



How will COVID-19 change the retail consumer?

Data-driven insights into consumer behavior

MAY 2020



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New and everlasting consumer behavior

The COVID-19 pandemic has fundamentally changed the world as we know it. People are living differently, buying differently and, in many ways, thinking differently.

Long-term trends have been accelerated. Changes anticipated over the next few years have occurred in the space of mere weeks. The impact is profound. Retailers are reshaping their businesses in real-time, to permanent effect.

Our new consumer research indicates that habits formed now will endure beyond this crisis, permanently changing what we value, how and where we shop, and how we live and work.

Even as this crisis continues to evolve, by exploring the changes that are happening now, we can consider what retail businesses should do today to outmaneuver uncertainty, and emerge stronger to be ready for what's next.

Consumers are changing the way they **shop, work and live**

The COVID-19 global pandemic is having a profound impact on the lives of consumers. In our new research, we monitor the changing attitudes, behaviors and habits of consumers worldwide, as they adapt to a new reality.

We explore what consumers are buying and how they are shopping, and which of these new habits are likely to remain in the longer term.

- **The adjusting consumer** With changes in income and leisure time, many consumers are facing new personal situations, which are influencing attitudes and behaviors.
- **What and how we buy** Consumers are shopping more consciously and efficiently, with a greater awareness of the environment, health and cost. The use of ecommerce and omnichannel services has surged, and is likely to continue post-pandemic.
- **How we live and work** Consumers are finding creative ways to fill their time at home, by engaging in new or renewed activities, such as cooking or DIY. Families are welcoming the opportunity to spend time together, and employees are embracing home working.

In response to the crisis, retailers have moved quickly to protect the safety of employees and customers, adopt new business models and launch new services.

With this accelerated pace of change, we explore the implications of our research findings and how global retailers can reset their businesses to emerge stronger.

Source: Accenture COVID-19 Consumer Research, conducted 20-27 April 2020 and 5-11 May 2020



The adjusting consumer



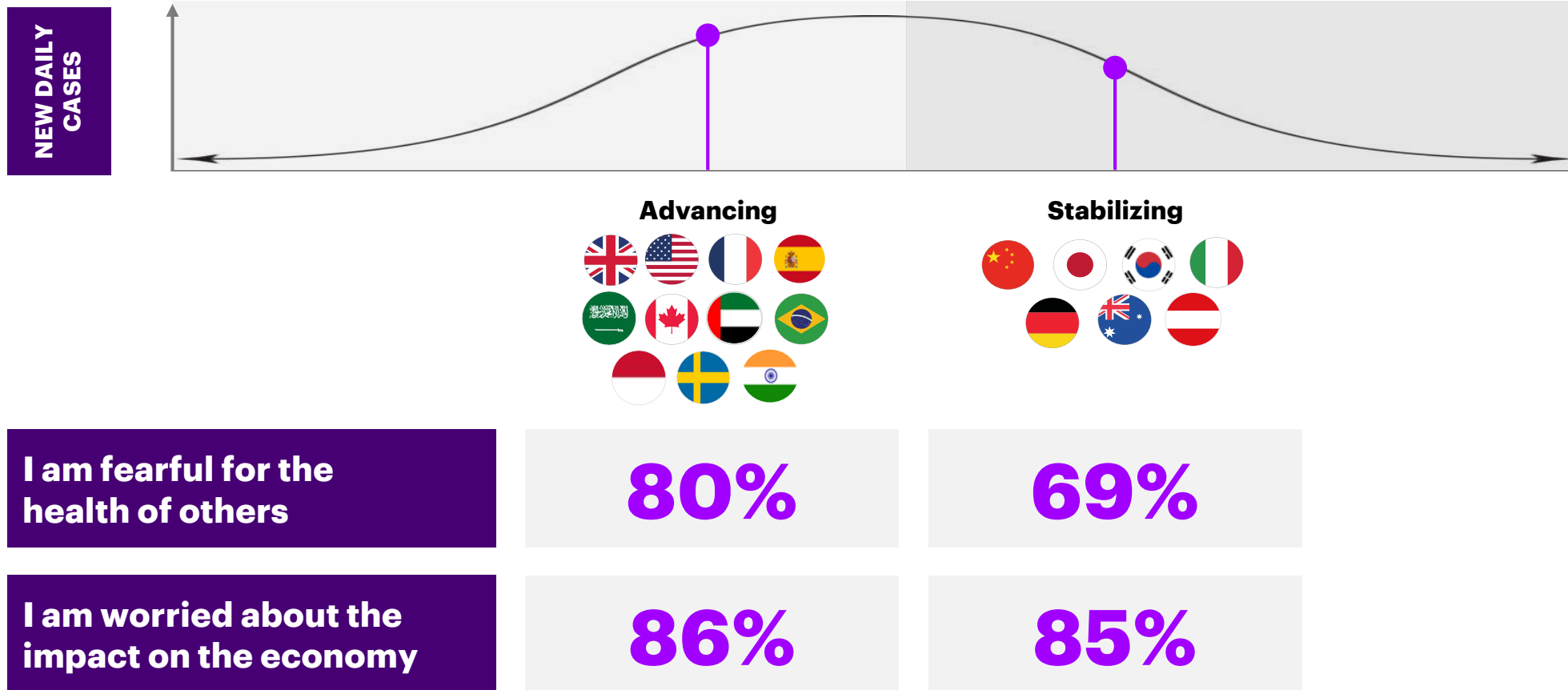
Consumers are adapting to new personal circumstances

With changes in discretionary income and leisure time, many consumers are facing new personal situations, which are influencing their attitudes and behaviors.

In markets where the pandemic is stabilizing, fears about health are gradually subsiding, although economic concerns remain high and are denting consumer confidence.

Consumers remain uncomfortable about visiting public places within the next one to two months, although they are relatively more comfortable with familiar places such as grocery and pharmacy stores. Concerns around hygiene in public places can be lessened by implementing visible signs of sanitation.

In stabilizing markets, health fears are lower, yet economic concerns persist



Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020. Countries grouped based on the stage of they are at in the outbreak at time of fielding, measured by the time since the first 100 cases were diagnosed in each country, and the weekly increase of new cases.

Many consumers are experiencing changes to free time and disposable income



Financially-Squeezed

33%

Less disposable income compared to before the outbreak

"Life is very stressful right now. I don't have a job and with coronavirus to be there for some time, things are not looking good."

Four-times more likely to have been placed on temporary leave or made redundant than others

Most likely to expect financial support from government

Seventy-one percent are shopping more cost consciously



Time-Pressed

9%

Free time decreased from previous level

"My hands are full these days. I have less personal time than before, and at times get the feeling of being overwhelmed."

Most likely to have decreased time spent on leisure activities vs. others

Most likely to have decreased time spent watching TV

Fifty-nine percent are doing fewer shopping trips



Minimal Change

32%

Disposable income and free time similar to before outbreak

"Things are not too bad...We don't expect things to change much."

