



INSIGHTS

INITIATIVE ANALYSIS

MARCH 2020

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Observations

Looking back through the forecasts and predictions across the month of March, one thing is becoming abundantly clear – it is not possible to predict the potential economic outcome of the Covid-19 outbreak. Estimates vary wildly, from 2-8 percent decline, and it's almost imprudent to forecast an actual outcome or rebound just yet. At times like these, with everything in flux, trends are shifting not on a weekly or daily basis, but almost hourly. There has never been a more important time to ask ourselves “Are we ready to meet the new consumer?”

Are we ready to meet the new consumer?

Tourism, automotive, and restaurants are likely to take the biggest hit domestically, and across the world, too. The bigger challenge for brands here is not to jump on the prediction bandwagon, or forecast a world reimaged in a few months' time, but to anticipate, and be prepared for new consumer behaviours that will seem to spring up overnight.



For many brands, these times can be perilous or liberating as the playbook of past days has largely been torn up, and the consumer journey has taken a sharp detour into the unknown. Brands most aligned to navigate this new norm will champion creativity, ingenuity, and ability to pivot at scale, which can be beneficial for both the consumer and the bottom line if done correctly and tactfully. These challenging times will be remembered for years to come, and brands that act appropriately and responsibly now can expect to be remembered positively.

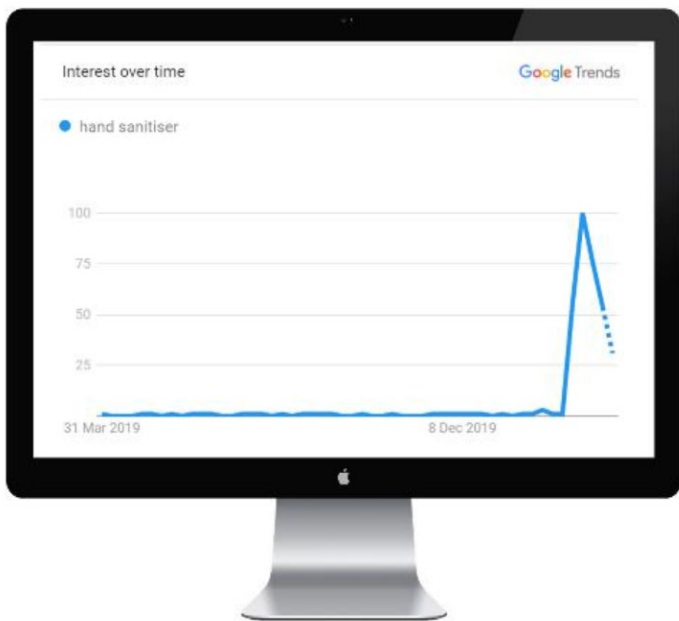


*“The playbook
has been torn
up”*

Post COVID-19 World

Short term

Irish consumers have already been talking about the party we'll have when this is all over. Whatever healthy habits that have been cultivated over the weeks of staying at home will likely be promptly forgotten while the nation reconnects in person over a few drinks. The hospitality sector will no doubt enjoy a bounce during the short term but it's unlikely to make up for the massive losses incurred at this time.



Long term

While the Health and Wellness industry has been booming over the last few years, expect the learned behaviours of regular handwashing and use of hand sanitiser to remain as people are more vigilant about the protective effect of both. Increased e-commerce is an obvious behaviour change that is sure to last in the long term. This also includes the fields of distance learning, gaming, live streaming, virtual entertainment, telemedicine / health-tech / insurance, and remote working/enterprise communication software, though the rate of change in consumer behaviour will vary.



Over 50 percent of Irish consumers expect the pandemic to be over in six months. It is likely that non-food spending will start to recover in May and June, but more normal spending patterns will most likely not recover until August.

Grocery Trends and Stockpiling

We've heard a lot about stockpiling and panic buying in the recent weeks as consumers adjust to the new norm, and the uncertainty around the coronavirus outbreak has essentially shifted consumer mentality towards scarcity buying – especially concerning toilet roll and hand sanitizer.



