

The background of the slide is a photograph showing the silhouettes of a group of people standing on a balcony or walkway. They are looking out over a city skyline, with a prominent tower visible in the distance. The scene is backlit by a bright sky, creating a high-contrast silhouette effect. A semi-transparent white banner is overlaid across the middle of the image, containing the title text.

Consumer Outlook 2021

Recovery, Relapse or Reset?
November 2020



Work with what you have control of
and you will have your hands full.

Admiral James B Stockdale

- The COVID-19 public health emergency will end some time in the next 12 months, maybe sooner.
- The economic and business fallout from the coronavirus will be with us for the next 2-3 years, maybe longer.
- As we navigate the coming months and years we will have to adjust to increased volatility during which economic psychology and economic reality will battle for consumers' hearts & minds, purses and wallets.
- But remember Stockdale: by focusing on what you can control you will find the levers and tools to help you navigate your way to future success.



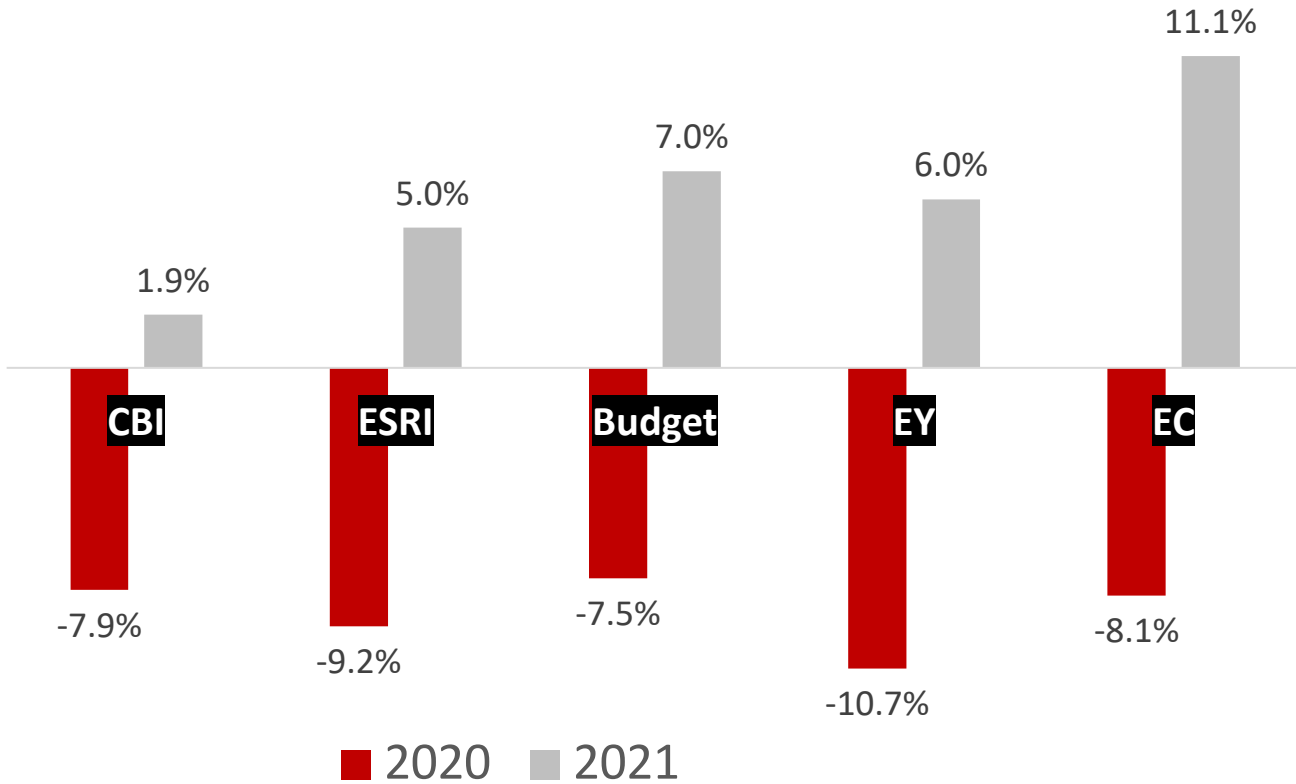
Recovery





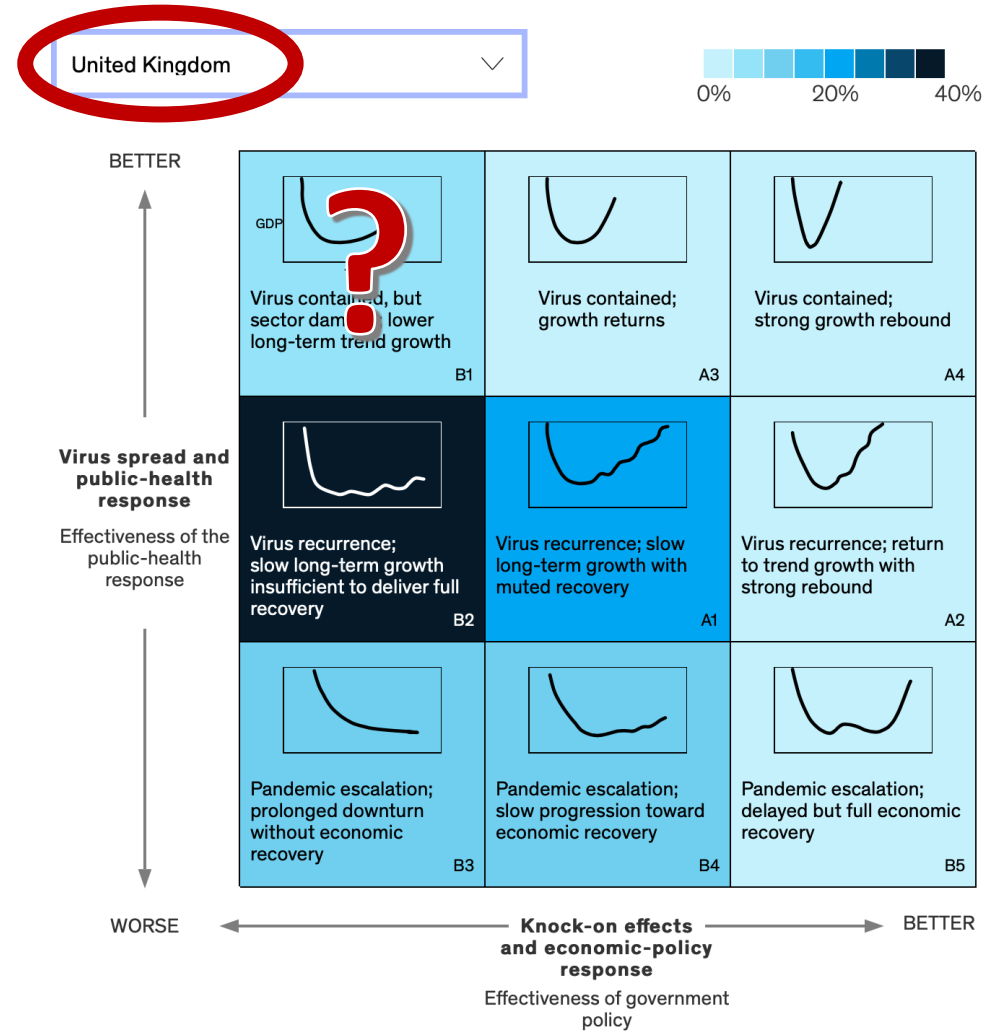
The outlook for consumer spending is still uncertain...

