

THE FASTEST AND BIGGEST EVER SHIFT IN CONSUMER BEHAVIOUR

The unique circumstances of the pandemic have resulted in the biggest and fastest ever shift in consumer behaviour

On the one hand consumers have been **prevented** from continuing as usual – restaurants and bars have closed and they are being confined to home

On the other, they are **constraining** themselves due to concern about health risks as well as potential or real loss of income

This document includes our **edit of a range of research studies**, painting a picture of the real shifts in attitudes and behaviour

As a result discretionary spend has been reduced by up to 50% according to sources. For those that can afford to, precautionary saving has increased as people sit tight.

The consequence: a **commercial hiatus**

The questions for business are many and profound: what's happening? how do we deal with it? is it temporary? what will change?

And for those that prevail the biggest question is how do we compete and flourish as and when the world emerges?

The following chart outlines the key stages of planning through and beyond the crisis

COVID RESPONSE: CONSUMER STRATEGY STAGES

NOTE: STAGES OPERATE ON DIFFERENT TIMESCALES WITHIN AND BETWEEN EACH CONTEXTUAL FRAMEWORK AND WILL VARY BY MARKET, GEOGRAPHY AND CONSUMER GROUP

CONTEXT	STAGE I	STAGE 2	STAGE 3	STAGE 4				
COMMERCIAL	Comprehend Situation analysis, immediate implications, shifting perspectives	Cope Contingency plans, scenario scoping, initiative launches and learn by doing	Compete Work out what works, begin to prioritise winning routes and take stock of future potential and new scenarios	Conquer Moving beyond crisis into new normal defined by own ideas, new structures initiatives and actions				
CONSUMER	Confusion What's happening, what does it mean for me	Concern Facing change, dealing with consequences, fearing problems	Compromise Adapting to change, finding alternatives, dealing with new circumstances	Consolidation Continuing with adapted behaviour or in case of attitude shift, returning to prior preferences. Evaluation of priorities leading to embedded behaviour change				
COMMUNICATION	Announce Be present and engage with the issue – show determination to be part of it and alongside customers	Organise for Action Join forces, make alliances, create teams and movements to make things happen – however messy	Solve consumer problems focus on demonstrably resolving issues not cynically selling (although this does include solving how people can buy)	Create new appreciation Establish and consolidate new relationships based on experience of a reappraisal of the brand in its context				
	Engage with transparency, facts, empathy and increasing optimism across channels according to target group prioritisation							

THE RESEARCH EDIT 3/4/2020

UNUSUALLY HIGH LEVELS OF CONCERN ABOUT MACRO ISSUES AS WELL AS THOSE NEARER TO HOME

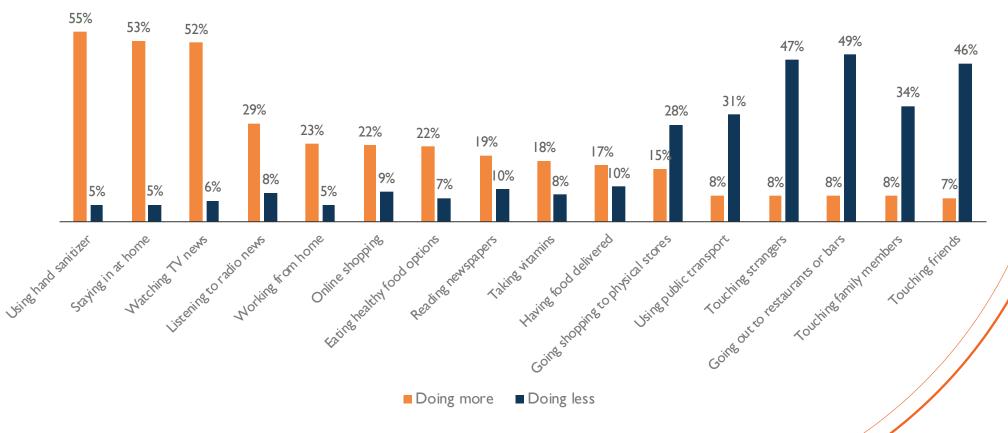
WHEN THINKING ABOUT THE PANDEMIC HOW WORRIED, IF AT ALL, ARE YOU PERSONALLY ABOUT (THOSE SAYING VERY/ EXTREMELY WORRIED)...

