



COVID-19 is Reshaping the Consumer Goods Industry

Data-driven insights into consumer behavior reveal new and lasting trends

Accenture COVID-19 Consumer Pulse Research – Wave 4



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OUTMANEUVER UNCERTAINTY

As the health and humanitarian impacts of the COVID-19 pandemic evolve, so do the business and economic challenges. Organizations looking to balance their immediate needs with longer-term opportunities will see the trade-offs play out across three waves of impact: **the Now, the Next and the Never Normal.**

The Now includes an emphasis on supporting people, customers and suppliers. The Next will feature refocusing the business to withstand new threats and seize new opportunities. And, the Never Normal will require navigating rapid shifts in cultural norms, values and behaviors.

This is the moment to reinvent business models and reintegrate the value organizations provide into a new societal landscape. The time to shape a mindset of bold business transformation powered by new approaches to technology and responsible leadership is underway.



The COVID-19 pandemic will define consumption for the next decade

The world, as we know it has fundamentally changed and people are now living differently, buying differently and, in many ways, thinking differently. The habits formed will endure beyond this crisis, permanently changing what we value, how and where we shop, and how we live and work.

The pandemic accelerated long-term trends. Changes anticipated over the next few years have occurred in the space of weeks, forcing companies to rapidly adapt as the demand for certain products and service outstrips supply.

Our four waves of consumer research reveal that the impact of COVID-19 on consumer goods has been profound, and the effects are permanent. There is no going back. As companies move forward, they must consider how to better understand consumers and strive to outmaneuver uncertainty in this new era.

