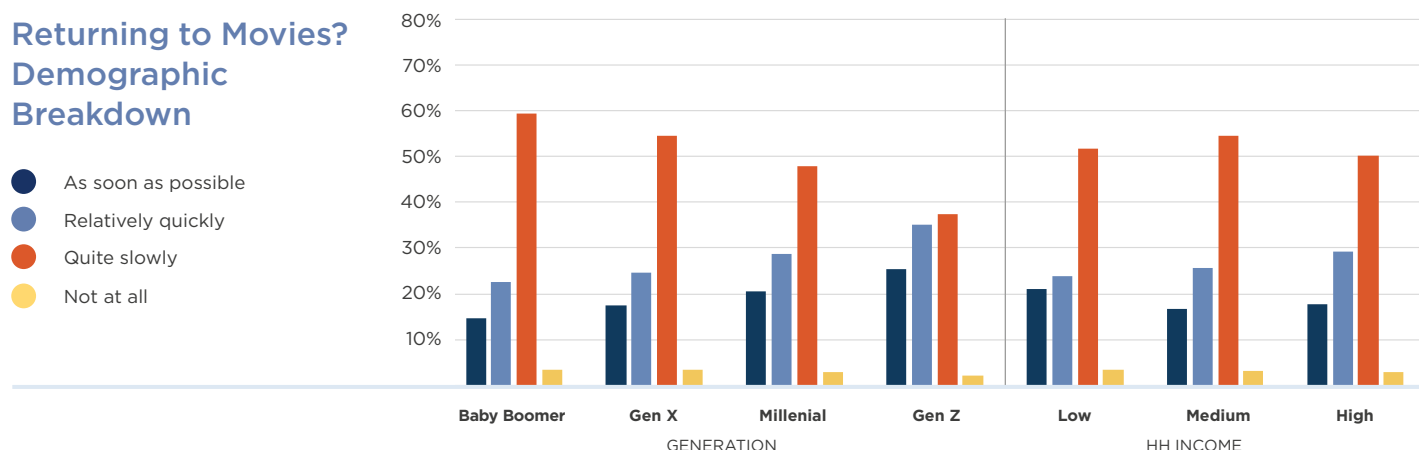
Millennials and GenZ'ers are at least twice as likely as Boomers to have streamed movies, and all three younger generations are much more likely to have streamed content from all categories. Nearly two thirds of Boomers (63%) say they haven't streamed any of this content, compared to just over a quarter (27%) of GenZ.

Our findings suggest a mood of caution as people think about a return to live experiences. **Sixty-five percent overall say they will return to live concerts quite slowly or not at all; 55% say the same for movies, 57% for sporting events and 64% for live theater.** But the numbers for people who say they will never return to these live experiences are very low, at 5% or less for each of the four entertainment opportunities.

France, Germany and Italy are the most eager countries to recapture the live experience in entertainment as soon as possible.

Interestingly, our results show successively higher levels of caution about re-engaging with events in person across generational cohorts, portending a longer path to recovery for those entertainment categories relying more heavily on older audiences. **Sixty percent of GenZ, 49% of Millennials, 42% of GenX and 37% of Boomers say they plan to go back to movies as soon as possible, or relatively quickly.** Fifty-eight percent of GenZ'ers, 46% of Millennials, 40% of GenX'ers and 38% of Boomers are eager to go to a live sporting event as soon as possible, or relatively quickly. Those in the low-income group are just as, or more eager, than those with high income to return to live experiences as soon as possible.

Returning to Movies? Demographic Breakdown





RETURN TO SHOPPING:

The Grocery Store Example

Despite the prevalence of lockdowns globally, online delivery for groceries sees only a modest gain in popularity. Smaller specialty stores (bakeries, delicatessens, fishmongers) lose a larger proportion of their customers than supermarkets as customers reduce the number of stores they use.



IMPENDING IMPACT

The surge in retail ecommerce – is it a “real” change? Or is it because non-grocery stores are closed? Grocery stores have stayed open, experiencing only a modest rise in home delivery. And while we continue to visit large grocery stores, specialty shops have suffered – will the “shops around the corner” be able to stay in business after life comes back to normal?