YOU PERSONALLY ABOUT (THOSE SAYING VERY/ EXTREMELY WORRIED)														
Healthcare systems coping	The economy in your country	The health of the elderly	The world economy	The health of elderly family	The financial markets	The availability of foodstuffs	The availability of household products	The availability of medicines	Your being able to see a doctor	The health of other adults in your household	The idea of having to self-isolate	Being around strangers	The health of young people in your household	Your employment
<u>%</u> 19	54%	53%	52%	51%	47%	42%	4 %	39%	37%	37%	36%	35%	25%	25%

Most worried about

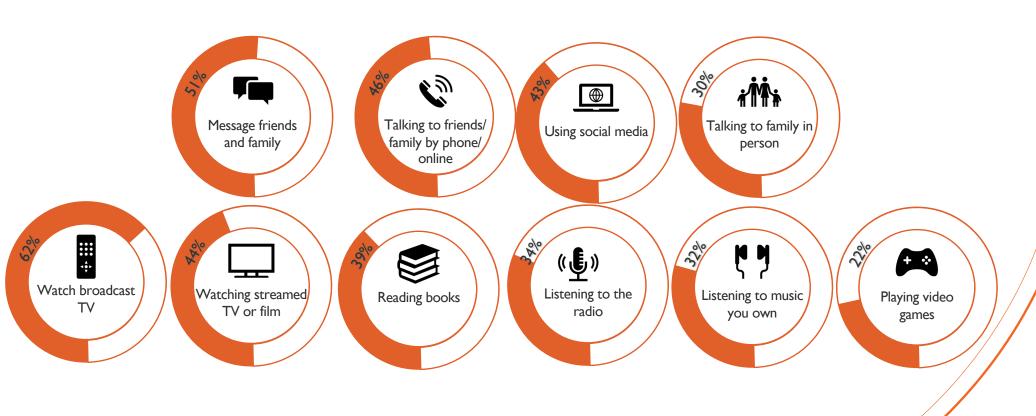
HEALTHY EATING AND VITAMIN SUPPLEMENTS ADOPTED AS PART OF HOME BASED ROUTINES

NOW THINKING ABOUT YOUR PERSONAL BEHAVIOUR SINCE THE OUTBREAK OF THE PANDEMIC. HOW WOULD YOU SAY EACH OF THESE HAS CHANGED, IF AT ALL, IN THE PAST FEW WEEKS?



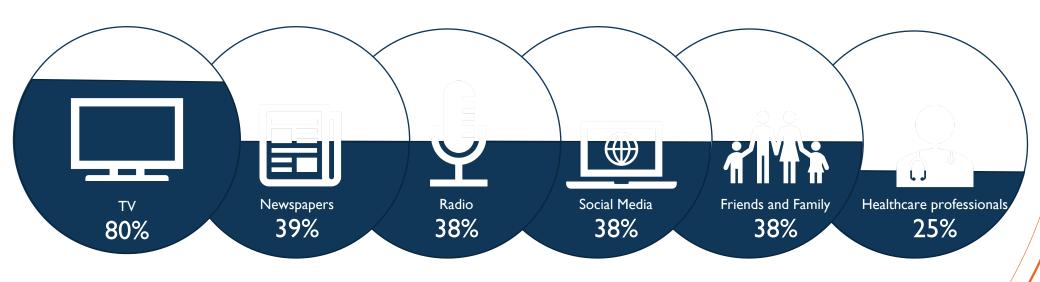
MORE TV WATCHING AND MORE REMOTE SOCIAL CONTACT DURING LOCKDOWN

WHICH OF THE FOLLOWING, IF ANY, ARE YOU DOING MORE OF AT HOME?