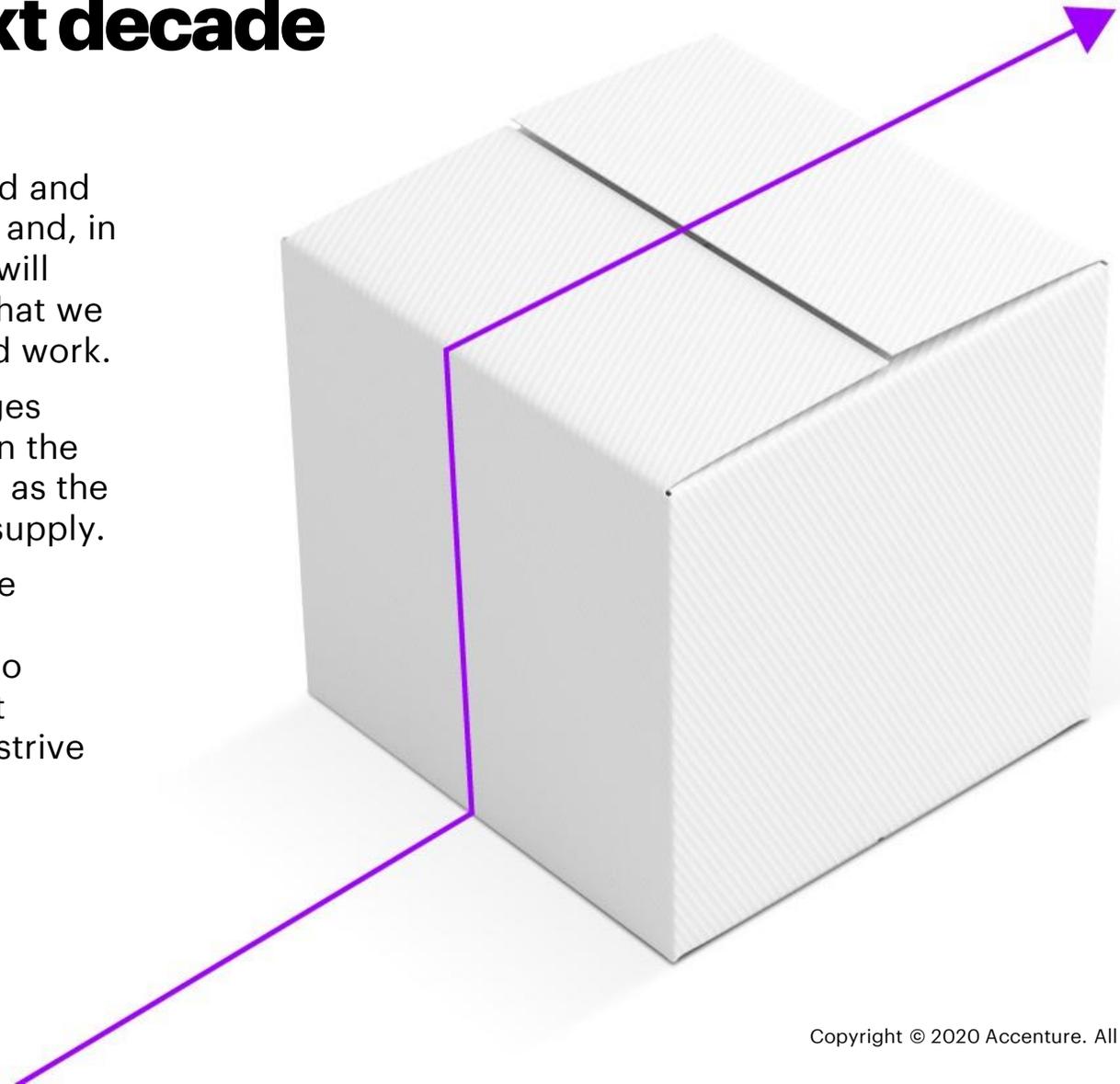
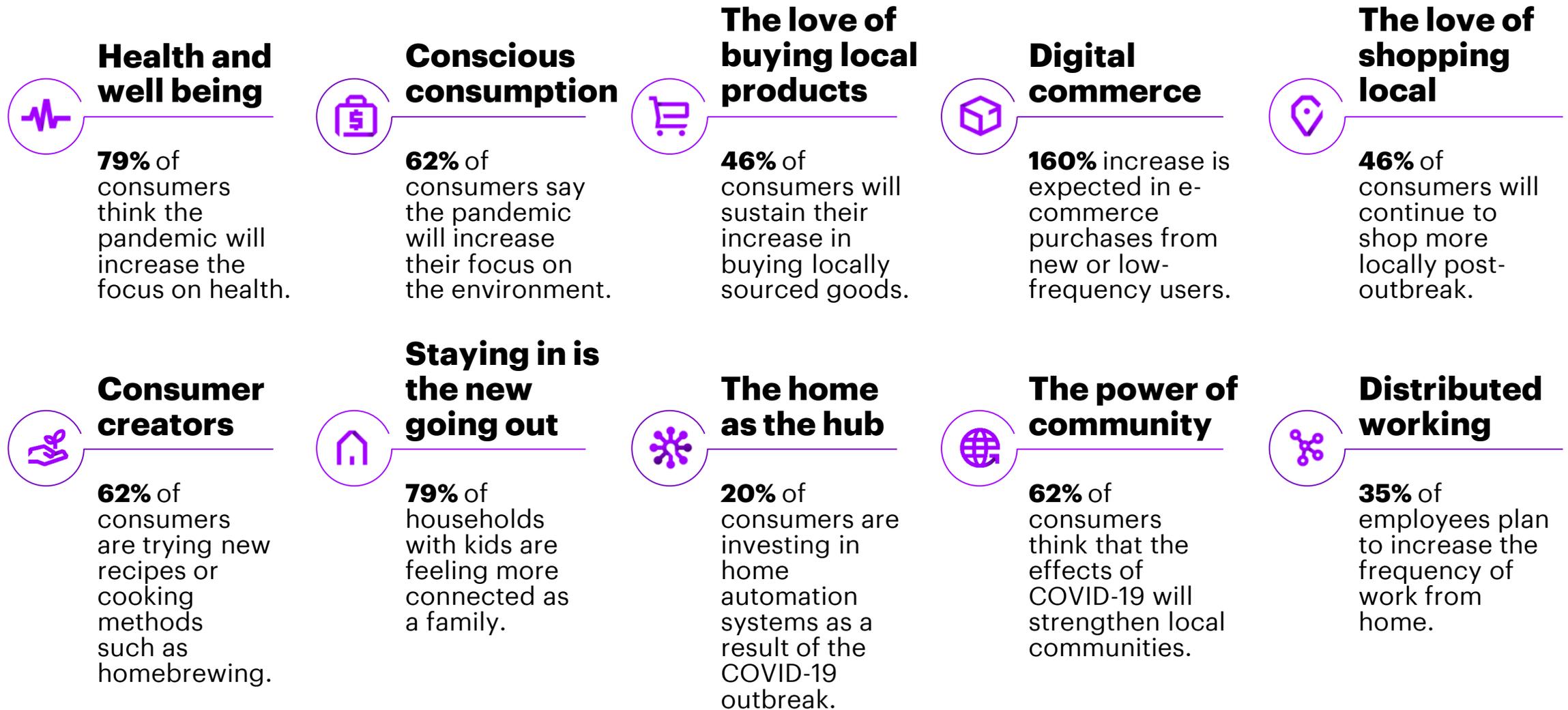
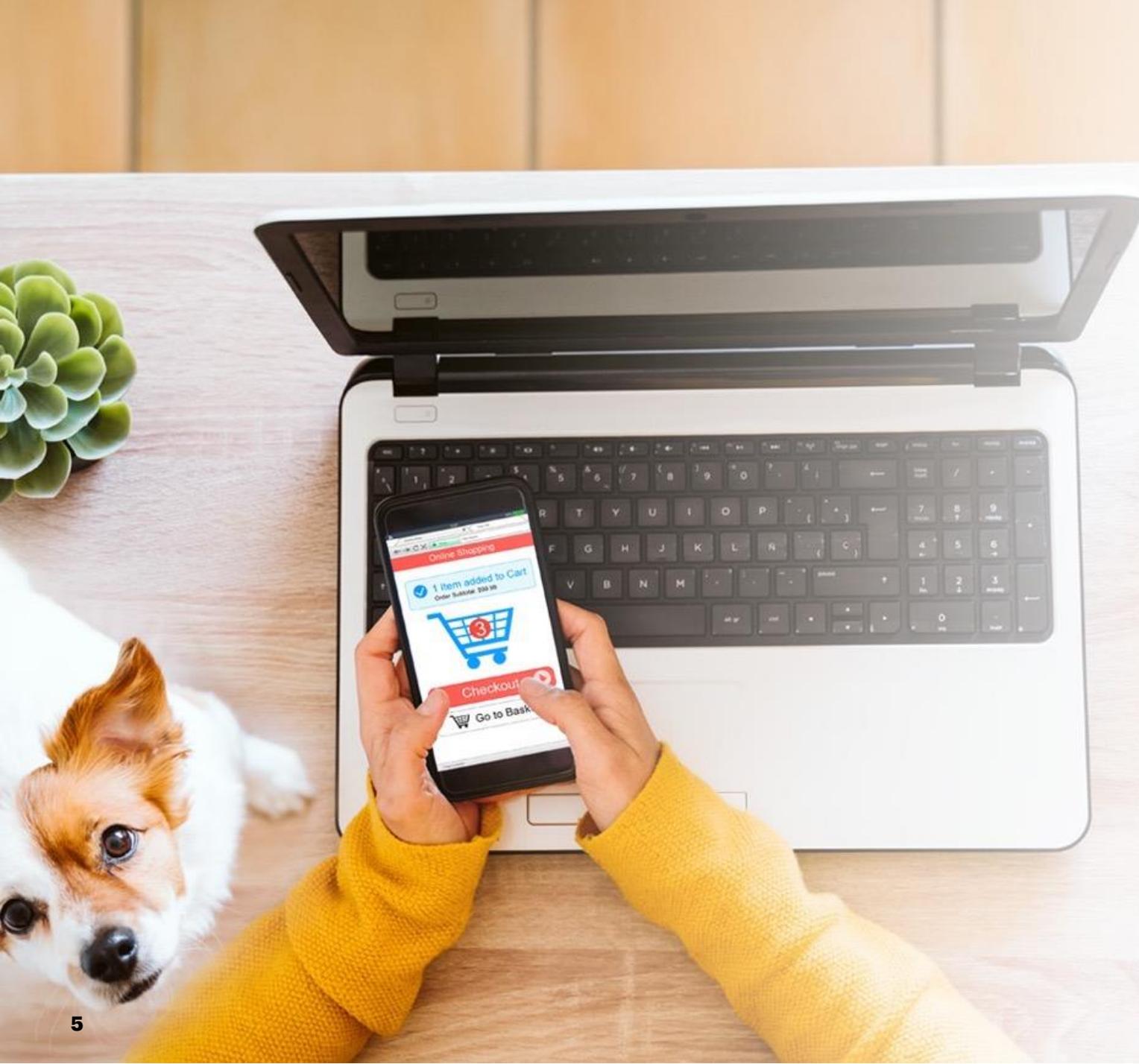


Figure 1. 10 accelerating trends impacting consumer goods





Consumers are adapting

Our research, which began March 19,¹ shows consumers are adjusting to how life is now. They wonder what the future holds and are adapting to new personal circumstances by spending their time and money differently. Many remain wary of being in public places and are opting to shop and socialize from home.