Grocery stores are one of the very few physical, aka brick-and-mortar, retailers to remain open during the global pandemic lockdowns. But even while remaining open, they’re experienced business disruption driven by panic buying in the early stages of the pandemic to, more recently, the advent of social distancing measures reducing the number of customers allowed in a store at any one time, producing increased average basket sizes despite the reduction in shopping visits. Other lockdown rules have resulted in many consumers changing their store usage habits.

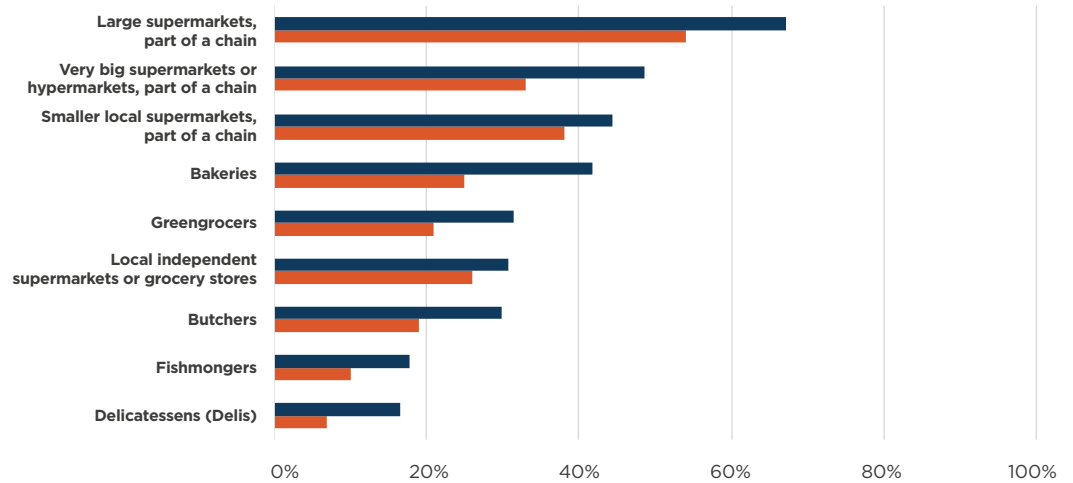
Prior to the pandemic, people reported using 3.3 of the 9 food retailer types presented to them (very big chain supermarkets/hypermarkets, large chain supermarkets, smaller chain supermarkets, local independent grocery stores, butchers, greengrocers, fishmongers, bakeries and/or delicatessens), with hypermarkets proving most popular (used by one in two) and delicatessens the least visited (at 17%). Among grocery stores, the most popular type was the large chain supermarket, used by just over two thirds of the people surveyed

There was surprisingly little variation in the pattern of supermarket usage across countries. **In China, local smaller, independent supermarkets prevail as the most used, at 48%, compared to the rest of the countries surveyed (29%);** and in the Netherlands, the relative absence of hypermarkets contributes to the lower rate of usage – just 24% – compared to an average across all other countries of 51%.

When we reset the question to ask about “now,” the biggest change is a reduction in the number of shop types used – down one store on average to 2.3.

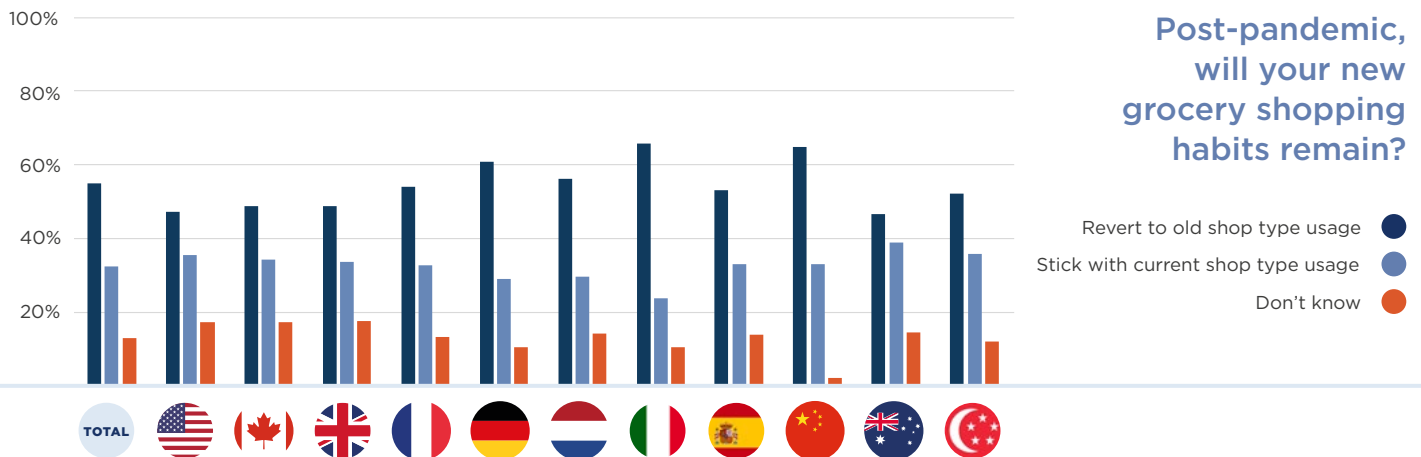
Type of grocery store you shop at - pre-pandemic vs. now