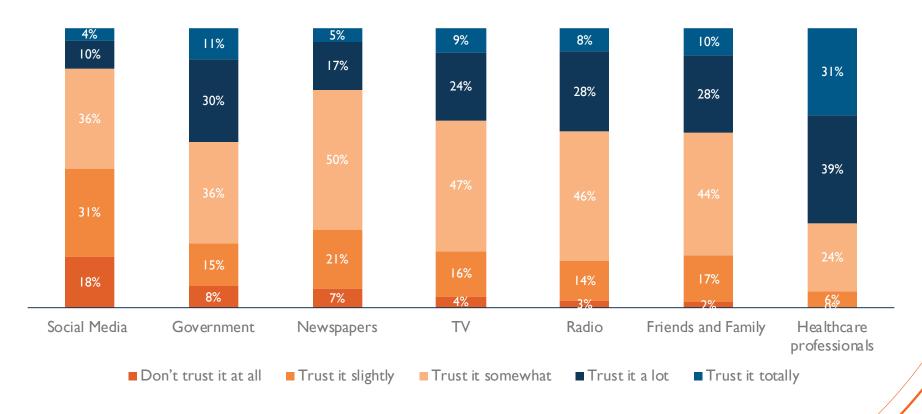
TV IS DOMINATING AS SOURCE OF RELIABLE NEWS

WHERE ARE YOU HEARING, SEEING OR READING INFORMATION ABOUT THE PANDEMIC?



THERE IS A LEVEL OF SCEPTISM AND MISTRUST WITH MOST SOURCES OF INFORMATION

TO WHAT EXTENT DO YOU TRUST WHAT YOU ARE HEARING ABOUT THE PANDEMIC FROM...



9

BRANDS HAVE A LEGITIMATE PLACE IN THE CONVERSATION

80%

OF PEOPLE WANT BRANDS
TO BE A RELIABLE NEWS
SOURCE

33%

BRANDS MUST DO THIS TO KEEP MY TRUST

47%

I HOPE BRANDS DO THIS BUT THERE IS NO OBILGATION 61%

Hearing from the brands
I use about what they
are doing to respond to
the pandemic is
comforting and
reassuring to me