Irish Consumer Spending Forecasts *% annual decline/growth*



Source: most recent forecasts from different institutions/organisations

Most likely scenario for COVID-19's impact on domestic GDP, % of respondents

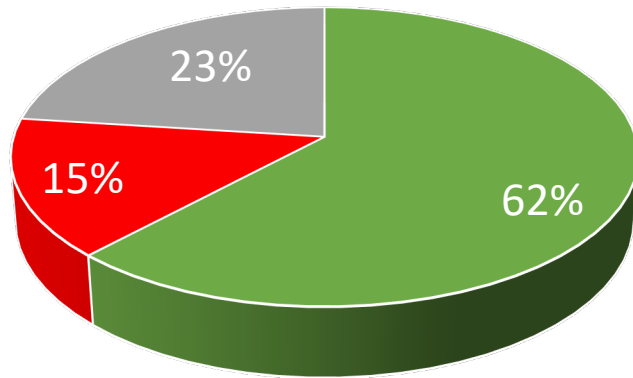


Source: McKinsey - Nine scenarios for the COVID-19 economy



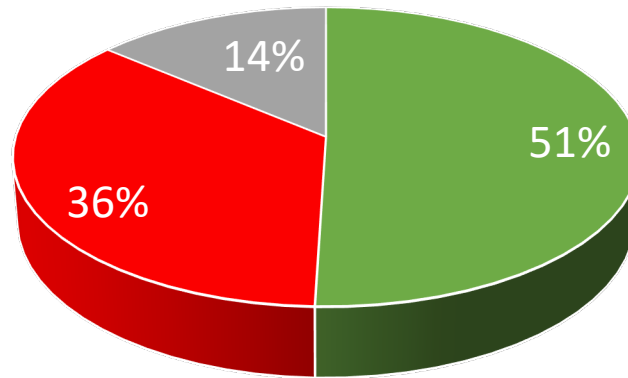
...and a key uncertainty relates to the vaccine...

Will you take the Coronavirus vaccine when it becomes available?



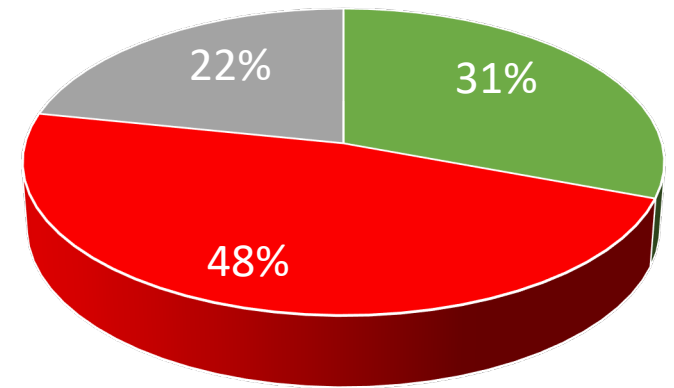
■ Yes ■ No ■ Don't know

Do you have any concerns about taking the Coronavirus vaccine?



■ Yes ■ No ■ Don't know

Should the Coronavirus vaccine be mandatory?

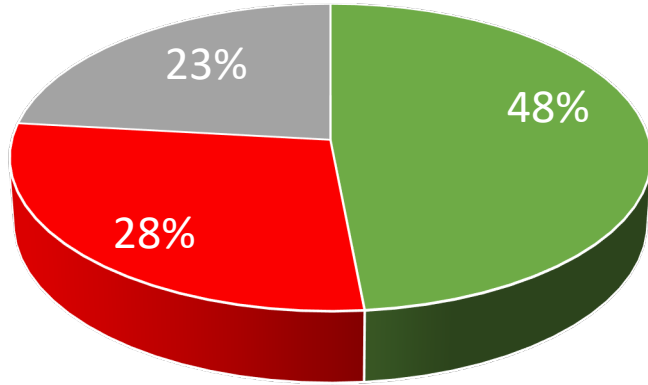


■ Yes ■ No ■ Don't know



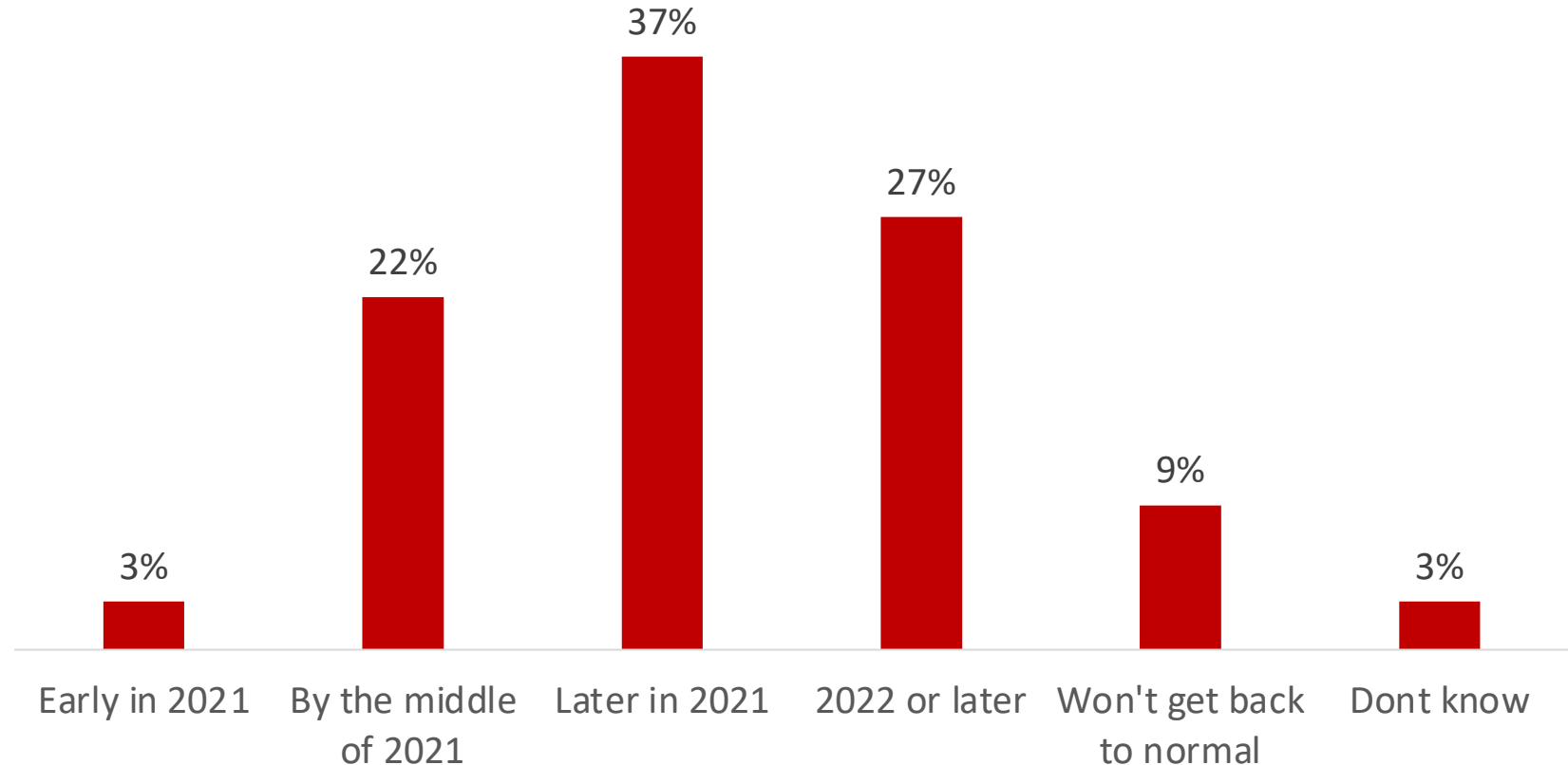
...which is why most people don't expect 'normal' until later next year...