- Pre COVID-19
- Now



The big losers during the pandemic are the independent specialty stores: butchers, bakers, greengrocers and the like. While having fewer customers to begin with they have lost relatively more of them. In France, Germany and Italy, where usage of such shops is at its highest (all having 70% or more of the population using them), the customer losses have been lower, but still significant. Now only around six in 10 of those populations (and only 49% in Italy) are using such stores. Bakeries are less hard hit in the countries where fresh bread is culturally important, but in the UK, the USA, Canada and China the usage of bakeries is down almost 70%.

The evidence of the general abandonment of small businesses flies in the face of the stated social “obligation,” at least on the part of half the population, to “help smaller business survive rather than the larger chains.” In fact, of those who agree with that statement, 39% have stopped using smaller independent specialty businesses entirely, compared to 28% of those who disagree with it.

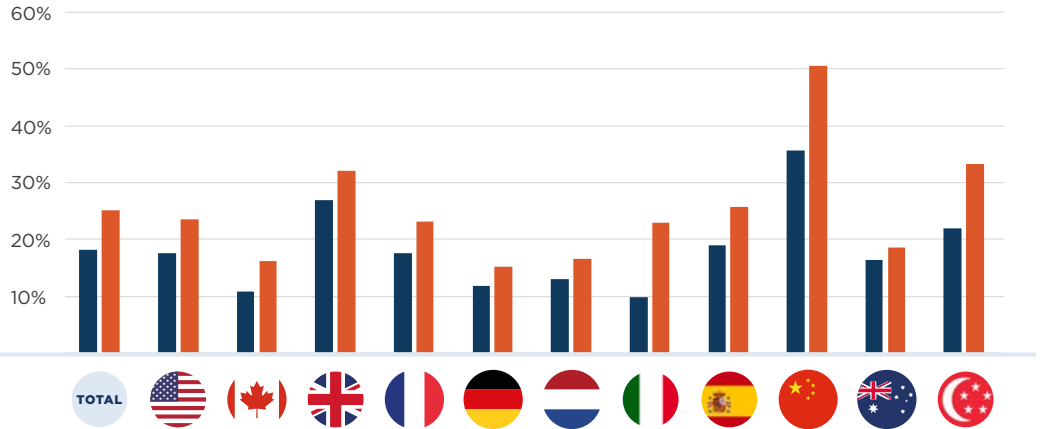


The problem for the independent stores is that they are not generally seen as pleasant places to shop. Only around half the population agrees with this notion, ranging from a low of 38% in Singapore to a high of 54% in Spain. Add to this little perceived quality uplift from shopping at independents (only 41% endorse this) and contrast it with the 80% who agree that it is more convenient to shop all in one place and take advantage of the lower prices on offer (65% agree that prices are lower), and it is hard to imagine a bright “post-pandemic” future for all independent specialty grocery stores.