Lowest level of overall concern over the outbreak

Least likely to comply with government advice regarding COVID-19

Least likely to have adjusted shopping and personal habits due to the outbreak



Resource-Rich

26%

More disposable income and free time than prior to outbreak

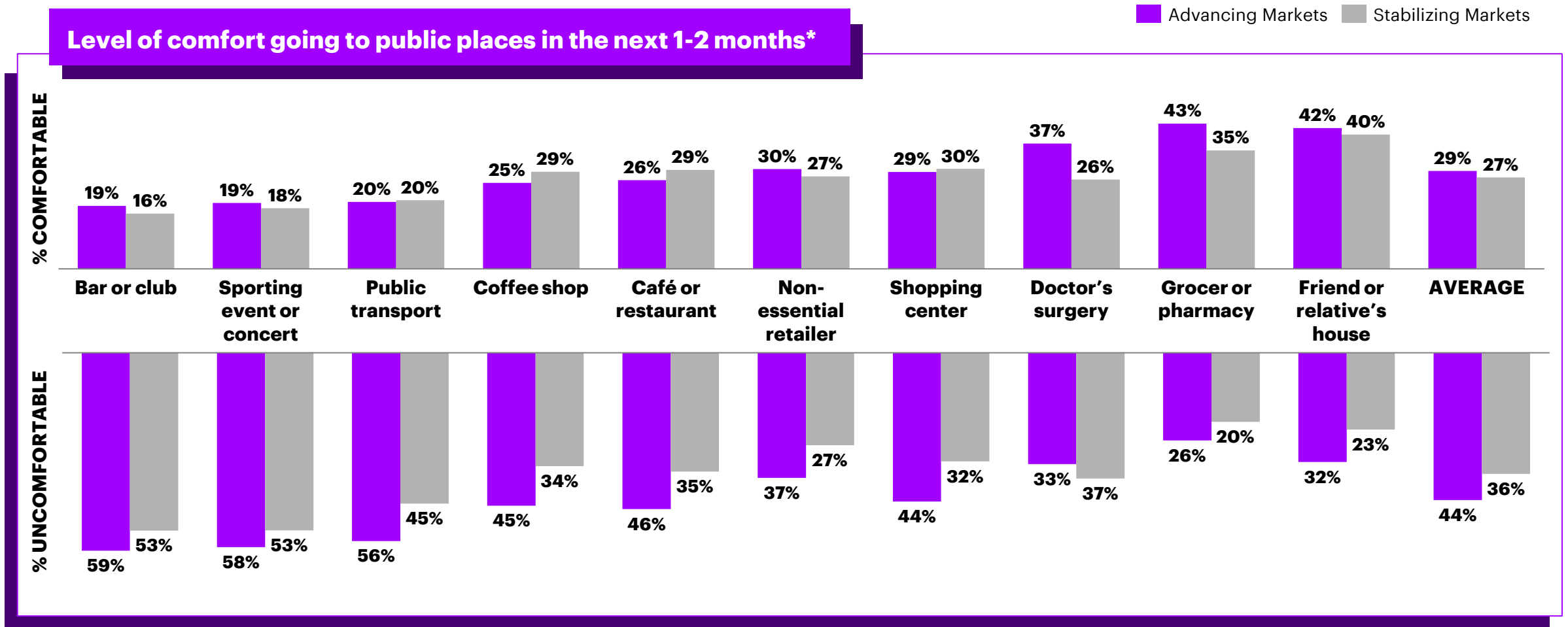
"My life will be about...going to my part time job and spending more time in the garden, kitchen, piano and meditating."

Most likely to be trying new recipes or cooking methods

Most likely to be taking up hobbies, and learning new skills

Most likely to be using digital channels

Despite phased reopening, consumers remain uncomfortable about visiting public places

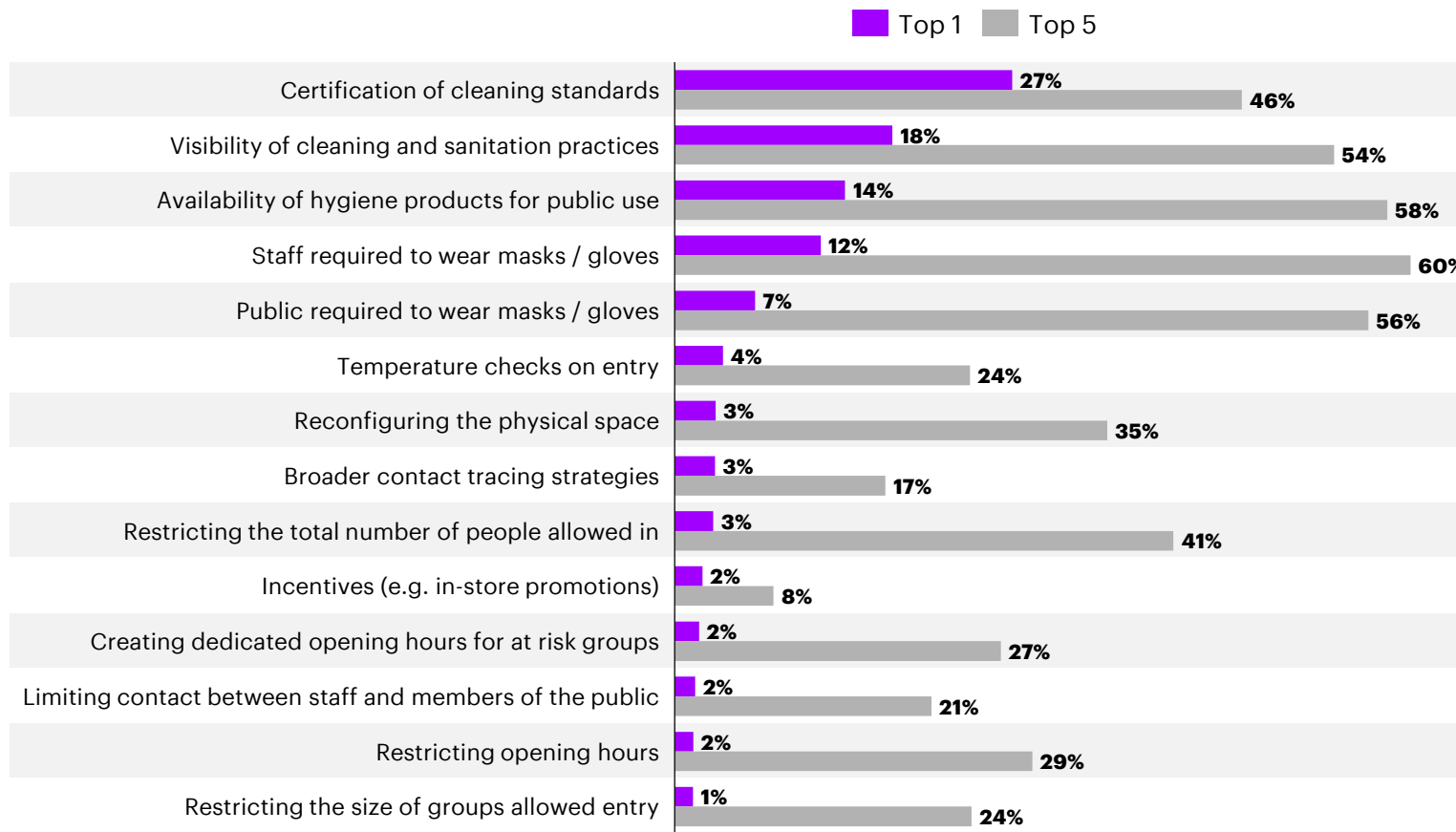


Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020. *Provided that they were open and it was allowed.

Hygiene practices are vital, with visible evidence most important

Initiatives to help consumers feel more comfortable going to public places

Proportion of consumers that rank initiative as top 1 or top 5 to make them feel more comfortable



Retailers can assuage consumer fears over hygiene by introducing visible signs of sanitation, certification of cleaning standards, masks and gloves for staff and customers, and hygiene products for public use.