Do you think your life will eventually go back to how it was before the pandemic now there is a coronavirus vaccine?



■ Yes ■ No ■ Don't know

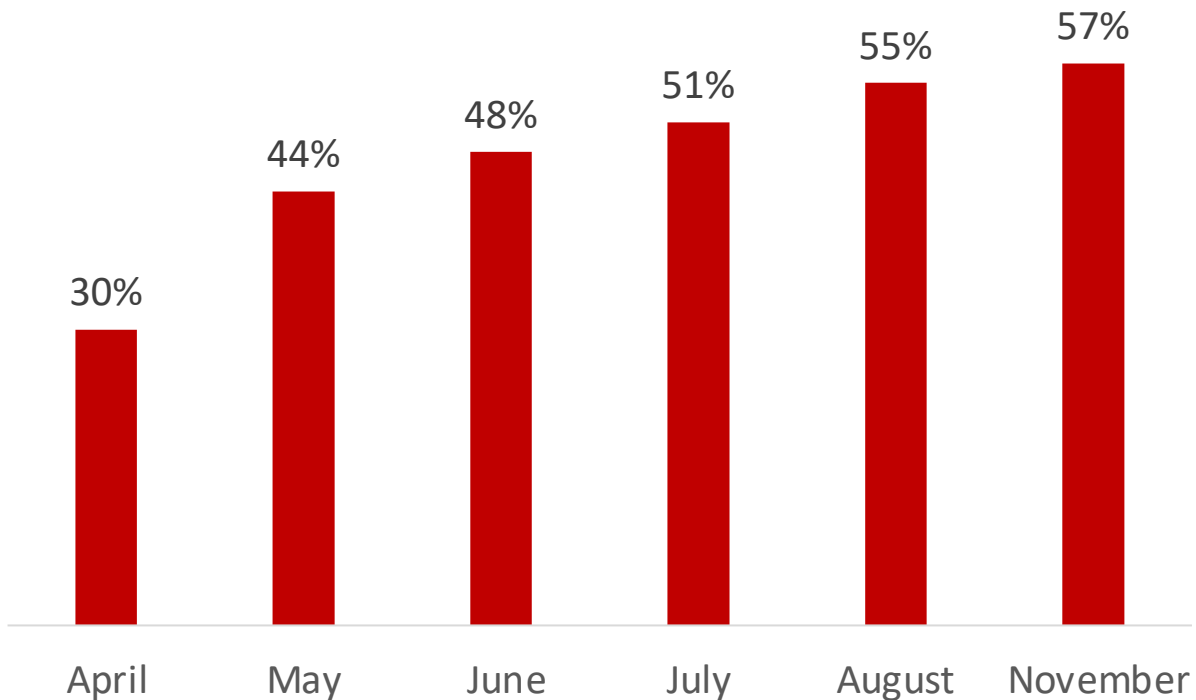
When do you think life will get back to normal in Ireland i.e.: after the coronavirus pandemic has finished?