reassuring to me

85%

OF PEOPLE WANT BRANDS
TO OFFER INFORMATION
ON THE VIRUS AND HOW
TO PROTECT THEMSELVES

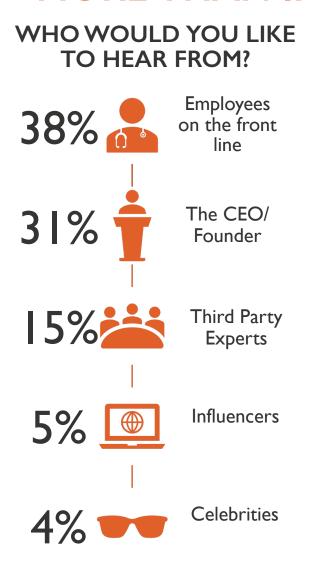
32%

BRANDS MUST DO THIS TO KEEP MY TRUST

52%

I HOPE BRANDS DO THIS BUT THERE IS NO OBILGATION

REAL STORIES FROM REAL PEOPLE RESONATE MORE THAN INFLEUNCERS AND CELEBRITIES



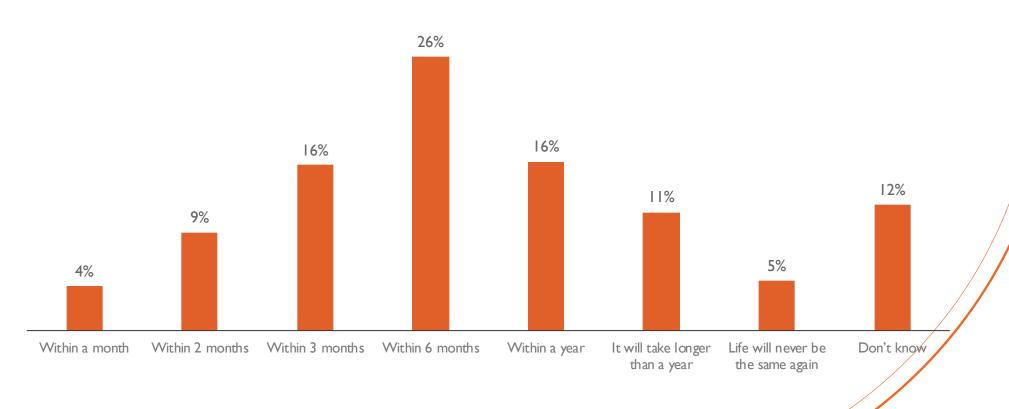
48%

OF CONSUMERS DON'T KNOW WHICH ARE THE BEST BRANDS OR ORGANISATIONS TO SUPPORT TO HELP WITH CORONA VIRUS



LESS THAN A THIRD OF PEOPLE THINK NORMALITY WILL RETURN WITHIN 3 MONTHS

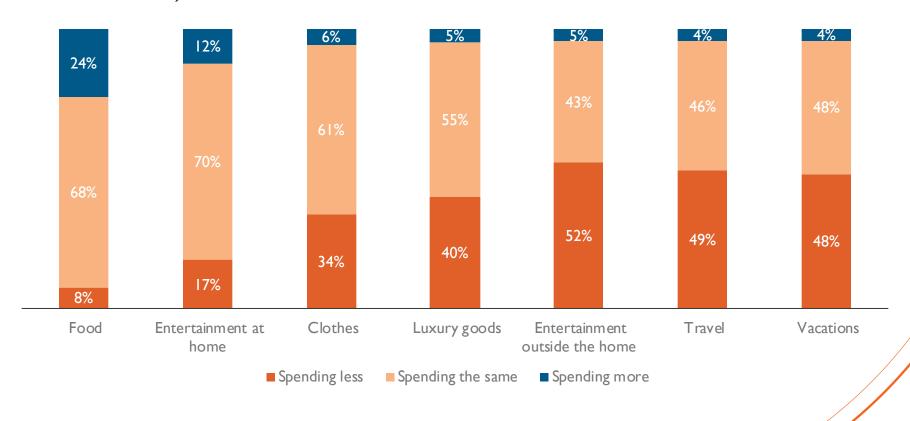
WHEN DO YOU THINK THE PANDEMIC OUTBREAK WILL BE OVER, AND LIFE WILL RETURN TO NORMAL?



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FOOD IS THE KEY MOMENTUM SECTOR AS PEOPLE CONCIOUSLY REDUCE OTHER SPENDING

IN GENERAL HOW WOULD YOU CLASSIFY YOUR SPENDING CURRENTLY, OR PLANNED, ON EACH OF THESE COMPARED TO A MONTH AGO?



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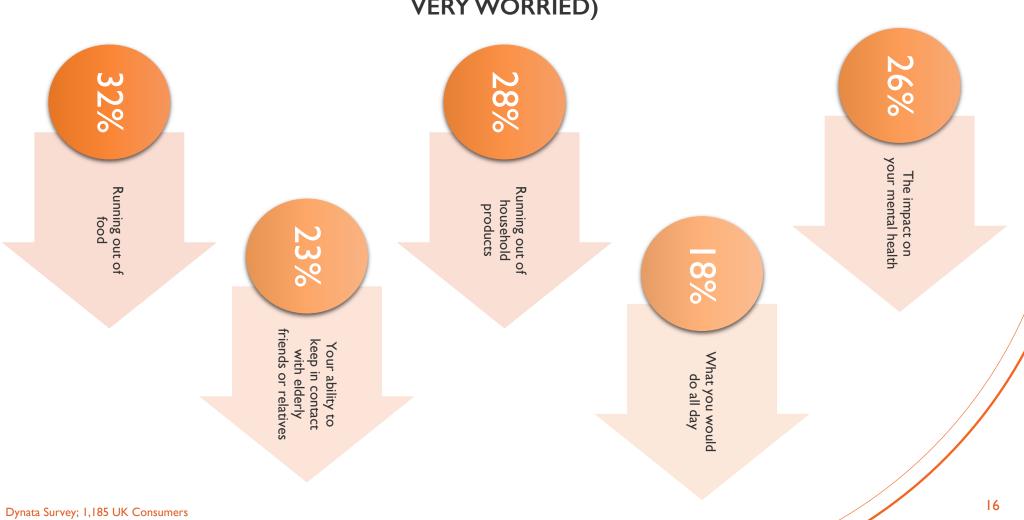