The adjusting consumer

Implications for retailers

- **The consumer you thought you knew is no longer.** Prior consumer segmentations—and the insights they're built on—will need to be redefined as consumers adjust to new personal circumstances.
- The almost ubiquitous **lack of consumer confidence** will pose an enormous challenge when it is time to restart the economy.
- Retail and on-trade outlets need to **plan for a new era**, putting in place changes that help consumers feel more comfortable in stores, and encouraging them to return.
- Retailers also need to prioritize investment in digital experiences and services, and tap into new social occasions **in the home**.



What and how we buy



Consumers are shopping mindfully—and digitally

Consumers are embracing conscious consumerism and it's a mindset that is likely to continue. They are striving to limit food waste, buy more sustainable options, and shop more cost consciously. Demand for local goods is growing, as consumers seek out products they feel they can trust.

Consumers are also turning to digital and omni-channel services. The adoption of ecommerce from previously uninitiated users has accelerated, and consumers have increased their use of services such as contactless payment and curbside pick up, and plan to maintain this behavior into the future.

Why and where consumers buy has changed, accelerating adoption of anticipated trends

Conscious Consumption

I'm learning that I can do with a whole lot less than I thought I could. I'm learning to check in all the corners in cabinets to see what food items I have. I'm checking freezers. I'm better organized.

Anita T, 46, Fairview, MI

Health & Safety Priorities

We still consider price and selection, but **now it's really about safety.**

Jennifer V, 47, Maiden, NC

The Love of Local

For a while I will only dine at small local establishments until I feel confident. **These are the places that are safest and need us most when this is over.**

Jill F, 53, Kenton, MI

Shopping Efficiently

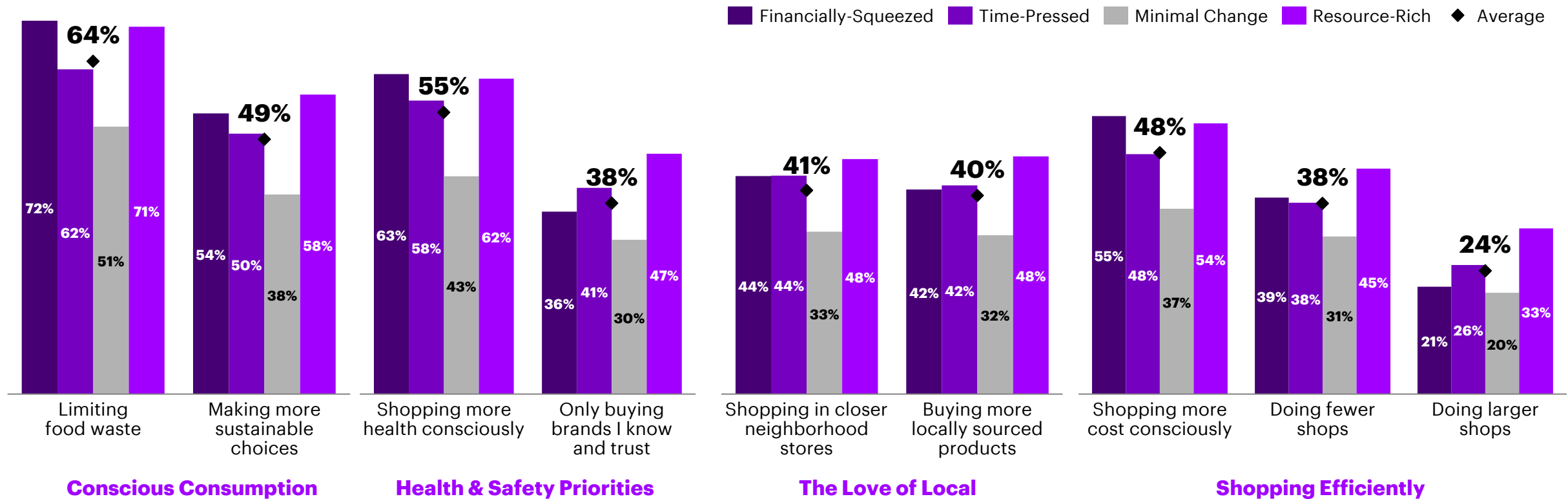
When I forget something at the store I have just decided to live without it. That's why a lot more planning is involved before I do go. Those spontaneous trips to the store don't exist anymore.

Valentin E, 28, New York, NY

Changing circumstances, for better or for worse, drives a greater degree of behavioral change

Proportion that are likely to permanently change their shopping habits

Proportion that agree or significantly agree with statement and are likely to sustain this post outbreak, by consumer type

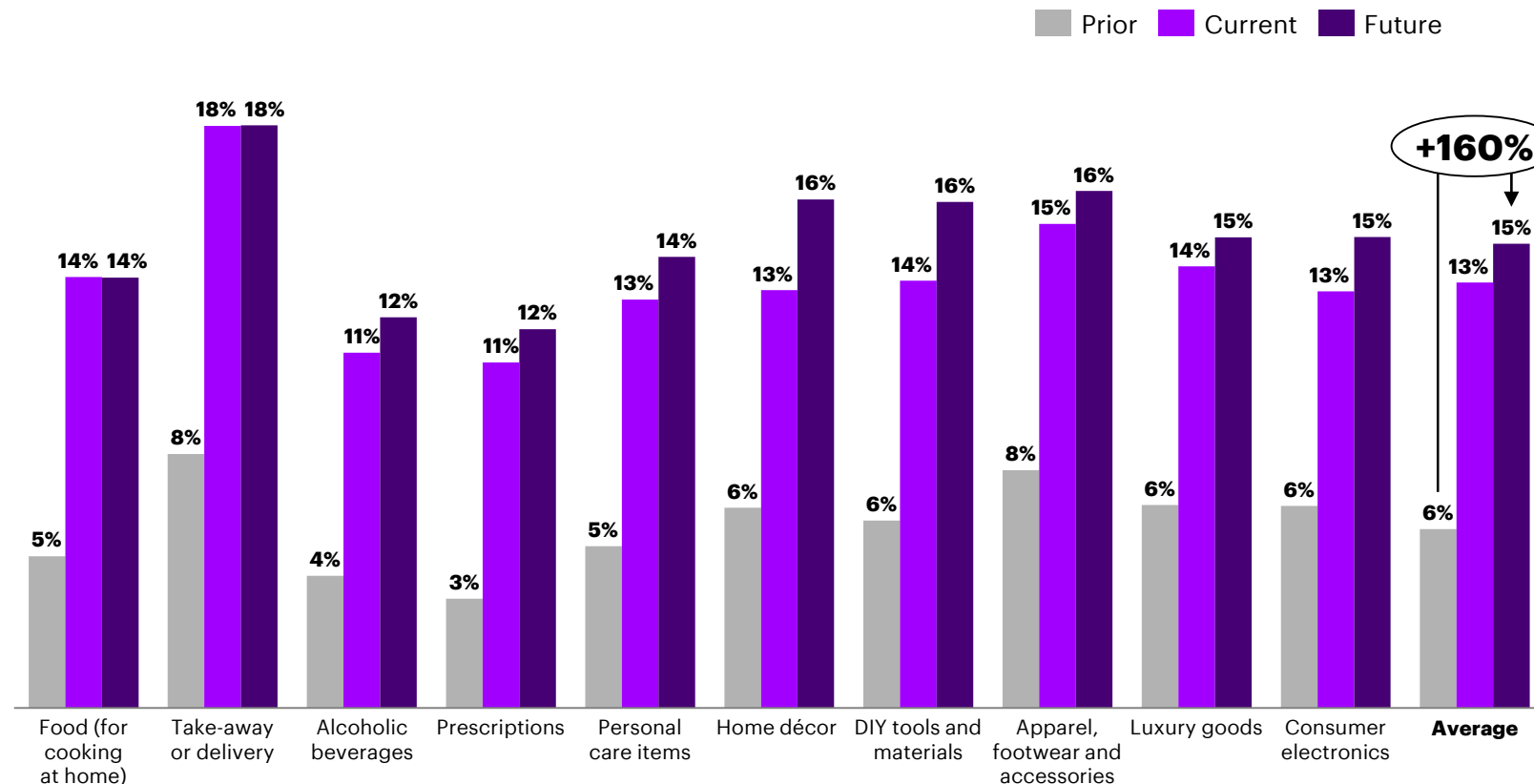


Source: Accenture COVID-19 Consumer Research, conducted 17-27 April 2020

New users are turning to ecommerce, with long-lasting implications

Proportion of purchases made online by infrequent ecommerce users

Frequency of online purchases for consumers who used online channels for less than 25% of purchases prior to the outbreak



Source: Accenture COVID-19 Consumer Research, conducted 17-27 April 2020

The huge shift to ecommerce is likely to continue.