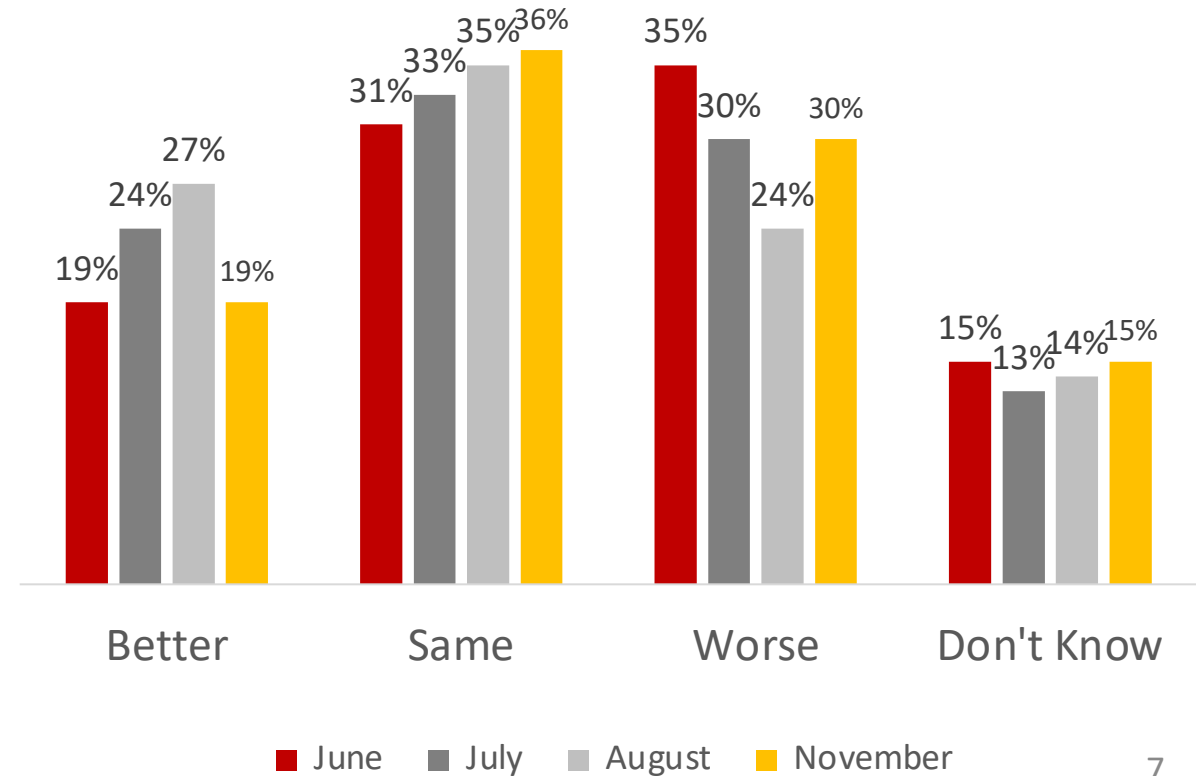


... though consumers are getting used to the Covid-19 'lifestyle' ...

How long do you think you can sustain your current lifestyle given your income and spending circumstances?
% 'more or less indefinitely if nothing much changes'



On balance do you think your life after the pandemic is over will be:





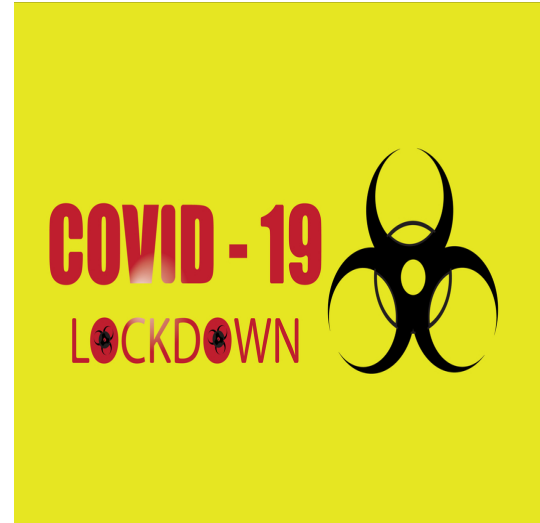
...but wrong to take recovery for granted



Brexit (again)



Digital Disruption



Third Wave



Post-Traumatic Shopping Disruption



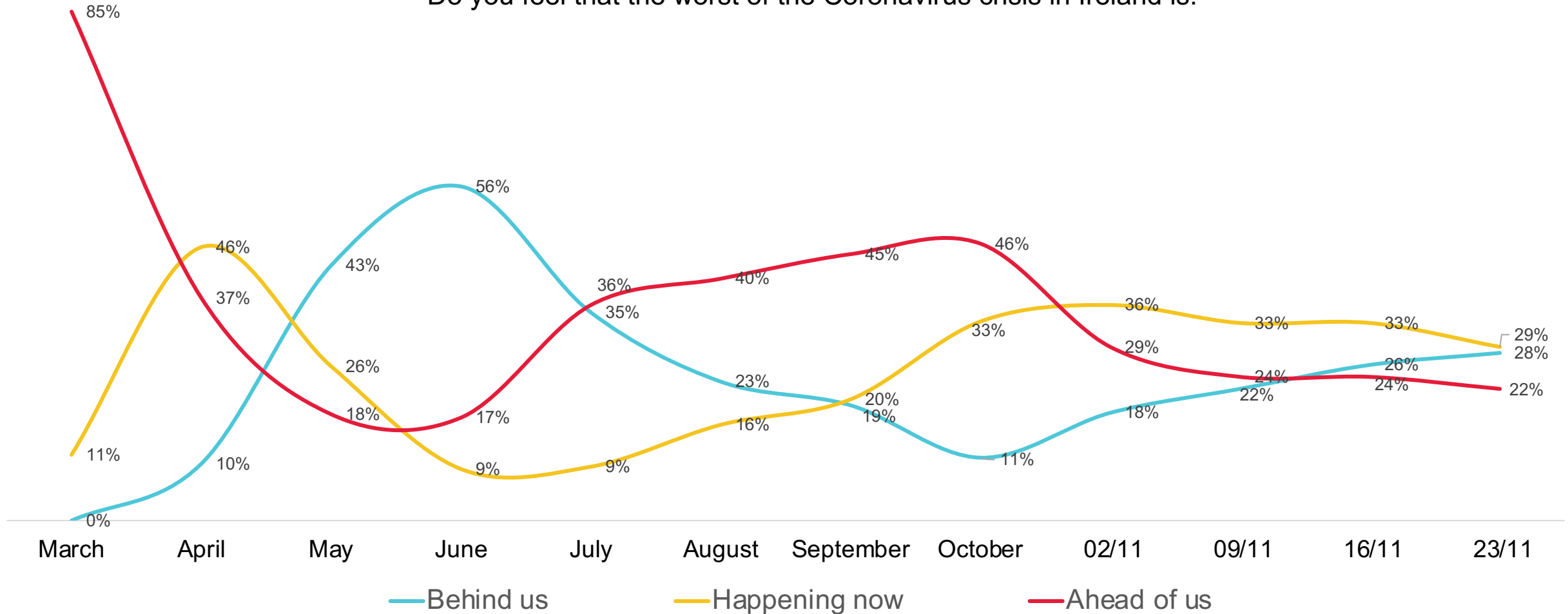
Relapse

There is high volatility in expectations about ending the pandemic...