GROCERY SALES HAVE INCREASED 43.1% VS THE SAME

VS THE SAME PERIOD LAST YEAR

PRACTICAL NEEDS ARE TOP OF MIND FOR ¼ to I/3 OF PEOPLE WHEN SELF- ISOLATING

ASSUME YOU HAD TO SELF-ISOLATE FOR WHATEVER REASON. HOW MUCH OF A WORRY, IF AT ALL, WOULD EACH OF THESE BE TO YOU? (THOSE SAY EXTREMELY/ VERY WORRIED)



ECOMMERCE SHIFT

44%

NOW BUYING
PRODUCTS ONLINE
THAT THEY HAD
NOT PREVIOUSLY





'4 OF PEOPLE ADMIT STOCKPILING

27%

OF CONSUMERS CLAIM TO HAVE STOCKED UP ON FOODSTUFFS

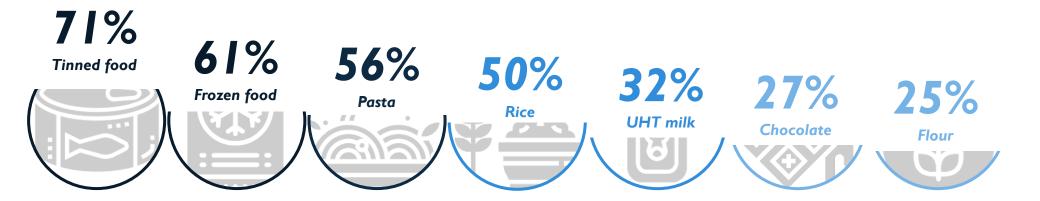
25%

HAVE STOCKED UP ON HOUSEHOLD PRODUCTS

AS A RESULT OF THE PANDEMIC OUTBREAK

THERE IS STILL ROOM FOR THE TREAT OCCASION WITH A QUARTER OF PEOPLE STOCKING UP ON CHOCOLATE

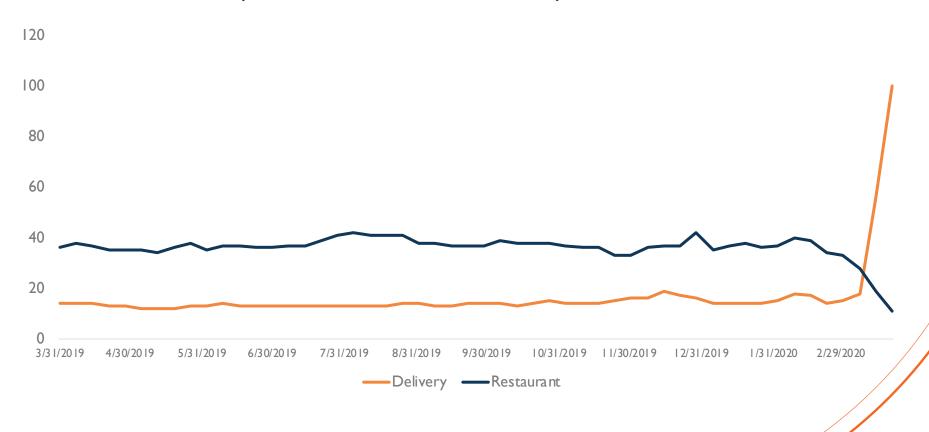
YOU SAY YOU HAVE BEEN STOCKING UP ON FOODSTUFFS. WHAT SORT OF PRODUCTS HAVE YOU BEEN BUYING?