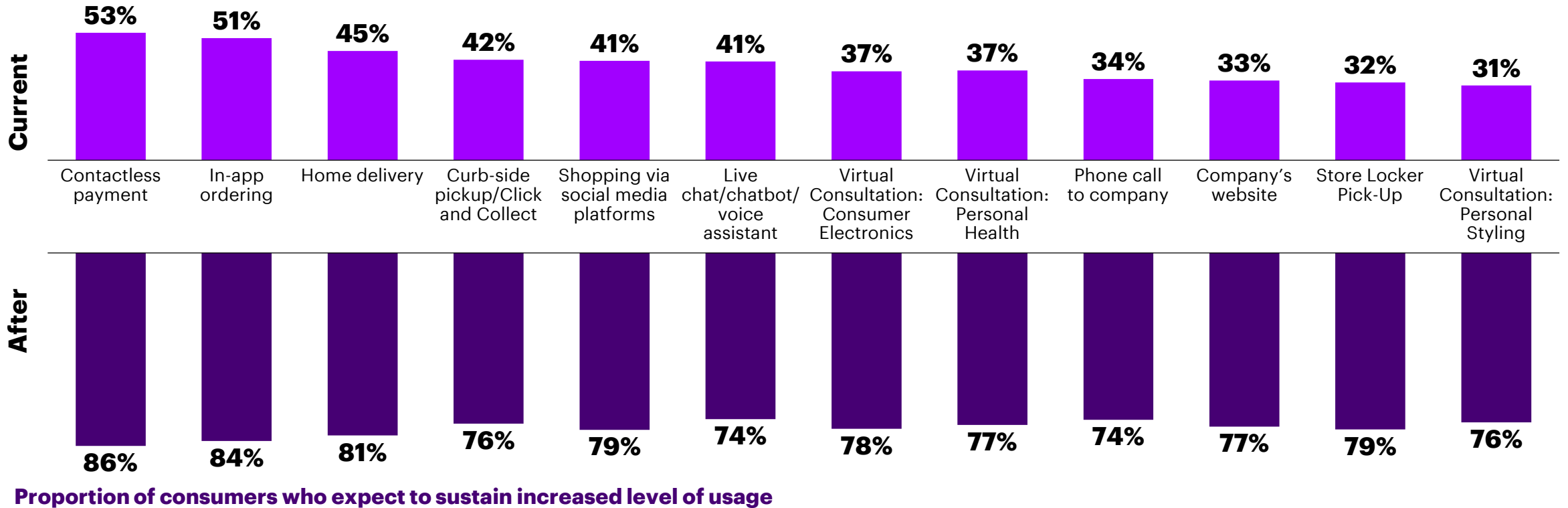
160%

is the expected future increase in ecommerce purchases from new or low frequency users.

Consumers using omnichannel services are likely to continue doing so

Proportion of consumers who have increased usage of digitally-enabled services during the COVID-19 outbreak

Consumers who have increased or significantly increased usage of those that use the service

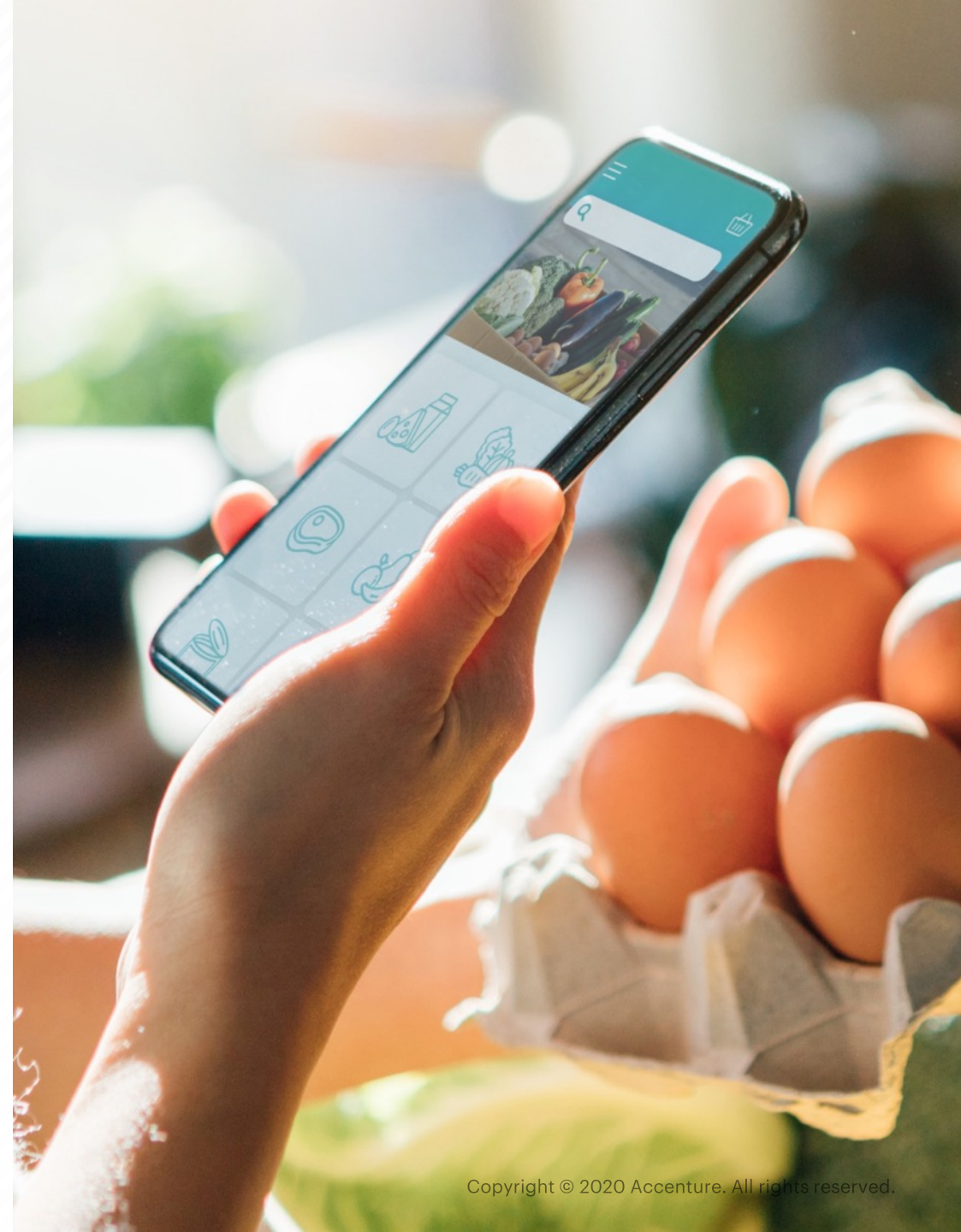


Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020. Excludes those who do not use services.