Pandemic Stage

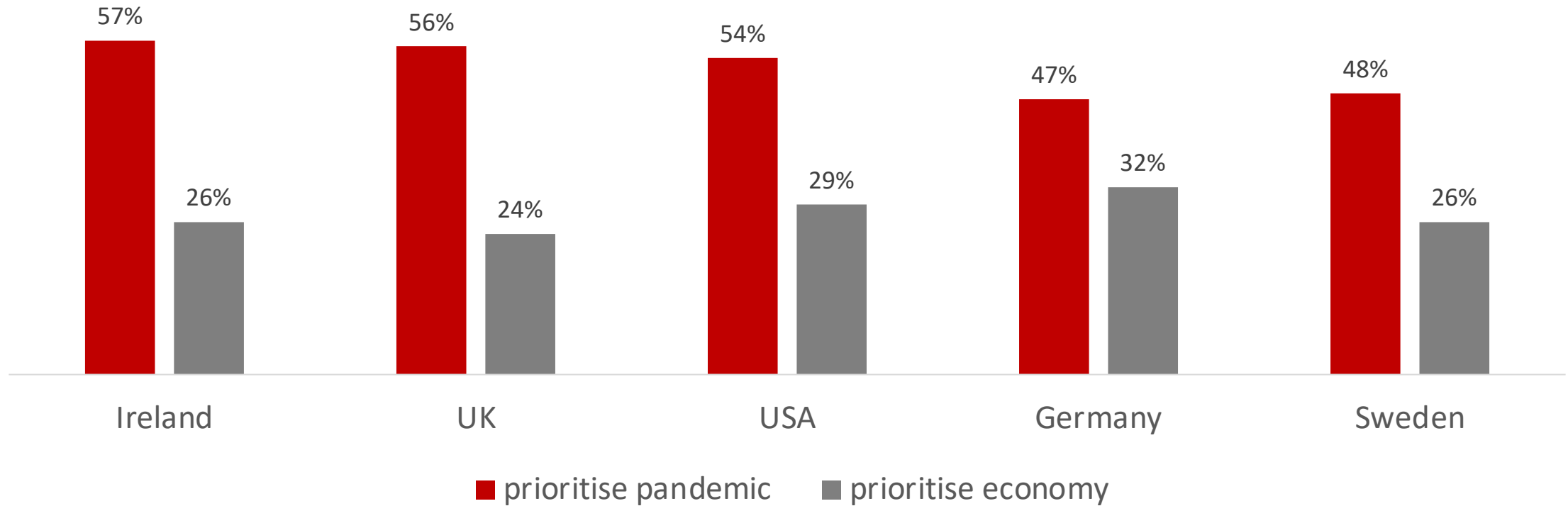
Do you feel that the worst of the Coronavirus crisis in Ireland is:





...while most want to prioritise the pandemic over the economy...

Preferred Government Priority



Which of the following statements are you more likely to agree with:

The priority for the Government should be to limit the spread of the coronavirus and the number of deaths, even if that means a major recession or depression, leading to businesses failing and many people losing their jobs

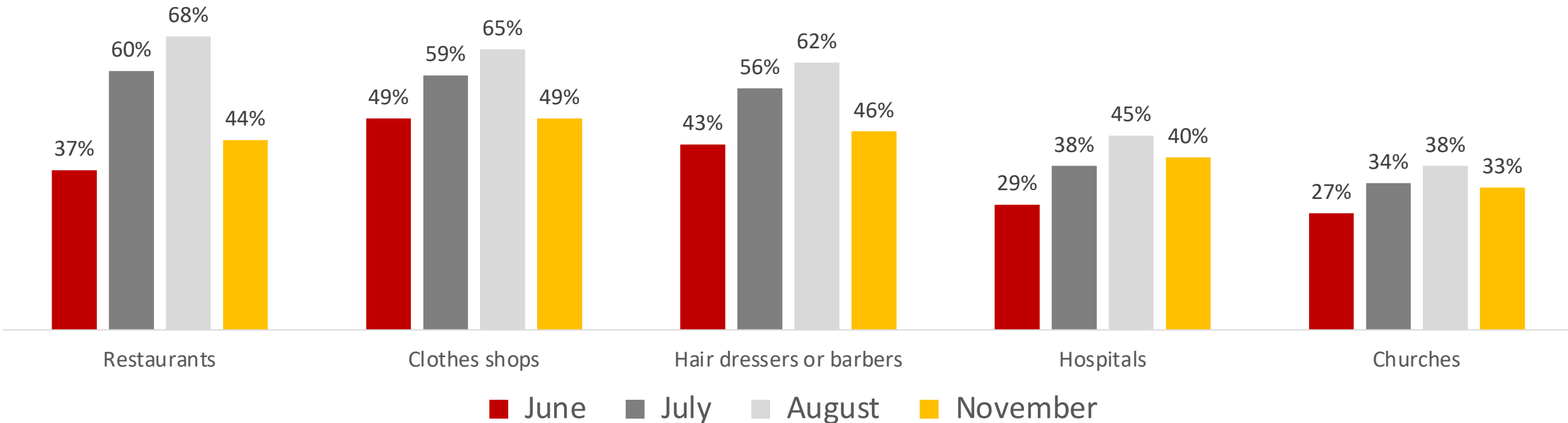
The priority for the Government should be to avert a major recession or depression, protecting many jobs and businesses, even if it means the coronavirus infects more people and causes more deaths

Don't know



...the second lockdown has shook consumer confidence...

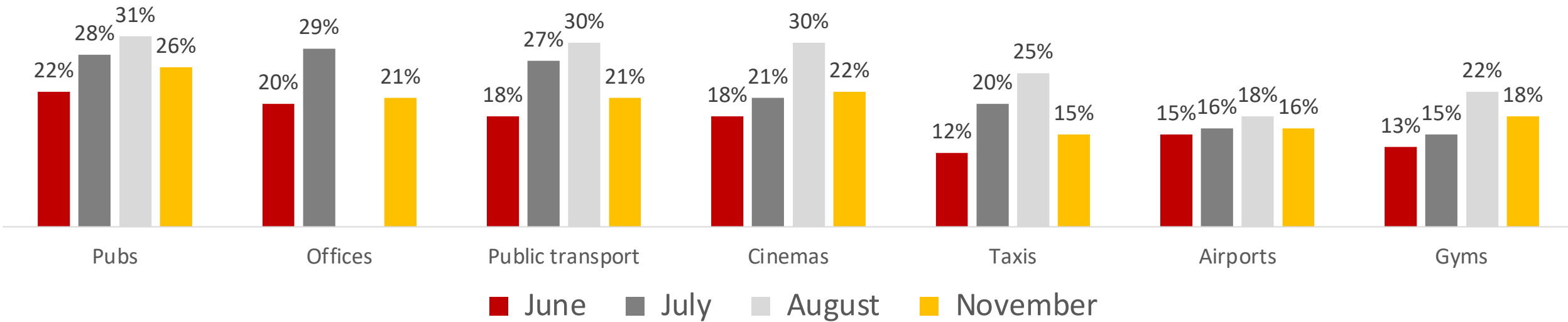
Whether or not you actually use them, which of these types of places or services would you be willing to go to within the NEXT WEEK?





... which does not bode well for a quick recover when things open...

Whether or not you actually use them, which of these types of places or services would you be willing to go to within the NEXT WEEK?





...people are still very worried about going to the shops...

Which of the following do you usually feel when you are inside a shop nowadays? **November 2020**



Worried: 37%
(42%/46%/39%
August/July/June)



Hassled: 27%
(31%/28%/25%
August/July/June)



Annoyed: 23%
(26%/22%/21%
August/July/June)



Welcome: 20%
(18%/17%/20%
August/July/June)



Relaxed: 18%
(16%/14%/16%
August/July/June)



Safe: 15%
(14%/13%/12%
August/July/June)



Happy: 11%
(11%/7%/8%
August/July/June)



Sad: 13%
(11%/10%/8%
August/July/June)



...while online shopping has become completed normalised...