Consumers are adapting

Consumers remain highly concerned about the impact of this pandemic on society at large. In markets where COVID-19 incidence has stabilized, health fears have somewhat subsided and are lower (69%) than in markets when the virus is still advancing (80%), yet overall economic concerns persist (85% versus 86%). The proportion of consumers worried about the impact on their personal job security is the highest it's been across the four waves of research conducted (65%).

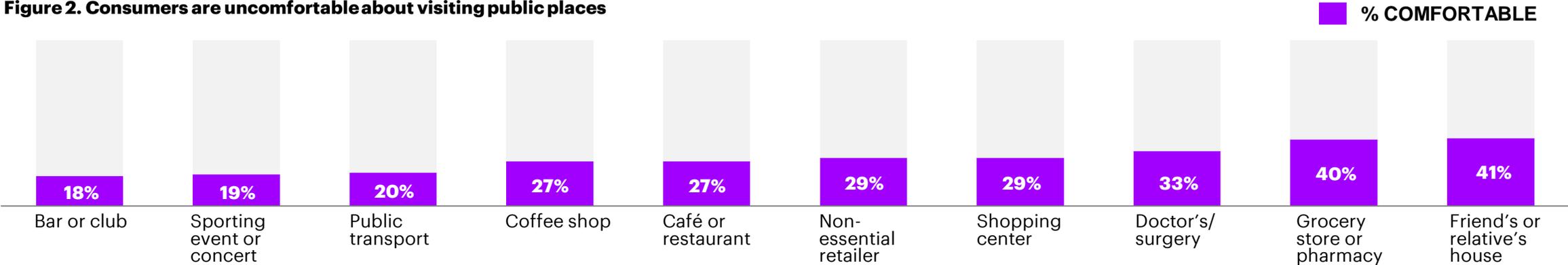
Many consumers are having to adapt to new personal circumstances. Some are having to tighten their purse strings due to less disposable income than before the outbreak. Others are experiencing more free time. As consumers adapt to new personal circumstances, consumer goods companies must adapt to them. Companies will need to re-segment their consumers to capture shifting attitudes and behaviors.

Home is where the consumer is

Consumers remain uncomfortable about visiting public places in the next one to two months. They show the highest comfort level in going to a friend's or relative's house (41%). They have some comfort going to a grocery store or pharmacy (40%), perhaps viewing those as more necessary outings, but are least comfortable about locations that would ordinarily be crowded, such as sporting events or concerts (19%), and going to bars/clubs (18%). Critically, only one in five (20%) are comfortable about using public transport, which will be vital to overcome as people start to return to work.

It is likely that in the near future, people will be most comfortable socializing at home (either theirs, friend's or relative's). For consumer goods companies, tapping into occasions in and around the home by creating new experiences will need to be a priority. Companies should explore how they can create authentic products and experiences to appeal to consumers who are staying close to home. For instance, Carlsberg altered the release of its limited-edition beer created to toast the Queen's birthday in Denmark. Rather than having to venture into bars, consumers are able to enjoy the special brew and celebrate at home.²

Figure 2. Consumers are uncomfortable about visiting public places



“I expect to continue spending a lot more time at home ... I can't see us going back to shopping centers or bars locally, even when the lockdown lifts.”