What and how we buy

Implications for retailers

- The increased focus on **conscious consumption** requires that retailers make it a key feature of their offer.
- **Health** will most likely remain a strategic differentiator for the foreseeable future (e.g. supporting healthy lifestyles for consumers, shoppers and employees).
- Retailers should tap into the **demand for local** by highlighting local provenance, and redefining relationships with the communities they serve.
- Experiences that **improve the efficiency** with which consumers can shop—both online and offline—will likely improve the customer experience.
- Retailers should substantially increase investment in **digital and omnichannel capabilities**, to connect with consumers in new ways and respond to rapidly shifting needs as we move through the phases of the pandemic.



How we live and work



Consumers are finding creative ways to fill their time at home

Consumers are engaged in new or renewed activities during their spare time. Many are trying new recipes, engaging in DIY and home improvements, or embarking on new skills or online education.

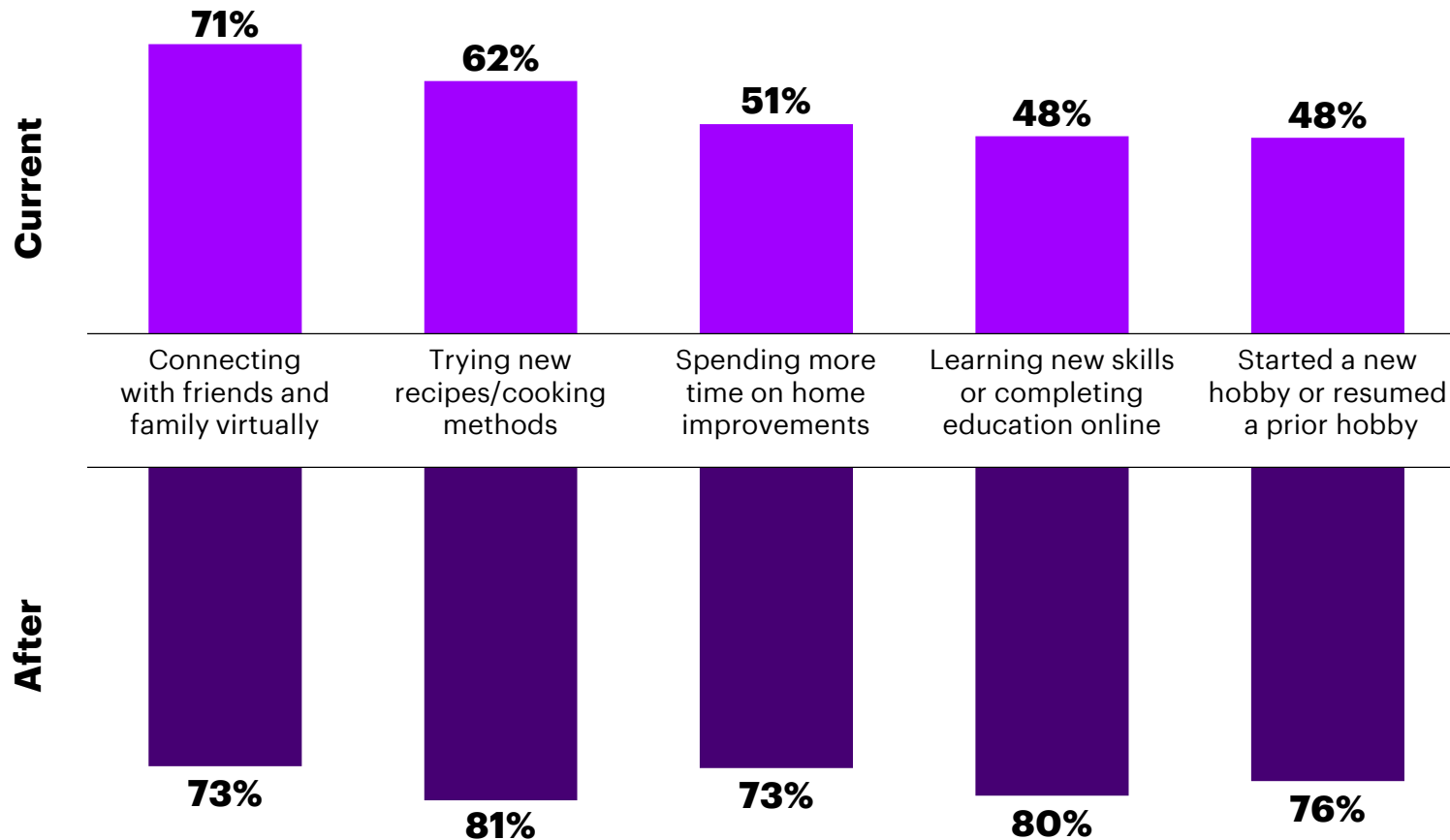
Families are welcoming the opportunity to spend more time together, and new ways of socializing are gaining in popularity as people connect virtually.

With the switch in many cases to working from home, employees have embraced their new environments and many expect to continue or increase their time spent home working in the future.

Consumers are finding **creative ways** to spend their leisure time

Proportion of consumers who have changed their leisure activities

Consumers who have increased or significantly increased usage



Proportion of consumers who expect to sustain increased level of usage

Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020

By exploring how and where consumers are spending their leisure time, retailers can identify opportunities to engage them through new occasions or channels.

Different forms of exercise have seen a boost as consumers prioritize keeping fit and healthy