Sector	A) Before Pandemic	B) Only Since Pandemic	C) First Time Share (A/B)	Never Online
Alcohol	6%	12%	67%	82%
Groceries	19%	23%	55%	58%
Healthcare products	36%	33%	48%	31%
Fitness and wellness	25%	22%	47%	53%
Vitamins/supplements	25%	21%	46%	54%
Household supplies	31%	26%	46%	43%
Snacks	12%	10%	45%	78%
Personal-care products	42%	30%	42%	28%
Furnishings and appliances	47%	24%	34%	29%
Skin care and makeup	39%	18%	32%	43%
Footwear	60%	24%	29%	16%
Jewellery	28%	11%	28%	61%
Non-food child products	29%	11%	28%	60%
Books/magazines/newspapers	44%	16%	27%	40%
Accessories	48%	15%	24%	37%
Food takeout & delivery	62%	18%	23%	20%
Consumer electronics	59%	15%	20%	26%
Entertainment at home	57%	14%	20%	29%
Clothing	81%	17%	17%	2%

Source: Virgin Media Shopping Survey, August 2020

Q. Please indicate whether you shopped online in any of the following categories before the pandemic or for the first time since the start of the pandemic (i.e.: did not shop online in the category before)



...and will be even more embedded in future...

Sector	Prefer to do all in store/ shopping centres	Prefer to do most of shopping in stores but some online	Prefer to do less shopping in stores and more online	Prefer to do all shopping online
Food takeout & delivery	15%	28%	28%	29%
Entertainment at home	10%	34%	30%	26%
Books/magazines	17%	42%	24%	17%
Vitamins/supplements	21%	41%	24%	15%
Consumer electronics	17%	44%	25%	14%
Accessories	16%	50%	23%	10%
Non-food child products)	19%	46%	26%	9%
Fitness and wellness	18%	49%	25%	8%
Jewellery	25%	51%	16%	8%
Skin care and makeup	20%	50%	22%	8%
Footwear	25%	45%	22%	8%
Groceries	38%	38%	18%	6%
Clothing	23%	48%	23%	6%
Household supplies	32%	47%	16%	5%
Alcohol	33%	38%	24%	5%
Snacks	33%	41%	22%	5%
Personal-care products	28%	48%	20%	4%
Healthcare products	24%	53%	20%	3%
Furnishings & appliances	32%	52%	13%	3%

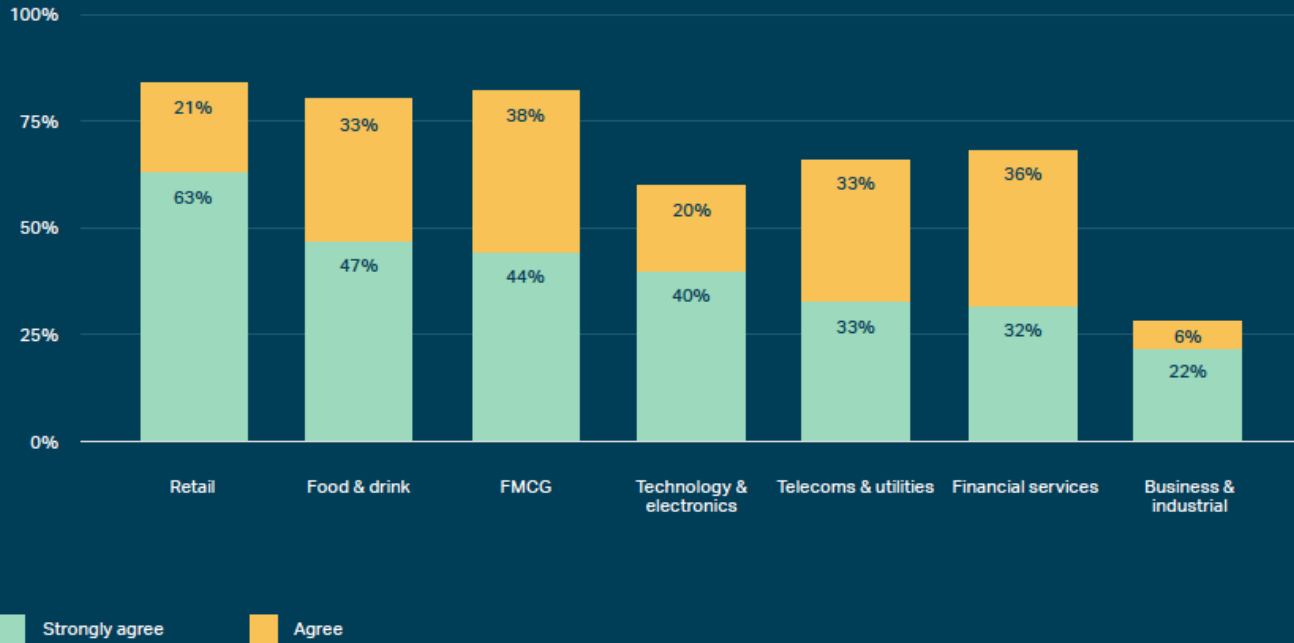
Source: Virgin Media Shopping Survey, August 2020

Q. Ideally how would you prefer to shop in each of the following categories in future when the pandemic is over?

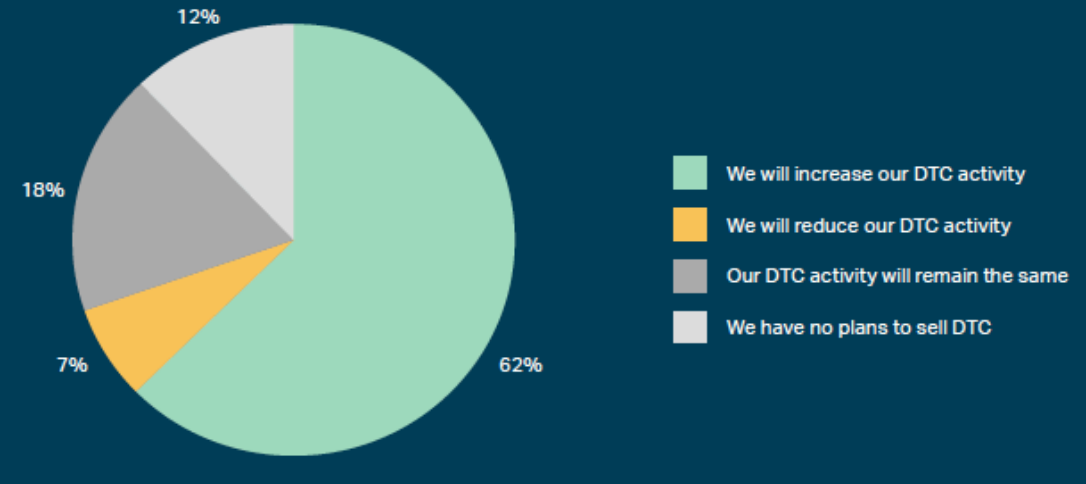


...while marketers are already planning to accelerate the digital shift

The shift to e-commerce will be permanent in my category



Do you / your typical clients anticipate your DTC (direct-to-consumer) strategy changing in 2021?