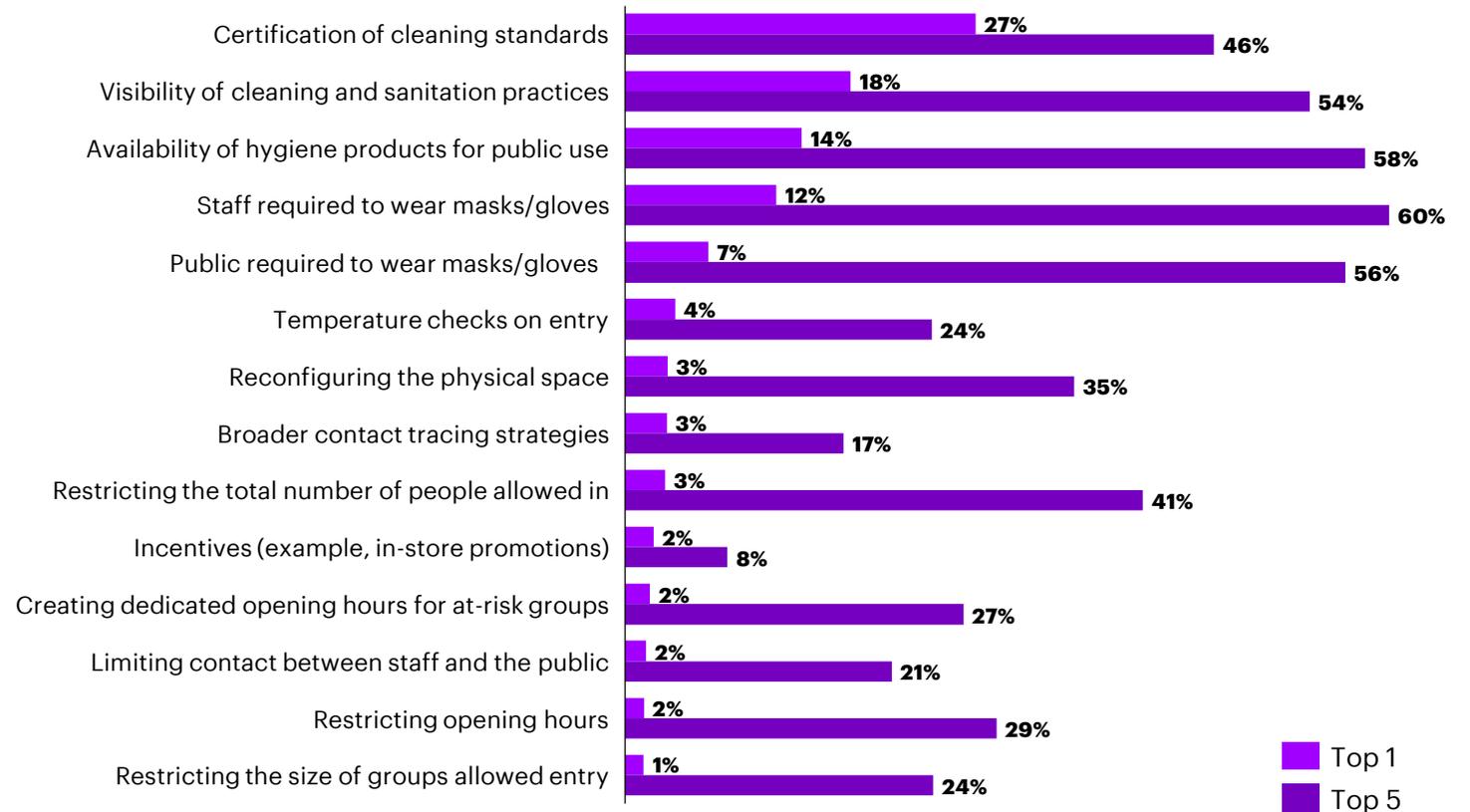
Female, 40-55, United Kingdom

Clean reigns supreme

Consumers are dramatically changing their cleaning and personal hygiene habits due to the outbreak. Ninety percent are washing their hands more and 79% are cleaning surfaces more often. People are listening to the advice they are given, and they plan to continue these habits going forward.

This push for health and hygiene will be critically important as businesses reopen. Proof of good hygiene practices will be critical to restarting services and earning the trust of consumers. Physical distancing measures will also be necessary, although they are of greater importance to consumers aged 56 and above. Retail and on-trade outlets will need to put in place changes that will help consumers feel more comfortable in public places. Consumers goods companies must make cleanliness and safety top priorities and communicate to consumers the measures they are taking to protect shoppers.

Figure 3. Consumers are looking for hygiene and cleanliness when they go to public places



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

“My life will be changed forever; I will never go back to pre-sheltering at home. Being clean and taking precautions will be my new norm. This pandemic will be forever on my mind.”

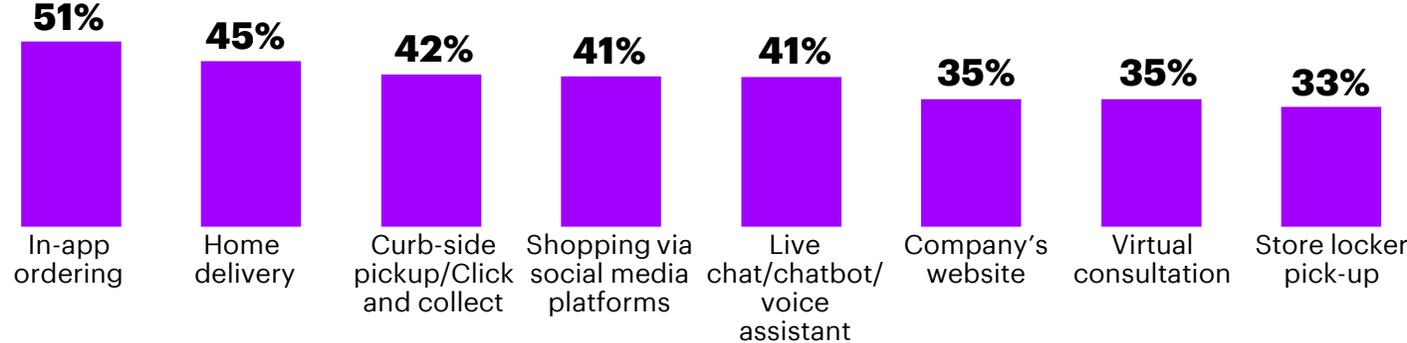
Juan, 50, United States

Buying patterns have dramatically shifted

Why, what and how consumers buy is changing in the wake of the COVID-19 outbreak. Omnichannel options have seen a boost as new consumers migrate online to shop—a rise that is likely to sustain post-outbreak. Consumers are prioritizing their most basic needs while cutting back on non-essentials. The factors that influence brand decisions are also changing as a “buy local” trend accelerates.

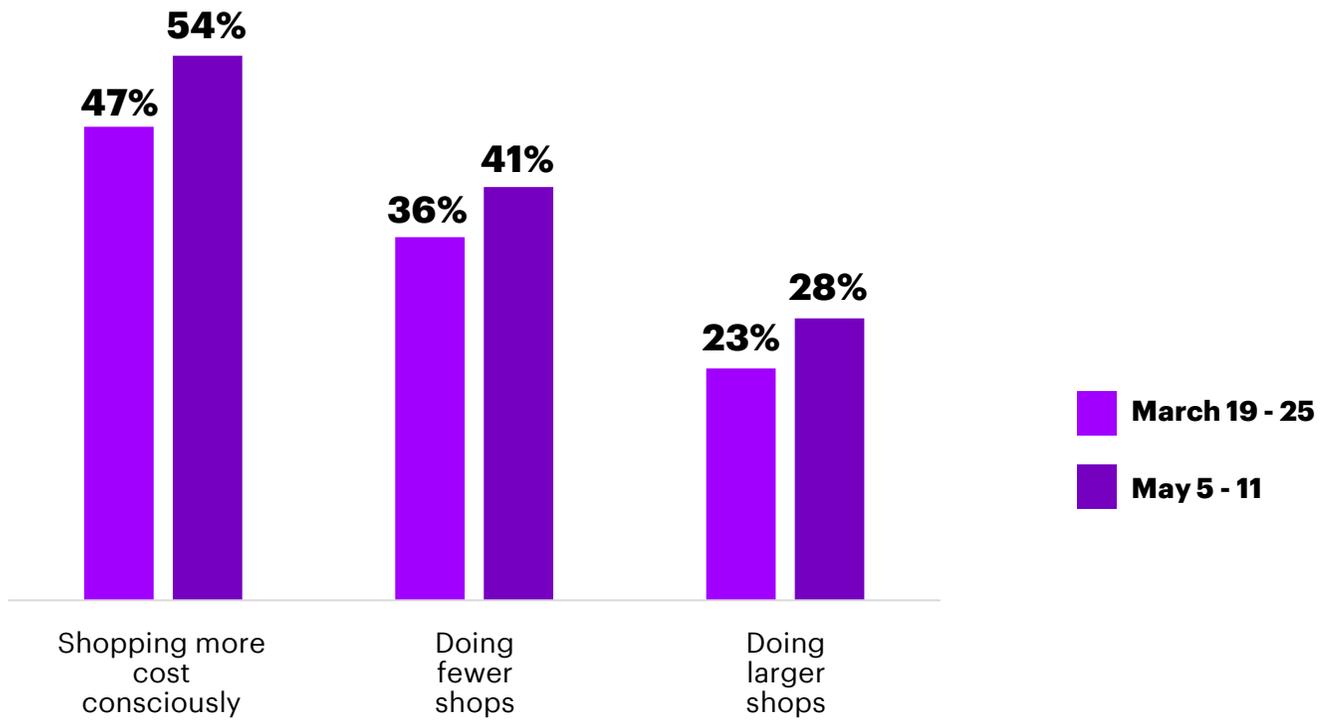
From a channel perspective, there has been a huge shift toward digital in the wake of store closures. Our previous report showed that the demand for e-commerce had surged, particularly from new users. Consumers have also increased the use of omnichannel services such as home delivery, chat features and virtual consultations, and are highly likely to continue using these in the future. Some consumer goods companies such as Kiehl’s have brought in-store beauty services online. The company’s personalized consultations provided through the “Healthy Skin Hub” are now accessible via online chat.³ US grocer Kroger is offering a virtual telenutrition service to help shoppers choose and prepare healthy—and affordable—food.⁴ Consumer goods companies need to substantially improve their omnichannel capabilities to accommodate these new preferences.