Exercising indoors

57%

of consumers have started exercising more at home*

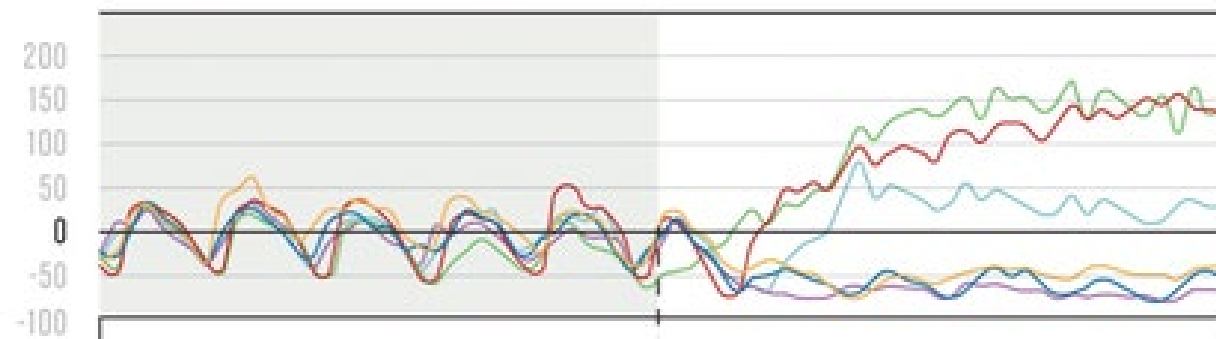
Exercising outdoors

28%

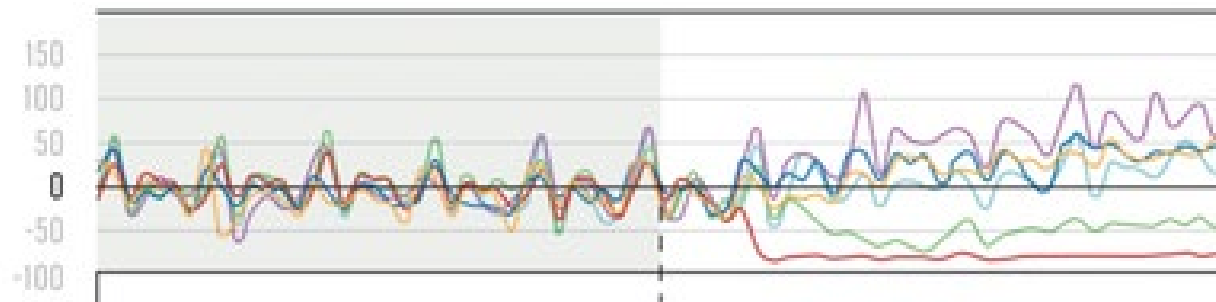
have started exercising more outdoors*

Garmin smartwatch activity**

Indoor running % change



Outdoor running % change



Feb 1st

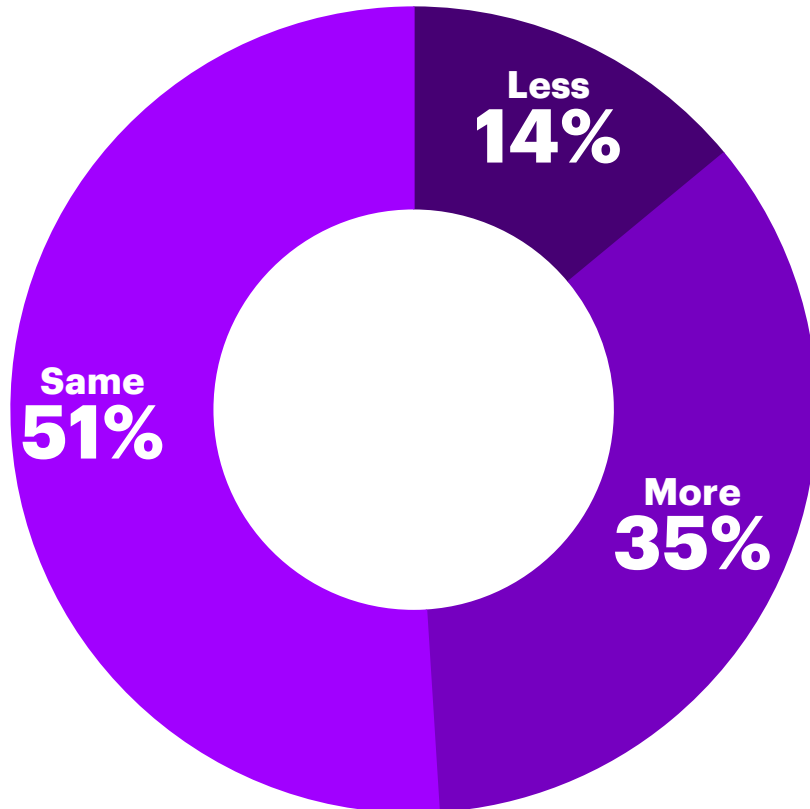
Mar 9th

Apr 14th

- Italy
- Spain
- France
- UK
- Sweden
- Germany

Thirty-five percent of people plan to increase home working in the future

Change in work-from-home frequency from pre- to post-outbreak



48%

of people who never worked from home previously now plan to work from home more often in the future.

Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020 N = 3,648 respondents working from home.



Life at home has become more fulfilling since I have been working from home. I spend more time with my family.

Female, 32-39, UK



I enjoy working from home. I feel as though my job mostly can be done at home and wish I could only work from the office for a few days. I know my workplace will never allow that and it makes me sad.

Female, 18-24, Canada

Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020

How we live and work

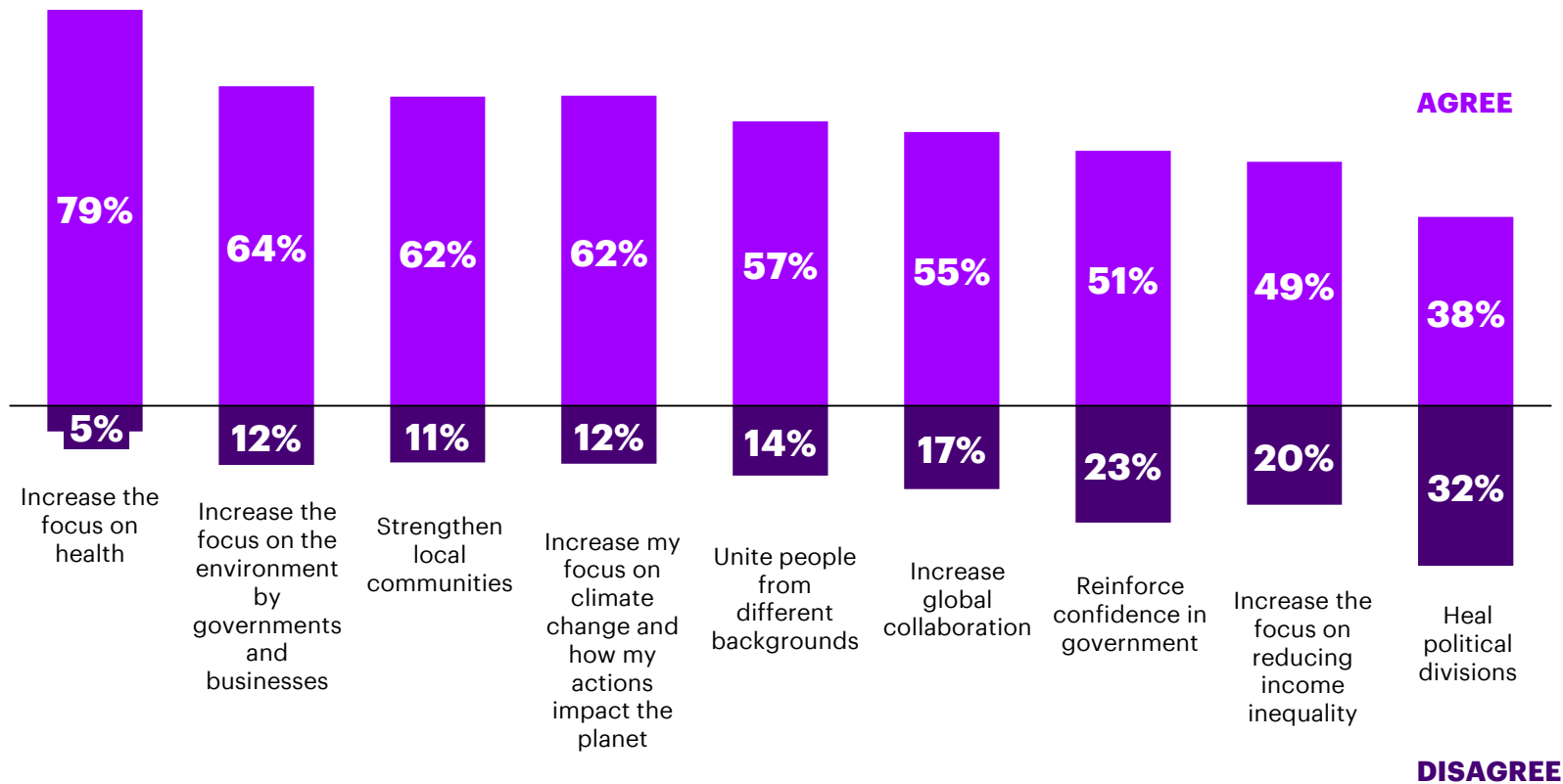
Implications for retailers

- Increase focus on opportunities for **self-care, personal health and hygiene** within your assortment.
- Explore how and where your consumers are spending their time—on new leisure activities or devices. Identify the **new occasions and channels** through which you can engage them.
- Consider supporting **local communities and institutions in authentic ways**, to generate awareness and loyalty, and engage with customers to create **meaningful moments**, whether in person or virtually.
- Create a **virtual working strategy** that will differentiate your employee value proposition and reflects new employee preferences, and explore **new pools of talent** that are unconstrained by location.
- Fully leverage **virtual collaboration tools**, which have clearly demonstrated success.