Stocking up on most Stocking up on least

INTEREST IN FOOD DELIVERY MORE THAN JUST REPLACING RESTAURANTS

GOOGLE TRENDS (DELIVERY VS RESTAURANT)



PEOPLE AVOIDING RUNNING OUT OF G&T AS WELL AS T&C

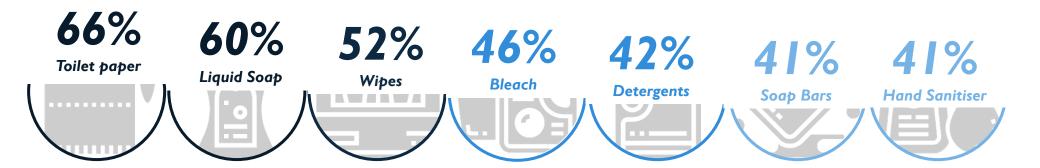
YOU SAY YOU HAVE BEEN STOCKING UP ON BEVERAGES. WHAT SORT OF PRODUCTS HAVE YOU BEEN BUYING?



Stocking up on most Stocking up on least

THE FEAR OF BEING CAUGHT SHORT IS WELL DOCUMENTED

YOU SAY YOU HAVE BEEN STOCKING UP ON HOUSEHOLD PRODUCTS. WHAT SORT OF PRODUCTS HAVE YOU BEEN BUYING?



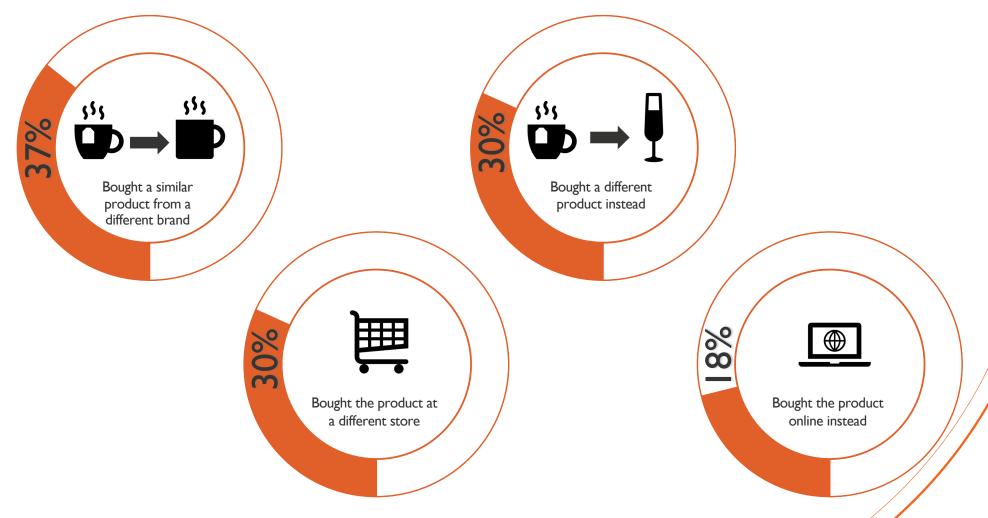
Stocking up on most Stocking up on least

THE SURGE OF BUYING HAS LED TO SITUATIONS WHERE BRANDED PRODUCTS PEOPLE USUALLY BUY ARE OUT OF STOCK

79%

OF PEOPLE SAY THIS HAS HAPPENED TO THEM

SWITCHING BEHAVIOUR IS HIGHER THAN SHOPPING AROUND



Appinio Data; "Where specific products (from a specific brand) that you usually buy not available at your supermarket/ drugstore anymore?" // Which brand product specifically weren't you able to buy at your supermarket/ drugstore? Please name the product and the brand!" (Total: N=1,000 // Participants that weren't able to buy a specific brand product: N=791)

DOING THE RIGHT THING MATTERS

24%

I HAVE RECENTLY STARTED
USING A NEW BRAND
BECAUSE OF THE INNOVATIVE
OR COMPASSIONATE WAY
THEY HAVE RESPONDED TO
THE OUTBREAK

64%

HOW WELL A BRAND
RESPONDS TO THIS CRISIS WILL
HAVE A HUGE IMPACT ON MY
LIKELIHOOD TO BUY THAT
BRAND IN THE FUTURE

74%

BRANDS AND COMPANIES
THAT I SEE PLACING THEIR
PROFITS BEFORE PEOPLE
DURING THIS CRISIS WILL LOSE
MY TRUST FOREVER



Tangiblebranding.com

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