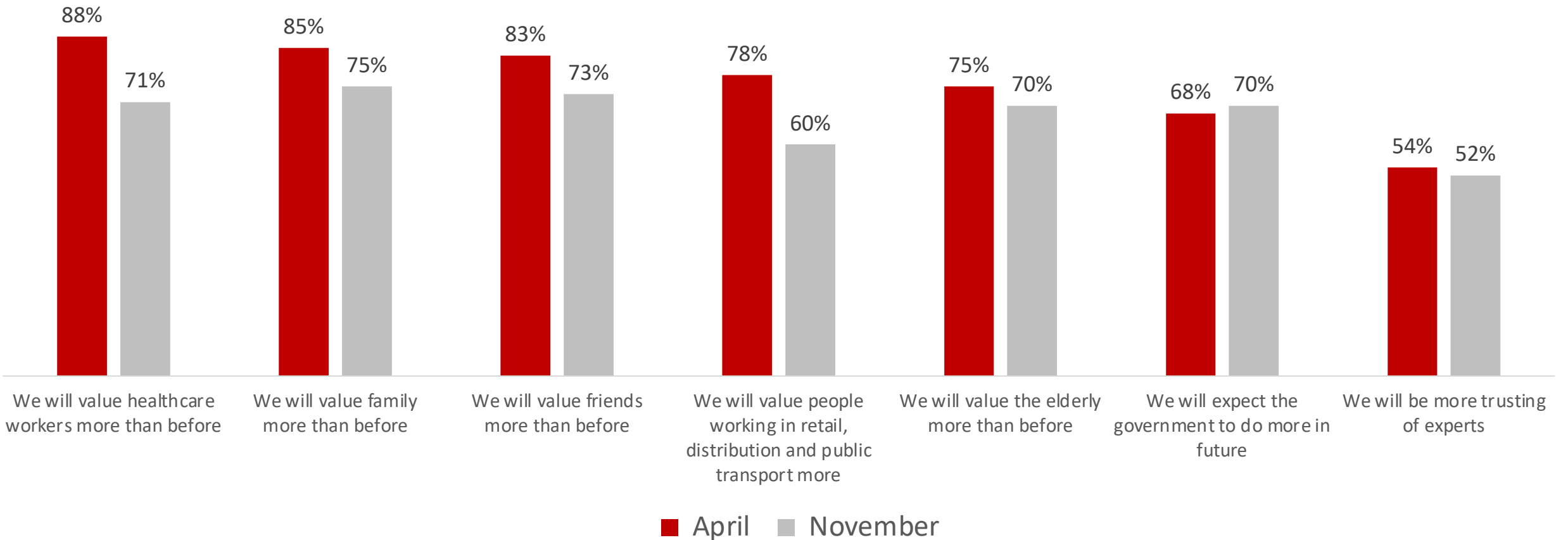


Reset



The shift in societal values appears to be permanent...

Thinking about Ireland after the current crisis is over, to what extent do you agree or disagree with each of the following statements about how we will be afterwards - % Agree

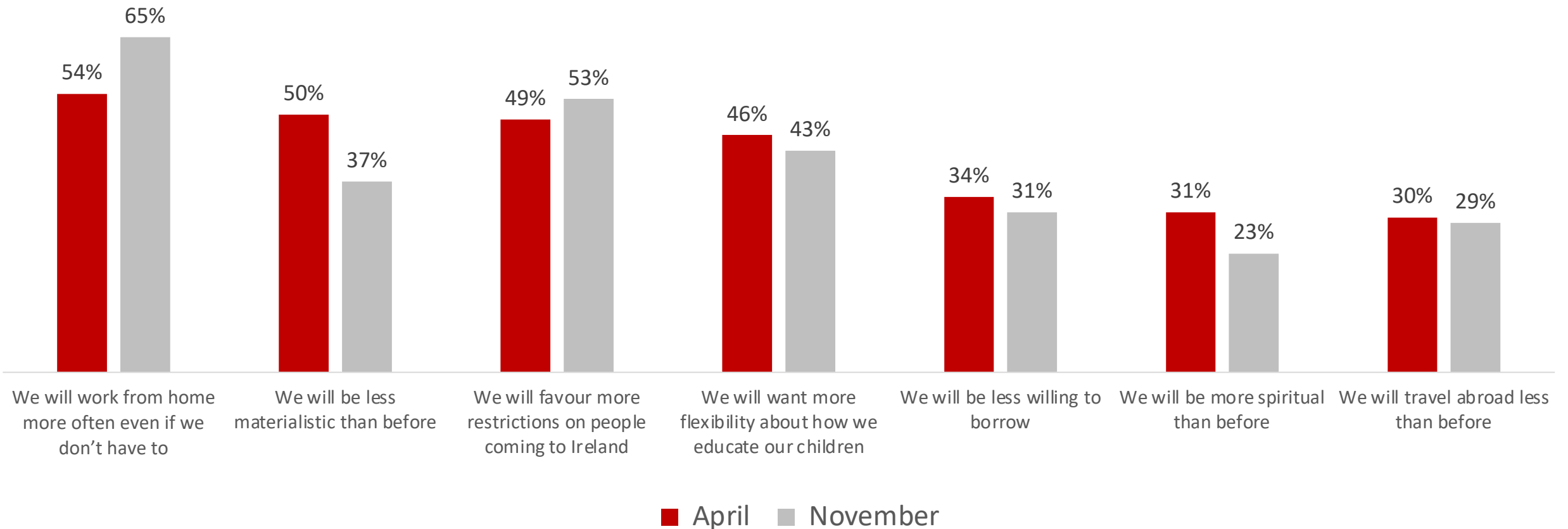


■ April ■ November

...with implications for politics, business and the economy...



Thinking about Ireland after the current crisis is over, to what extent do you agree or disagree with each of the following statements about how we will be afterwards - % Agree





...our shopping habits have become just that - habitual...