During a period of lockdown, we may also expect to see a change in the number of people having their groceries delivered, or at least wanting to, perhaps presenting a major logistical challenge on the part of supermarkets – as has already proven to be the case for many. In fact, we see only modest rises in the usage of home delivery “at all.” **The proportion of people never having used home delivery has fallen from an overall 57%, pre-pandemic, to 54% during the pandemic.**

Grocery delivery frequency pre-pandemic vs. during, by geography

● Pre COVID-19
● Now



About half of those who have changed their delivery patterns intend to reverse this after lockdown is over, rising to 65% of Italians and 63% of Chinese. **About a third intend to stick with their new changed pattern.**

In the new normal we do not expect to see major shifts in grocery shopping behavior. The larger supermarkets will continue to dominate, although there may be some redistribution of customers and perhaps a continued step-up in home delivery services. We cannot tell if the current pattern for fewer stores being used per shopper with bigger baskets per trip will remain. Unfortunately, the big losers may well be the independent stores.





CONSUMERS & CHANGING PAYMENT METHODS

The pandemic has jumpstarted contactless options in the USA. Cash is least favorite payment method everywhere during the COVID-19 pandemic.



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Will the preference for contactless payment options accelerate the widespread introduction of contactless payment? If so, what do banks and financial institutions need to prepare - issuance of contactless bank cards, security/privacy implications, and education programs? And what does it mean for the payment technology providers?

Perhaps surprisingly, payment methods, before the pandemic, were very different across countries. Even within the EU, and between the USA and Canada, we see major differences.

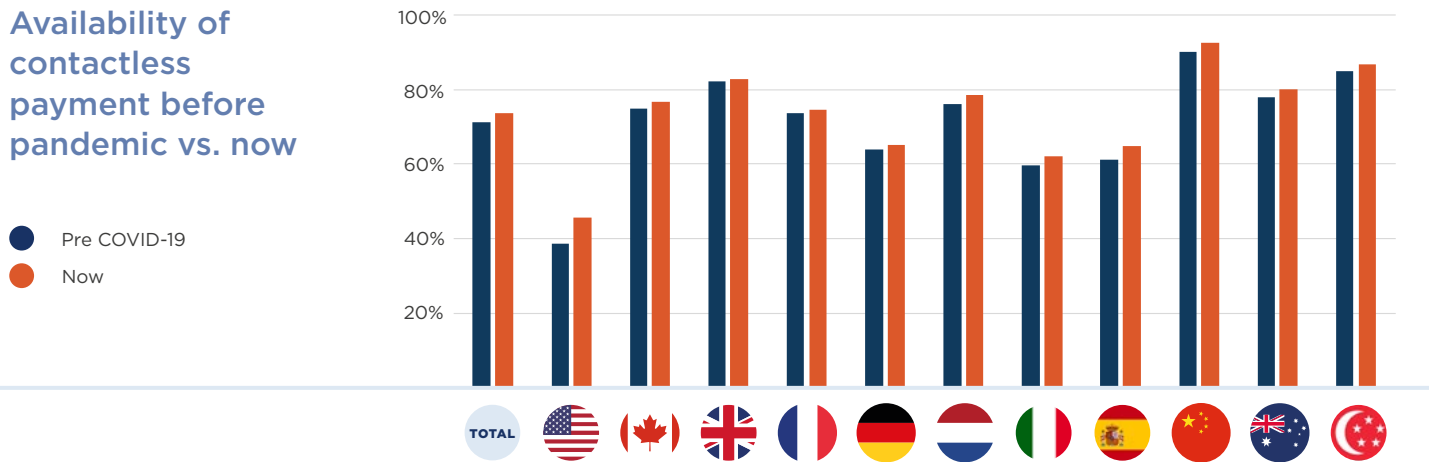
Within the six countries of the EU in our study, around one in ten in both Germany (11%) and Italy (13%) had no “plastic” (and no phone app) to make payment with. This was double the number seen in the UK, France, the Netherlands and Spain - and similar to the US (10%). Canada was more like Europe at 3%, than its near neighbor. Asia-Pacific, or at least China, Australia and Singapore, tended to be like Europe.

Also, the types of cards held - contactless, “chip and PIN” and “chip and signature” - were different across countries. **The highest level of contactless card or phone app ownership was seen in China, where 90% report having at least one and 84% having a phone app;** followed by Singapore (85% having some form of contactless card or phone app ownership); the UK (81%); and Australia (78%). In the USA, by contrast, only four in ten had contactless methods of payment before the pandemic.