Figure 4. Consumers using omnichannel services will continue



Shopping efficiency is a current necessity

Graphic shows proportion that agree or significantly agree with statement and are likely to sustain this post outbreak



Source: Accenture COVID-19 Consumer Research, May 5-11, Accenture COVID-19 Food Study, Accenture Research COVID-19 CG&S Human Perspectives.

Love for local

The demand for local goods—and local brands—is growing. Consumers want to shop at closer neighborhood stores (59% in May compared to 44% in March) and want to buy more locally sourced products. The net purchasing⁵ of consumers who are prioritizing local brands and national brands has increased (23% and 19%, respectively), while people purchasing large global brands has decreased. Brands should tap into the demand for local by highlighting local provenance and redefining relationships with the traditional trade. The “buy local” trend presents an enhanced opportunity for consumer goods companies given the typically high margin from “mom and pop” stores, and local pubs and restaurants. Companies should seek to strengthen relationships with smaller-format stores and venues, and even help them figure how to take necessary steps to incent customers to return and, when they do, serve those customers, such as ensuring social distancing and proper sanitization in these smaller venues.

“I will definitely try to choose as many local or domestic products as possible because from the current epidemic situation, China is quite safe now.”

Duan, 32–39, China

A woman with blonde hair, wearing a white shirt, is shown in profile from the chest up. Her hands are clasped together in a prayer-like gesture, resting on a white surface. In front of her is a silver laptop. The laptop screen displays a video call with four people: a man, a woman, and two children. The background is a bright, out-of-focus indoor space with a green plant in a white pot.

Living in the new

The COVID-19 outbreak has slowed the pace and changed daily life for many consumers, and this is having a profound impact on the ways we spend our time and engage with one another.

Consumers as creators

Consumers are finding new ways to fill the extra time they now have at home, such as taking up new hobbies and learning new skills. For example, 62% are trying new recipes and cooking methods, and 51% are working on home improvement. This newfound experimentation presents a great opportunity for brands to tap into these new passions, and the creativity that it has unleashed, to co-create with consumers.

“This quarantine for everyone has allowed me to spend time talking with the kids about their fears, their hopes, their dreams and things in general. Being intentional and vulnerable with the kids have brought us closer.”

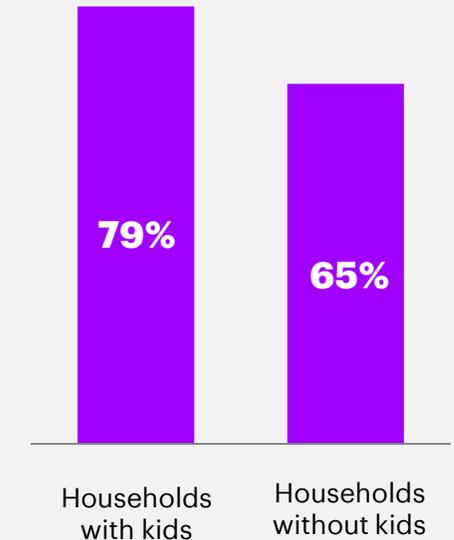
William, 49, Washington, United States

Joining together

In our last report,⁶ we explored how communities across the globe are coming together in different ways, and people are feeling more connected as a result. Yet, we also see strengthened connections closer to home. Families are welcoming the opportunity to spend more time together—particularly around mealtimes—and feel closer to each other. This is another opportunity for brands to become part of these new or renewed occasions in the home to support and augment the consumer experience.

Figure 6. Families are connecting

Proportion of consumers who feel more connected to family



Sources: Accenture COVID-19 Consumer Research, conducted May 5–11, and Accenture COVID-19 Food Study.

Trust is being tested

Consumers have mixed feelings about how different types of organizations have responded to the COVID-19 pandemic. Overall feelings remain positive, but there is still an opportunity to improve consumer perceptions by taking appropriate actions to meet the new needs of consumers. Those that answer this wake-up call and respond quickly may be the ones who stand out in the market.