% agree with each statement about life after the COVID-19 pandemic is over: **November 2020**



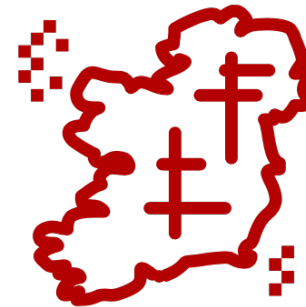
91%

agree they will buy more from local shops if they can
(81%/87% Aug/June)



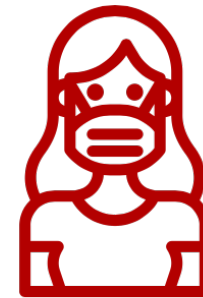
79%

will continue to pay more by card than by cash
(81%/82% Aug/June)



90%

will buy more Irish products if they can
(77%/82% Aug/June)



67%

will continue to be cautious about going to shops
(75%/79% Aug/June)



...and our priorities are now fairly clear...

% agree with each statement about life after the COVID-19 pandemic is over: **November 2020**



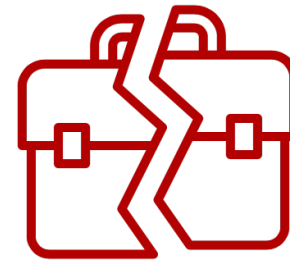
59%

will continue to shop online just like they've done during the pandemic
(69%/59% Aug/June)



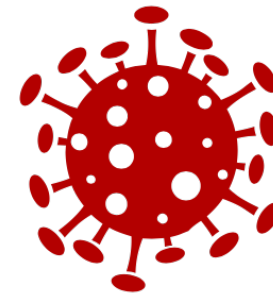
54%

will have more holidays in Ireland rather than travel abroad
(59%/66% Aug/June)



44%

will save more because of uncertainty about their jobs
(43%/48% Aug/June)



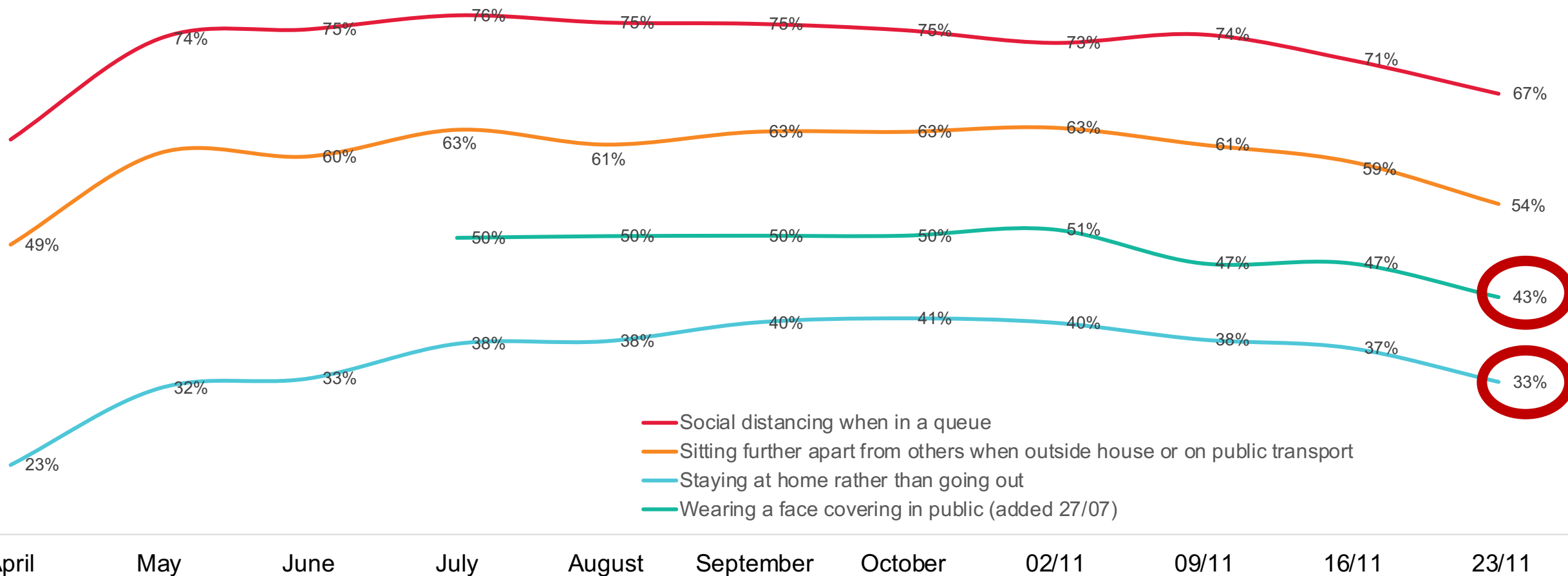
41%

will stop worrying about the virus when they are shopping
(35%/30% Aug/June)

...we still intend to 'stay safe' even after the pandemic is over...



Which of the following will you continue after Coronavirus?



- Social distancing when in a queue
- Sitting further apart from others when outside house or on public transport
- Staying at home rather than going out
- Wearing a face covering in public (added 27/07)

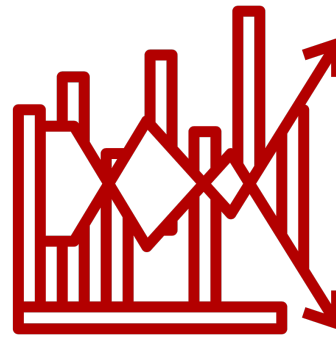


...all of which means that the Future is Local



94%

agree people will have to do more to support local businesses and employers when the lockdown is finally over



93%

agree we will all need to work together in our community to help with the recovery in the local economy



89%

agree they will continue to stay in touch and help out with neighbours and their local community after the lockdown



75%

Wouldn't want to lose the sense of community that has developed during the lockdown after it is over



Take Control



	Winners	Losers
Recovery	Foreign holidays Clothing/fashion Restaurants	Domestic holidays Takeaways Supermarkets
Relapse	Amazon Online learning DTC	Banks Motor trade Offices
Reset	Suburbs Petcare Online health	Third Level Creches Taxpayers



	Product	Price	Place	Promotion
Recovery	Ensure stock levels & supply chains	Increase prices early as recovery sets in	Retain digital channels	Buy Irish Mass media
Relapse	Cull range ruthlessly for unprofitable lines	Increase prices for products in growing demand	Accelerate DTC	Back to basics Social media
Reset	Go premium to create new sources of status	Launch new products at high price points	Community and neighbourhood	Co-creation Local media

Q. How (and when) will you know your customers have ‘moved on’ from Covid-19 and are **ready, willing and able** to buy?

Q. Can you increase your **prices** over the next 12 months, sooner rather than later?

Q. Have you a range of **innovations** in the pipeline that can benefit from different outcomes?

Q. Have you a plan to beat **Amazon** (or better still, to avoid a fight)?

Q. Do your brand communications connect with the deepest **social values**?

Q. Have you a **‘go local’** plan that is sustainable and doesn’t require massive investment?

Q. Have you identified your **‘sunk costs’** that you will never recover and made a plan to write them off/offload them?



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