Where people had a contactless method, it was popular. Around half of Canadians, Britons, Australians, French, Dutch and Singaporeans indicated their favorite method was their contactless card. In China, 78% chose their contactless phone app as their favorite. **Germany, in stark contrast, strongly identified as a cash economy with as many as 43% citing cash as their preferred method of payment, pre-COVID-19.**

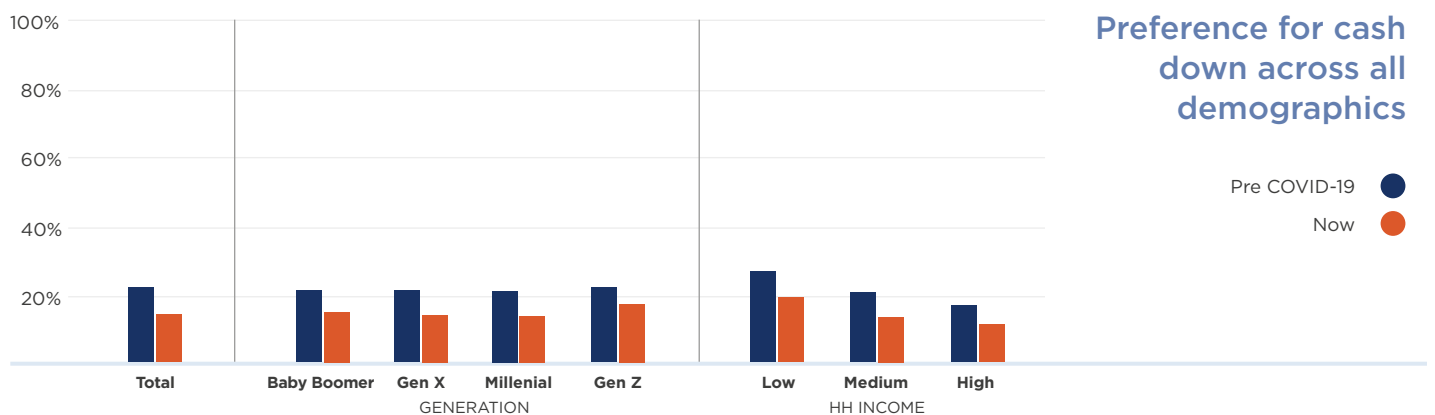
Since the COVID-19 outbreak we have all been advised, wherever possible, to use cards rather than cash, and contactless rather than chip and PIN or chip and signature. The past few months have seen an increase in the availability of contactless methods. **The biggest growth has been seen in the USA, moving from 38% to 46% ownership of a contactless method of payment.**

Availability of contactless payment before pandemic vs. now



The preference for cash has fallen away faster than contactless methods have grown. **Prior to the pandemic, 22% of respondents across all countries expressed a preference for cash. This has now dropped seven points to 15%.** The largest fall is seen in Germany, who reported the most reliance on cash, dropping from 43% to a 33% preference for cash. In Italy and Spain, we also see large drops in cash as the preferred method of payment, down 10 and 13 points, respectively.

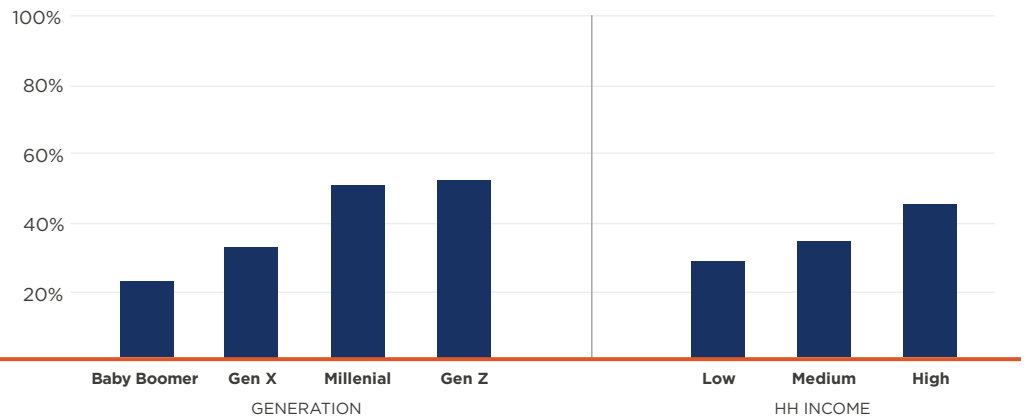
Looked at as percentage change rather than an absolute change, the biggest movement away from cash occurred in Spain, decreasing from 29% preferring cash to 17% - a reduction of 43%. Similar large shifts were seen in the UK (-42%), China (-40%), Canada (-40%) and the Netherlands (-38%). In the USA, by contrast, the preference for cash remains essentially fixed at around 15%.