The majority of people see **potential positive outcomes** from the crisis

Proportion of consumers who think COVID-19 will have a lasting societal impact
% who agree vs. % who disagree



Lasting personal and societal impacts

The global pandemic is fundamentally changing the way we live our lives. It is giving us an opportunity to reflect on our values and priorities, and consider the behaviors and habits we want to retain into the future.

The majority of people agree that this crisis could potentially have a lasting and positive impact on society. An increased focus on health, the environment and local communities are some of the areas that could benefit as a result of this global event.

Retailers to build consumer confidence with responsibility and resilience

Retail has experienced major disruptions in the past, but consumer preferences and shopping patterns have never shifted so quickly.

As well as changing how they shop, the reasons why consumers shop have also changed. Retailers need to leverage data-driven insights to continue to inform and develop their relationships with consumers.

Responsibility to employees and consumers has taken on a new significance. When it comes to restarting the economy, the near-ubiquitous lack of consumer confidence will pose an enormous challenge. Retailers need to build trust with consumers, such as implementing visible safety and hygiene measures for staff and customers in stores.

With the rise of the conscious consumer, and the intent to make environmental and ethical purchasing decisions, retailers need to build sustainability into the core of their businesses, and look for new ways to grow.

Retailers need to improve shopping efficiency, both online and offline, and be ready to respond to rapidly shifting needs as the pandemic evolves. The increased use of digital requires retailers to substantially increase their investment in omnichannel capabilities.

Retailers have an opportunity to reset and rebuild their businesses. How they help consumers to get through the now and next of the pandemic will influence their success in the years ahead.

Contacts



Jill Standish

Retail Global Lead

jill.standish@accenture.com



Maureen Bossi

Consumer Research Lead

maureen.e.bossi@accenture.com

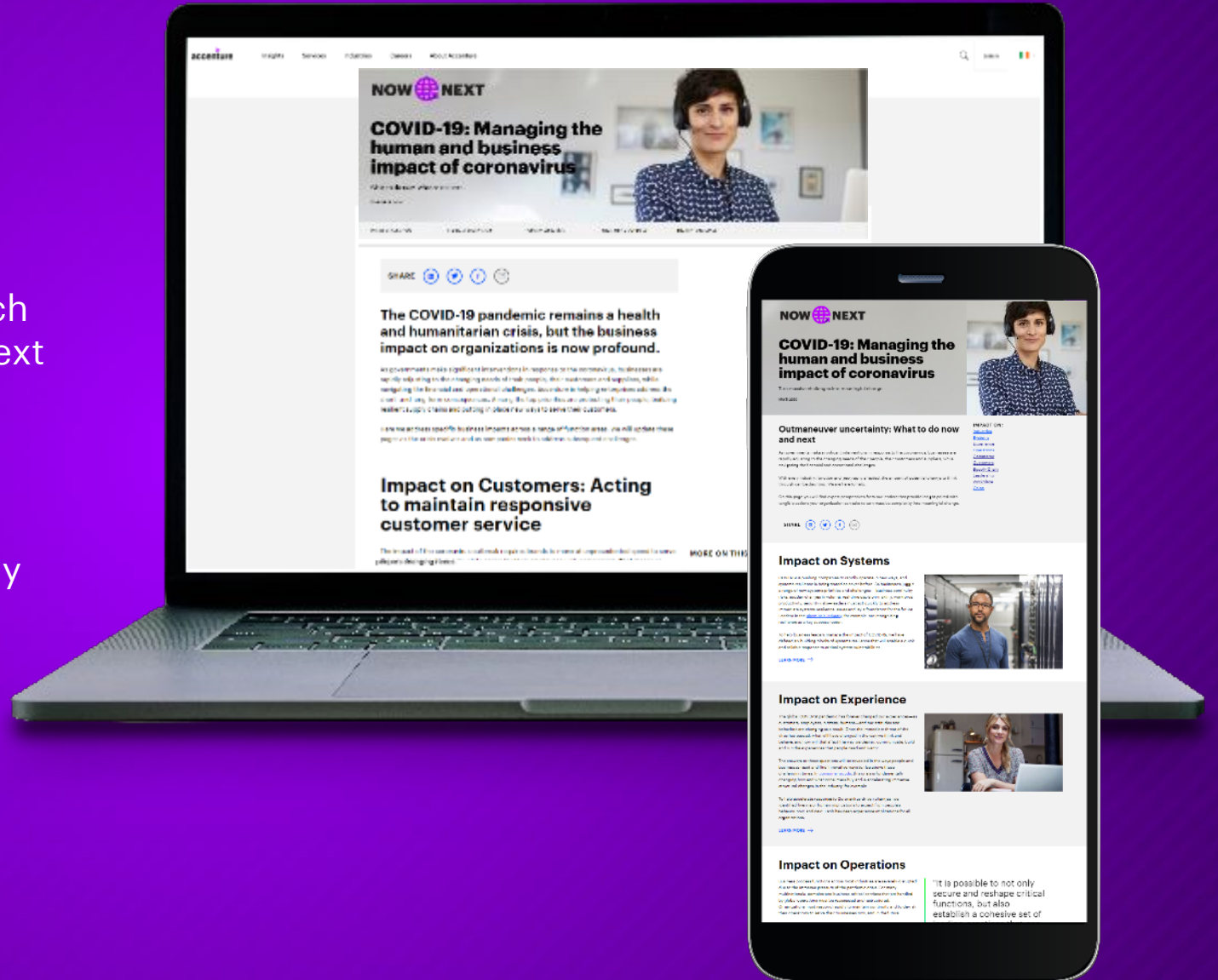
This is a sample of the Accenture Consumer Research Report 2020. To access the full report and discuss its potential implications for your retail business, please contact: maureen.e.bossi@accenture.com

To help our clients navigate both the human and business impact of COVID-19, we've created a hub of all of our latest thinking on a variety of topics.

Each topic highlights specific actions which can be taken now, and what to consider next as industries move towards a new normal.

From leadership essentials to ensuring productivity for your employees and customer service groups to building supply chain resilience and much more, our hub will be constantly updated. Check back regularly for more insights.