Patience with organizations is waning

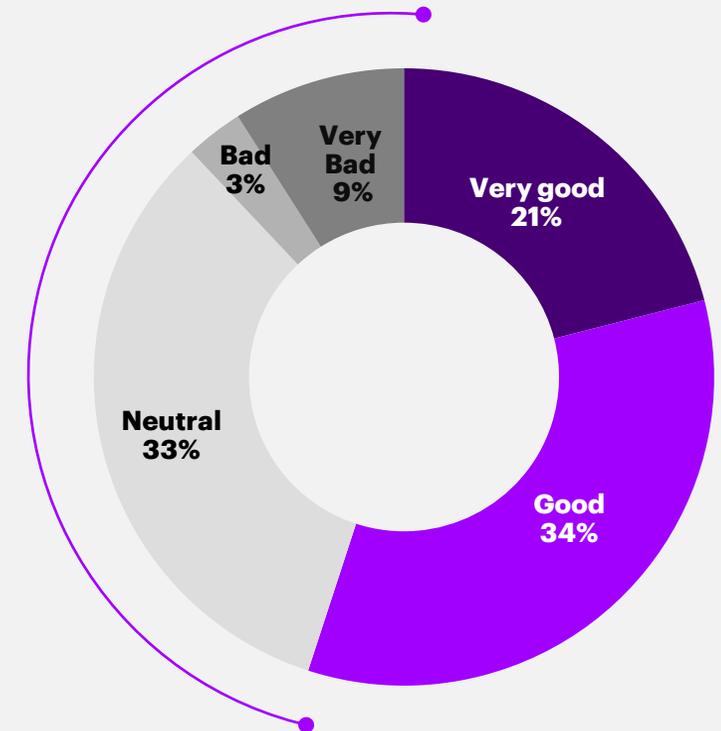
Consumers initially felt that organizations were broadly doing the best they could in a difficult situation. However, our most recent results show that this perception is being tested. From March 19 to May 11, there was an 8% decrease in the proportion of consumers who feel organizations such as health institutions, education institutions, retailers, the government and product companies are dealing well with the pandemic situation. Diminishing trust and patience presents an opportunity for consumer goods companies to make sure that they are still doing the right things to meet—or even exceed—consumer expectations with their response to this crisis, not just with hygiene but also how to positively impact society and the planet.

The response among employees about organizations that employ them has been mixed. More than half (55%) of employees think their employers responded well. On average, 63% of employees feel that their employers have taken active steps to protect their health and 62% feel their employers have provided the necessary tools to work. However, these results are polarized. Nearly half (45%) rate their employers' response to the pandemic as neutral or negative, and 12% rate it bad/very bad. These employers are at risk of reputational damage—and losing valuable employees—as they may not be meeting new expectations that people have from businesses to act responsibly. Companies should actively monitor employee engagement and sentiment to identify potential issues and address them quickly. Those companies making specific efforts to act responsibly should make these known to their employees.

Figure 7. Employees' rating of employers' response to COVID-19

45%

Rated Bad or Neutral



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

Government and citizens working together

Consumers are complying with the government advice, even where they don't trust the decisions being made. For instance, in Brazil, only 50% trust the government yet 90% are compliant with regulations. However, there is a positive correlation between trust in the government and a citizen's willingness to share data with it. Data is a critical factor for many governments' response plans, for example, contact tracing. Educating citizens on how their data will be used and protected will be critical to the success of such strategies, particularly in countries where this level of data sharing is not the norm.

This situation has also reinforced the government's central role in the lives of citizens and illustrates the importance of consumer goods companies to engage with governments as part of their brand and consumer engagement strategies.

In China, infrared sensors scan 200 passengers per minute at Beijing's Qinghe Railway Station. The system captures a person's face and sounds an alarm if his or her body temperature exceeds 99° Fahrenheit.⁷

In South Korea, alerts sharing the routes of confirmed COVID-19 patients are being used to trace contacts.⁸

In Moscow, a network of 105,000 facial-recognition cameras is being used to enforce lockdown.⁹

New ways of working

The virus sets a new virtual workforce in motion. Many employees are working from home. They enjoy it and feel they have the right conditions and tools to do so. Overall, 35% of employees plan to increase the frequency of working at home in the future—and that number rises to 48% for those who never worked from home before.



A home revolution

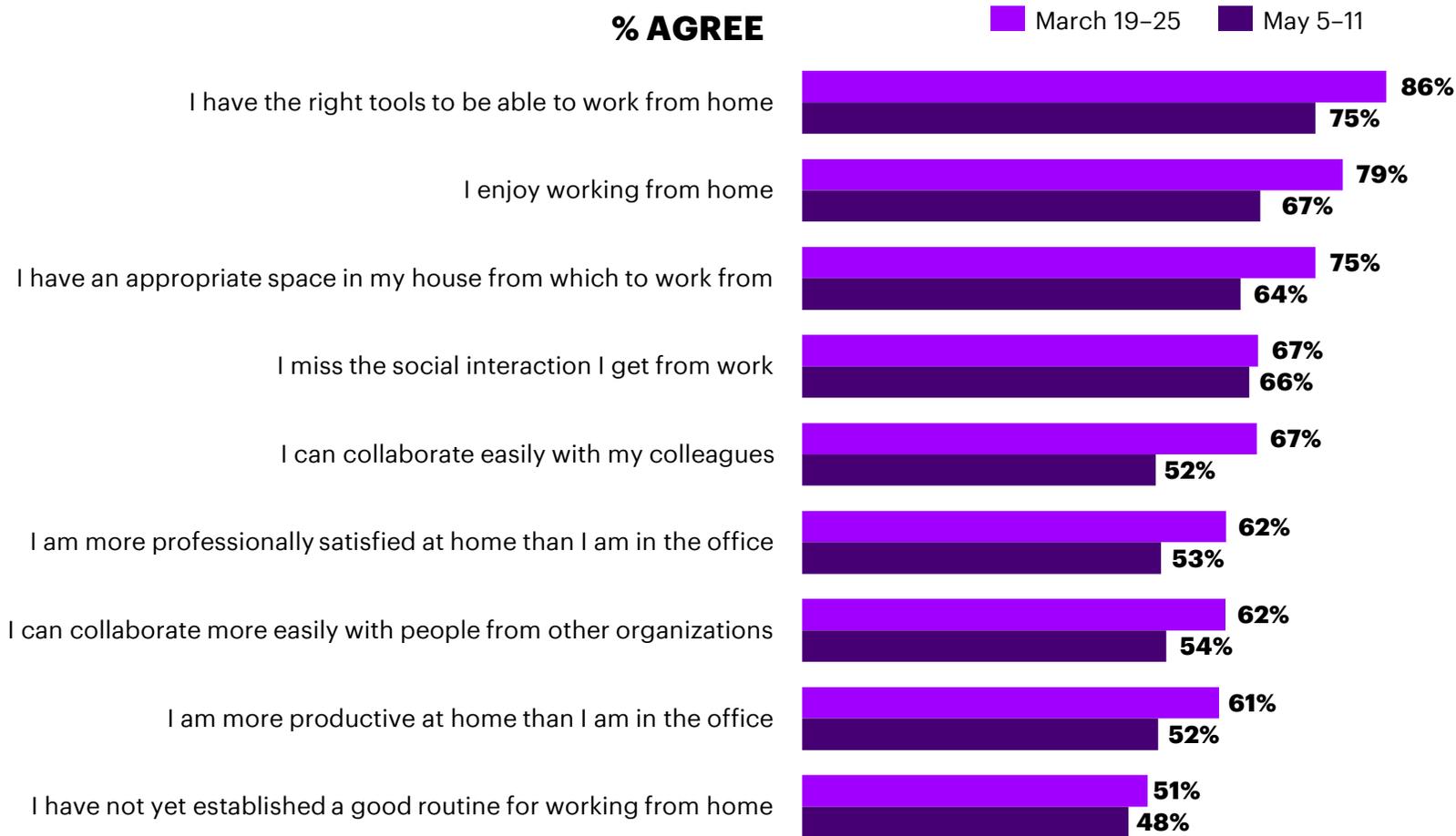
People, overall, like working from home, whether they've done it before or not. They have the appropriate space in their homes to be working remotely and they find it easy to collaborate with colleagues. These positive perceptions, however, have slightly waned since the beginning of the pandemic. For instance, in March, 86% of people felt they had the right tools to work from home—that number dropped to 75% in May as people now have a better appreciation for what's required.