Preference for cash down across all demographics

The pandemic is not yet over, and there is a continuing movement toward contactless cards and apps. Of the quarter of the population who have no contactless ability right now, around a third of them say it is extremely or very likely that they will get one soon. For a small minority (3%) it is certain, and the card is already ordered.

Younger generations pivoting toward contactless payment?



A persistent cohort of around three in 10 respondents who currently don't have a contactless method say it is not at all likely that they will go contactless. This equates to about just under one in ten of the population (8%) on average. By country this varies from a mere 1% in China, to Singapore, the UK, Canada, France, Australia and the Netherlands all being under 10%, to the highs in Germany (16%) and the USA (19%).

It appears the pandemic will have accelerated the movement from cash to plastic and from PIN or signature plastic to contactless methods, whether via cards or smartphone apps. It seems unlikely that contactless behaviors learned or reinforced during the pandemic will be abandoned after it is over. The example of countries that are well “ahead” in the move to contactless demonstrates how simple, convenient and easy it is to pay by card rather than cash. It is also more secure for the retailer, even for mundane and low value activities such as buying a drink in a bar or a loaf of bread at a bakery.





RETURNING TO WORK:

New Skills, New Jobs

Two thirds of those laid off say returning to their previous job sector is unlikely. Most who think this are taking steps to improve their skills.



IMPENDING IMPACT

As the unemployment rolls swell, and workers seek the new jobs and new skills they need to get back to work, will providers of online learning experience benefit? Will the gig economy provide a bridge for those looking to return to work? And, since re-opening doesn't mean everyone comes back at the same time, will - and how long should - furloughs and other practices remain in place?

Overall, around one in four currently unemployed participants were laid off directly because of the COVID-19 pandemic. This ranged from a high of 37% in the US to a low of just over one in 20 in France. All other countries were within 10 percentage points of the average.

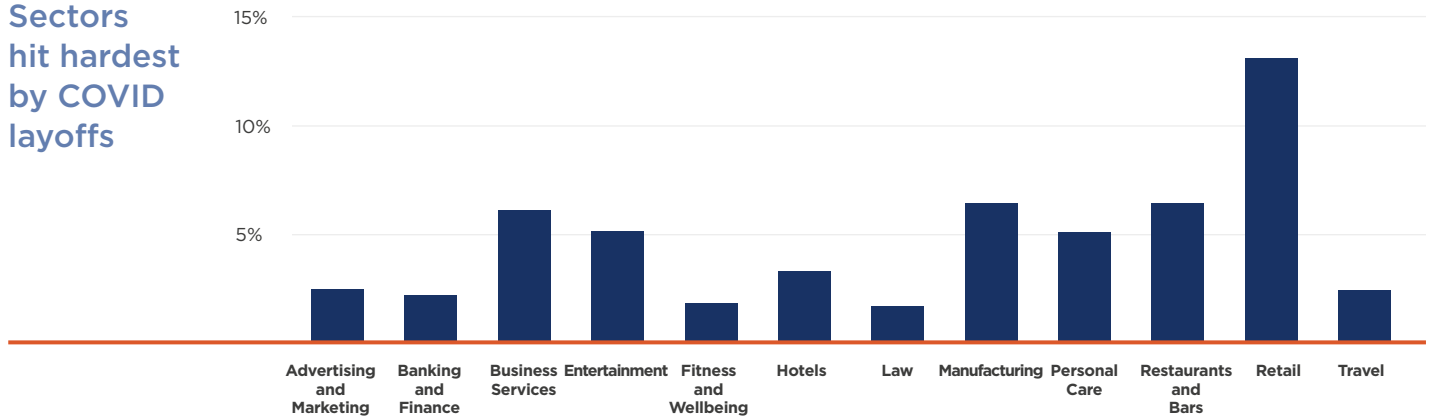
When we include those currently furloughed from employment, we see a doubling of the total respondents unable to work today due to the pandemic. The number of people furloughed is higher in countries where national governments are underwriting furlough programs. In the UK, for example, we observe a 7:1 ratio in favor of furloughing over being laid off; and in France, almost every participant who lost their job was on furlough rather than having been laid off.