[VISIT OUR HUB HERE](#)



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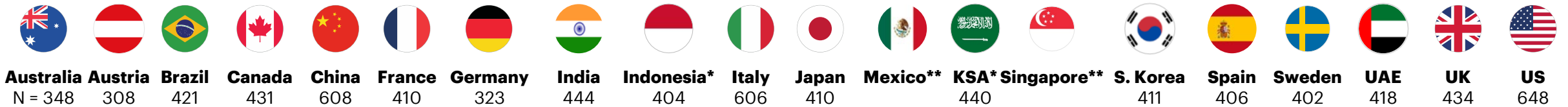
Methodology



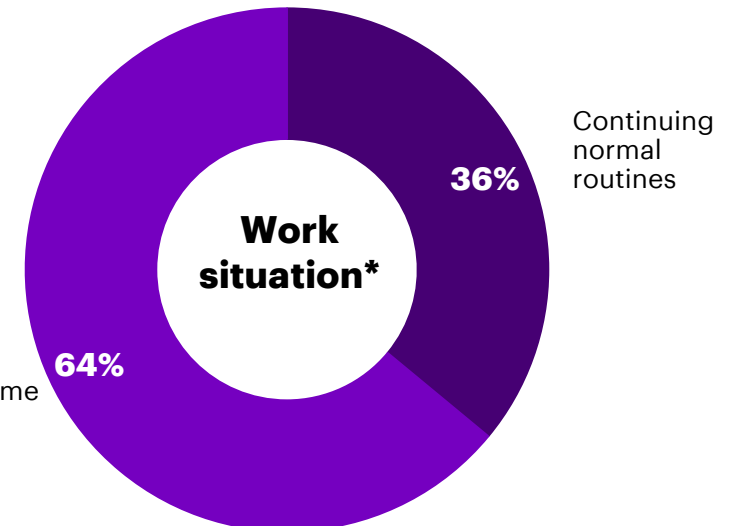
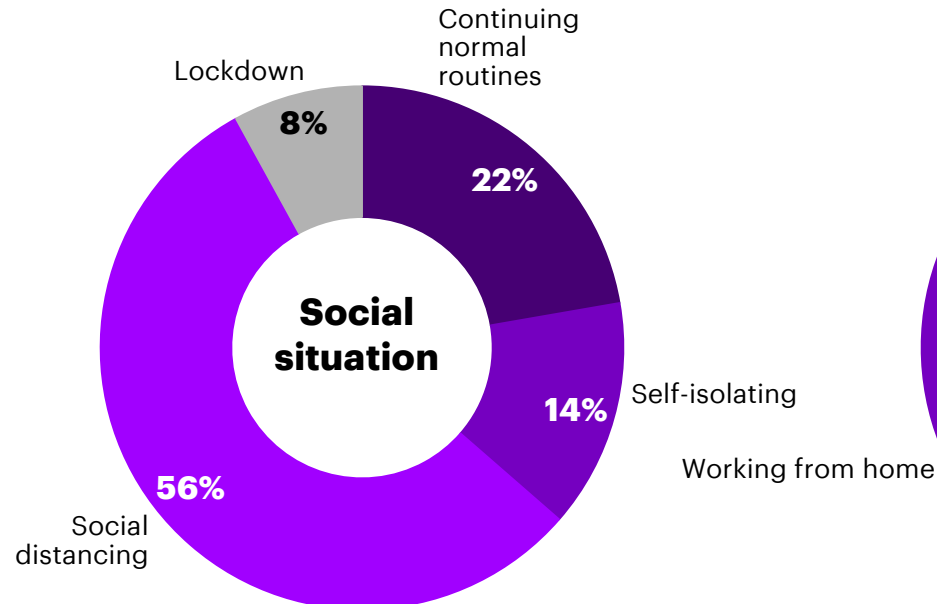
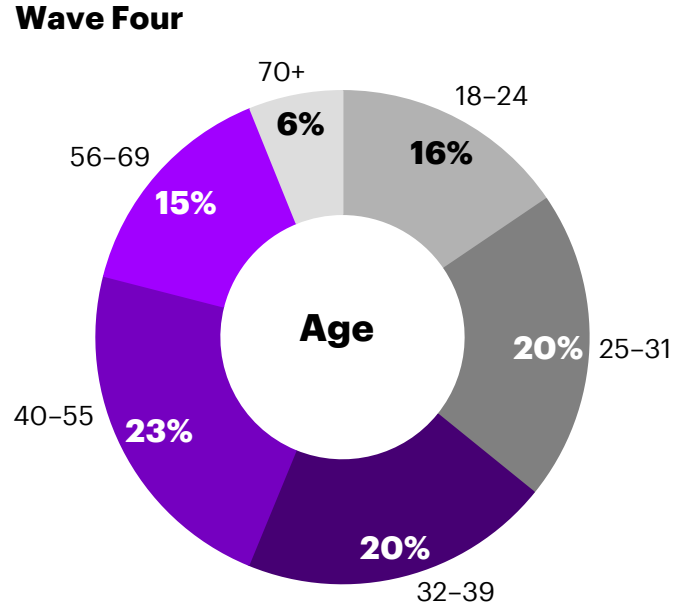
The COVID-19 Consumer Research

Accenture's COVID-19 Consumer Research is monitoring the changing attitudes, behaviors and habits of consumers worldwide as they adapt to a new reality during the COVID-19 outbreak. It also explores which of these changes are likely to have a lasting impact once the crisis is over.

The fourth wave of this survey was conducted from **5-11 May 2020** and includes 7,872 consumers in 18 markets around the globe. This has been complemented by two digital ethnographic studies: one of 30 consumers in the US completed 3-8 April 2020, exploring the ways their approach to food is changing, and the other of 15 consumers in China, Mexico, Spain, and the US, exploring how their approach to shopping for consumer goods and services is changing. This research will continue to be updated to track changes as this situation evolves.



Wave Four



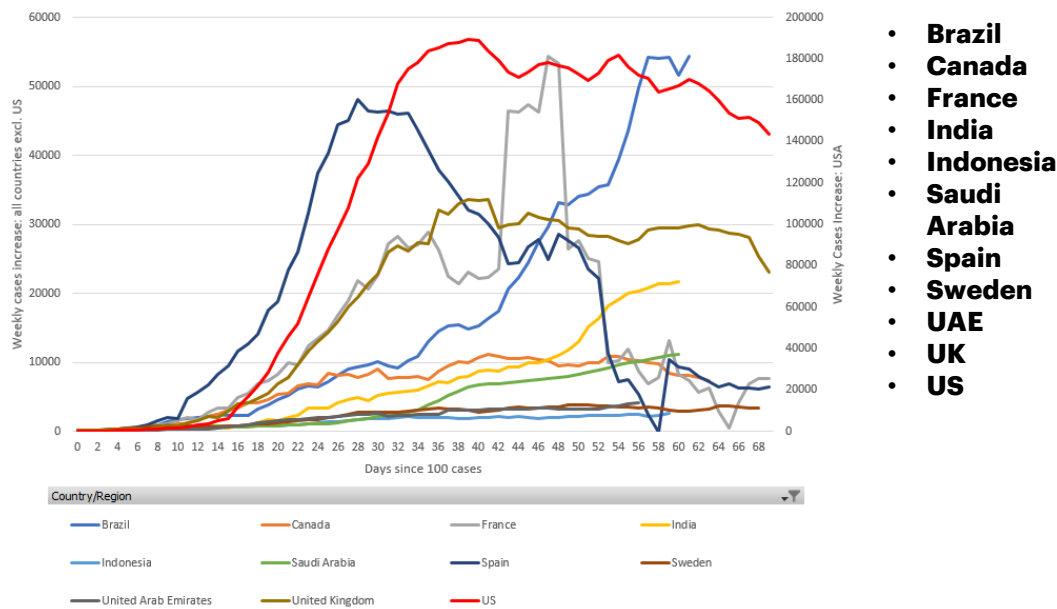
Source: Accenture COVID-19 Consumer Research, conducted 5-11 May 2020. *Added in Wave 4. **Excluded in Wave 4.

* Of those employed

The 18 markets were split into two types based on the stage of outbreak at time of fielding

Markets were grouped into two stages of the COVID-19 outbreak. The classification took into account the time since first 100 cases were diagnosed in each country, the weekly increase of new cases and the lifting of government restrictions.

Advancing



Stabilizing