Companies that had up until now been resistant to home and flexible working will need to rapidly adapt to new employee expectations. The good news is that this shift opens new pools of talent unconstrained by physical location.

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

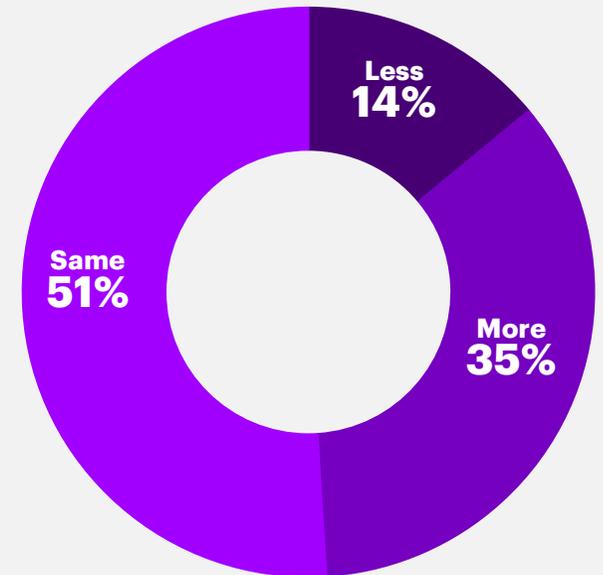
Female, 32–39, United Kingdom

Figure 8. The initial appeal of home working is wearing off for some



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

Figure 9. More people plan to work from home

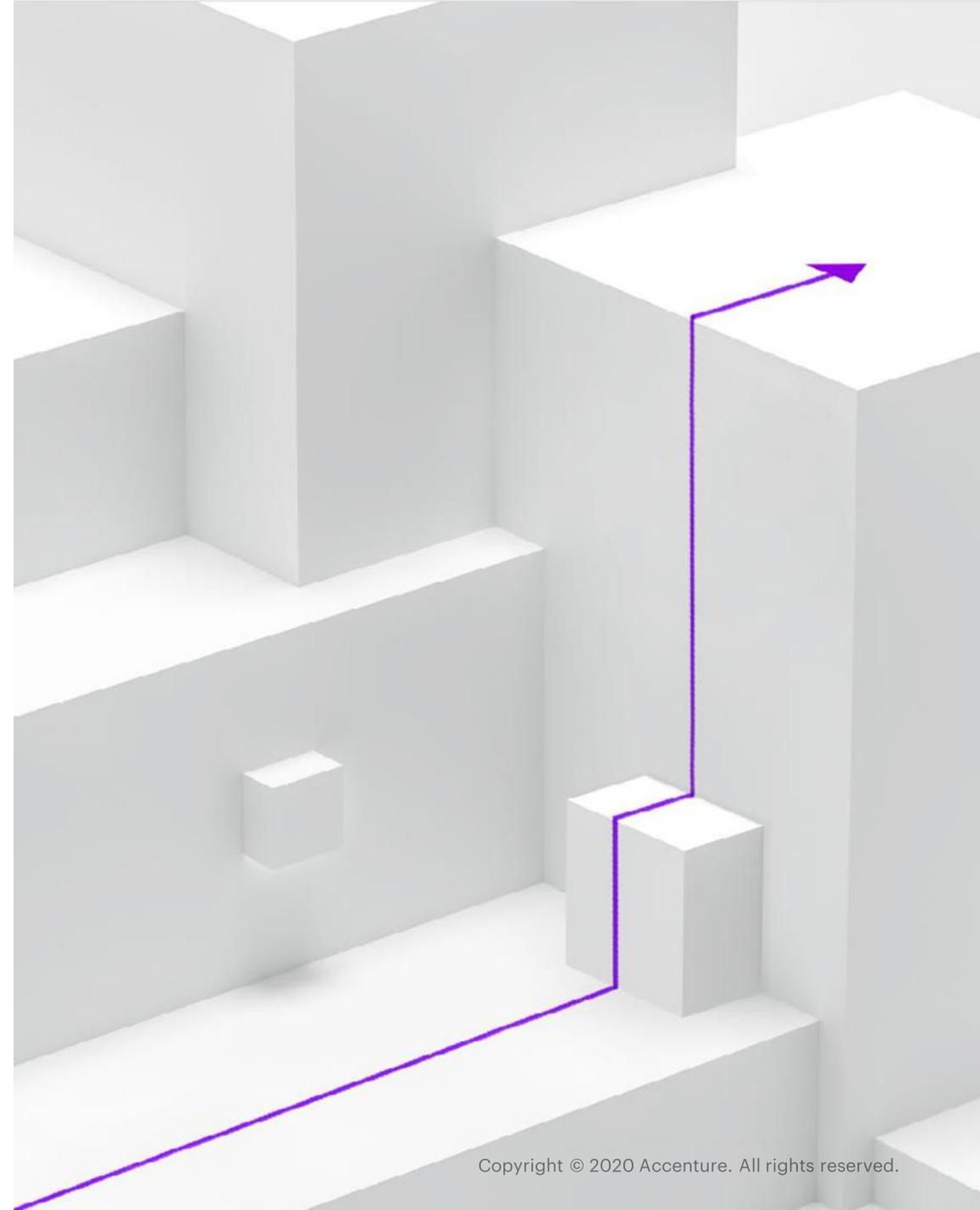


Source: Accenture COVID-19 Consumer Research, conducted May 5–11, N = 3,648 respondents working from home.