When people are stressed or fearful, their decision-making process becomes hampered, so they look at what other people are doing as guidance. Initially, when people began seeing photos of empty toilet paper shelves it sent a signal to them that the normal thing to do is run out and buy toilet roll. But as the weeks wear on, stockpiling will become increasingly more inappropriate, and consumer behaviour will contract back to align with more normalised shopping habits.

With that said, in Ireland the extra demand in supermarkets is largely being driven by people adding a few extra items to baskets and making more trips, rather than shoppers buying large amounts of the same item in one go. In the UK, Kantar reports that the first signals of spending habits show that only 3% of buyers had taken home "extraordinary quantities".



In times of crisis, leaders are remembered for delivering messages that reflect empathy and include a sense of togetherness and the common good.



Brands have a unique opportunity to set the standard for new social norms

Irish Wellness Trends

Given the unprecedented anxiety, people are looking for ways to seek calm in the comfort of their own home. A review of this week's favourite apps in the Apple App Stores shows that meditation, relaxation and colouring books to de-stress are among the most popular downloads. And as the novelty of working from home and self-isolation wears off, we're seeing an increase in cooking and housework playlists on Spotify, as well as children's music, and podcasts focusing on self-improvement (wellness, meditation).



Consumers are actively seeking calm and looking for outlets to de-stress. For brands, it's about opening up a dialogue with their communities. For instance, ask them how they are doing? Stories are how we transmit emotion, so let consumers share their story, and in turn, invite them to be partners in brand storytelling. As the dust settles, consumers will appreciate brands that supported them through the crisis.

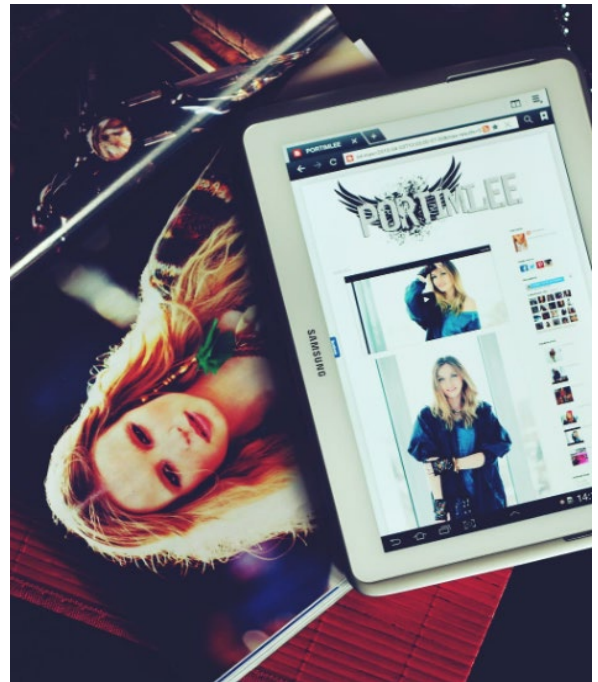
Disney+ signups more than triple



Disney+ has seen a significant increase in subscribers amid the COVID-19 pandemic. Forbes reports that between March 14th to 16th, the number of Disney+ signups more than tripled when compared to the same period from a week before. It's also interesting that Netflix saw a 47% increase in the number of subscriber additions in the same time period, while Apple TV+ only saw a 10 percent increase

Consumer Behavior

Analysis of survey data, fielded between the 16-20 March, highlights that consumers in countries most affected by the Coronavirus are more likely to delay their purchases until the outbreak is over in their country, while consumers in countries not as affected as of yet are less likely to postpone their purchases but are also more unsure of how long they will delay their purchase for. With the prospect of a Global recession looming on the horizon, there is little doubt that Irish consumers are delaying purchases of non-essential items. According to Dynata, over 50 percent of Irish consumers expect the pandemic to be over in six months. It is likely that non-food spending will start to recover in May and June, but more normal spending patterns will most likely not recover until August.



Key Insight

The Big Picture for brands now is about them being available, supportive and useful to their communities and through that, being a leader in their category. That's the positive that consumers will ultimately remember when the economy recovers.



Thank you.

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