The employment impact is felt more among lower income households than among the higher income brackets. **For lower income households, the chances of being unable to work due to the pandemic more than doubles compared to higher, with medium-income households landing between the two.**

Fortunately, despite reports of rising unemployment numbers and negative economic forecasts, most of the workforce - almost nine out of 10 - was either still employed or not looking for employment.

When examining individual industries, **the retail sector accounts for the largest proportion of layoffs due to the pandemic, at 14% across the 11 countries studied.** This, however, is only slightly higher than the proportion of people employed in retail in the economy, perhaps reflecting the resilience of grocery and other essential retailing along with online retail, all of which are still open.

Sectors hit hardest by COVID layoffs



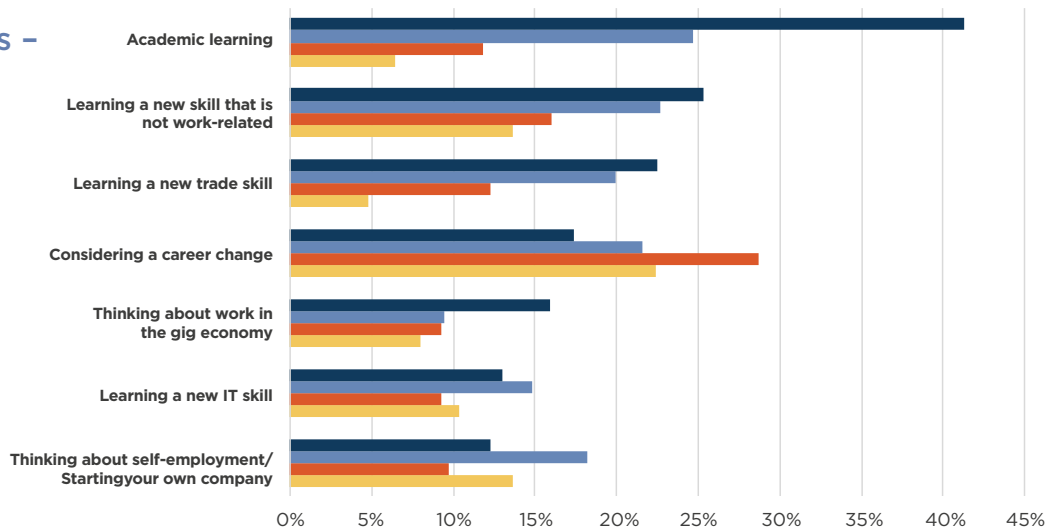
Those laid off are not very confident about their chances of returning to work in the same sector after the pandemic is over. **Only one in three said they felt it was very or extremely likely they would return to their prior industry.**

Workers in retail were less confident than their counterparts in entertainment, gyms and fitness or even hotels about the likelihood of being able to return to their previous employment. However, they were somewhat more confident than those working in restaurants and bars.

The majority of those not convinced of the possibility of returning to their previous careers are actively doing something about it. And they are more active in this regard than those who are more longer-term unemployed. One in five are learning a new trade skill, while only slightly fewer are learning new IT skills. This contrasts with the longer-term unemployed, where the comparable numbers are 15% and 11%. **One in five, for both groups of unemployed individuals, report going “back to school” and enrolling in some form of academic learning.** More of the newly-unemployed are also thinking about career changes (32% vs. 21%) or starting their own company (18% vs. 13%). Even the gig economy looks more tempting, with 17% of those laid off due to COVID-19 considering work in these sectors, compared to just 9% of the longer-term unemployed.

Return to work plans – demographic view

- Gen Z
- Millennial
- Gen X
- Baby Boomer



Post-pandemic, we all hope for a swift return to the employment levels seen before the outbreak. For some, however, their former jobs will simply not be there, especially in brick-and-mortar retailing, the restaurant and bar trade and the travel business. **Forward-thinking people are taking steps to prepare themselves for a different career path than the one they were on, learning the new skills that will be more in demand.**



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