Emerging stronger

The world is longing for a return to normalcy, but the reality is the world, as we know it, has changed. People's attitudes, preferences and behaviors are adjusting. Businesses have adapted to these changes and endured struggles along the way.

In this time of dramatic change, people, businesses and institutions have an opportunity to reset and renew. Rather than worrying about the "what-ifs," it's time to explore the "what will be." Seize this opportunity to reinvent your business to outmaneuver uncertainty that lies ahead.



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References

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² “Carlsberg sends Danish birthday beer home, thanks to COVID-19;” Just Drinks; April 2, 2020; https://www.just-drinks.com/news/carlsberg-sends-danish-birthday-beer-home-thanks-to-COVID-19_id130657.aspx.

³ “The best virtual facials to book now,” Harper’s Bazaar, April 8, 2020; <https://www.harpersbazaar.com/uk/beauty/skincare/g32049881/virtual-facials/>.

⁴ “Kroger Health goes live with telenutrition service;” Supermarket News; May 21, 2020; <https://www.supermarketnews.com/health-wellness/kroger-health-goes-live-telenutrition-service>

⁵ *Net purchases measured as the % of consumers increasing purchasing, less the % of consumers decreasing purchasing of these brand types, vs. their purchasing habits in the prior two weeks.

⁶ <https://www.accenture.com/us-en/insights/consumer-goods-services/coronavirus-consumer-goods-rapid-response>.

⁷ [eMarketer](#)

⁸ [The New Yorker](#)

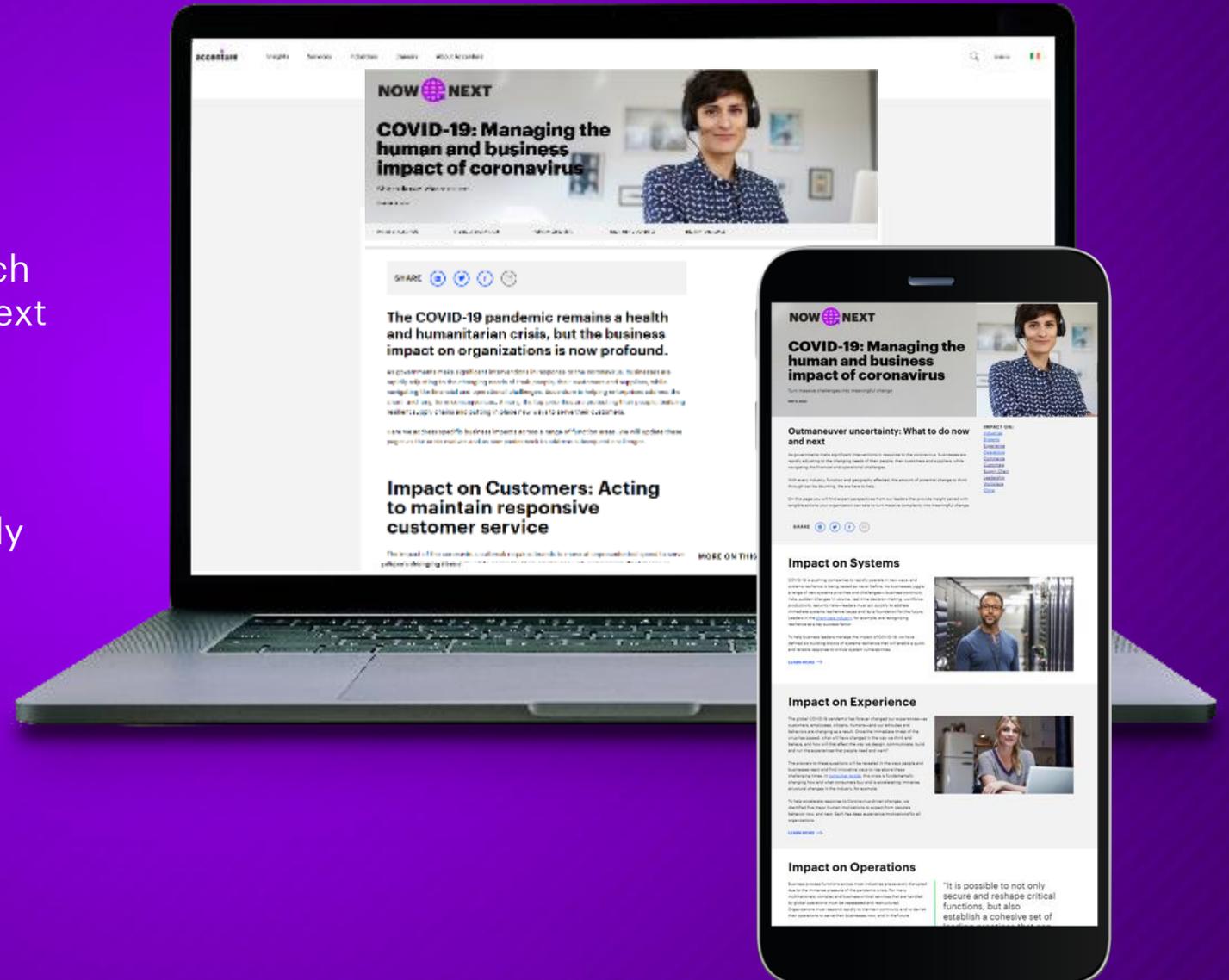
⁹ [ABC News](#)

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.

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About the COVID-19 Consumer Pulse 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 during May 5–11 and included 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 April 3–8, 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.