

COVID-19 CONSUMER RESEARCH WAVE 3 EXECUTIVE SUMMARY

March 21-23, 2020

MDC and **The Harris Poll** have partnered to conduct research regarding the impact of the **COVID-19** pandemic on the American consumer. The executive summaries on the pages that follow provide insight into current consumer attitudes and behavior and can be used to help navigate the next several weeks.

We hope this information proves useful to you and your team as you pivot in real time. We are sending our very best wishes to you during this time.

As always, we are here to help. Please don't hesitate to contact us with any questions you may have.

Positively,

Ryan Linder + The MDC Family
Global Chief Marketing Officer, EVP



WAVE 3

WAVE 3 INTRODUCTION

This research was conducted between **March 21 – 23** amongst American consumers as we continue to better understand their mindset and the impact these perceptions may have for brands. This study was fielded online among a nationally representative sample of **2,023** U.S. adults.

Section:

01

Topic:

THE FEAR IS JUSTIFIED

Introduction:

As the pandemic grows, concern is rising and Americans are more fearful and less likely to think the public is overreacting: more people think they're going to contract COVID-19 (20%, up from 16% to start). And now 35% fear they could perish from it. Perhaps this doom and gloom is a psychological reaction to a perfect storm of fear for one's self, loved ones, for livelihood and for seeing no light at the end of the tunnel (yet).

People are more accepting of the level of fear they see:

| | WK2 | WK3 | WK4 |
|--|-----|-----|-----|
| I think the amount of fear is sensible given how serious the pandemic has become | 46% | 50% | 61% |
| The amount of fear is irrational, people are overreacting | 54% | 50% | 39% |

People are increasingly concerned about...

| | WK2 | WK3 | WK4 |
|-------------------------------------|-----|-----|-----|
| Their personal health | 65% | 66% | 75% |
| Health of older friends / relatives | 86% | 87% | 90% |
| The health of Americans broadly | 79% | 82% | 87% |
| The American economy | 84% | 84% | 91% |

Implication:

People remember who rises to the challenge in a crisis. From CPG to Alcoholic Beverages, which industries, companies and brands will be the "Dr. Fauci?" As of this past weekend, Americans have a better view of healthcare (54%), grocery stores (41%), and even pharmaceutical companies (33%) and technology companies (33%); Industries seen as worse since the outbreak: media (33% say their view is "more negative"), travel/hospitality (29%), and airlines (29%). America needs your leadership, comfort and reassurance.

Section:

02

Topic:

HOW LONG BEFORE LIFE GETS BACK TO NORMAL?

Introduction:

Americans are eager to get back into the office! Americans (22%) say that once the government provides information that the spread of the virus is flattening, they would be willing to immediately go to the office. But it would take up to a month after restrictions are lifted would (28%) of Americans say they would go out to dinner or (17%) go to a gym class. It could take 2-3 months for Americans to attend large social gatherings (22%), go to the movies (21%), give a handshake (21%), stay in a hotel (20%), or go to a sporting event (17%). And 15% of Americans say it will take 2-3 months for them to be able to visit a casino or take public transportation (e.g., subway, busses, trains) again. Nearly a fifth of Americans (18%) say it would take them 4-6 months to fly again; 22% say it will take a year or longer before they take a cruise. Americans expect the social distancing guidelines **to last ten and a half weeks**.

Implication:

Marketers will have to rethink assumptions about the PTSD from C-19. On one hand, much of America was back to relative normal after 9/11. But this time feels different and unknown, at the same time. On one hand, a flattened curve means a longer pandemic, which is good for public health, but not for getting back to normal. Think about breaking your brand down into 'snackable' bits, e.g. fractionalized audiences at events; bespoke experiences and bringing the experience to the home or to small groups of friends and family. Look for tech companies to incorporate C-19 testing into smart watches, iPhones to automatically signal 'safe zones' for concerts or the corner market. Privacy concerns aside, the public might go for this.

| Activity | Avg time needed to return |
|--------------------------------------|---------------------------|
| Take a cruise | 1 year or longer |
| Fly on a plane | 4-6 months |
| Visit a casino | 4-6 months |
| Stay in a hotel | 4-6 months |
| Go to a sporting event | 4-6 months |
| Go to a gym class | 2-3 months |
| Go out to dinner | 2-3 months |
| Attend/Host a large social gathering | 2-3 months |
| Go to the movies | 2-3 months |
| Take public transit | 2-3 months |
| Greet people with a handshake | 2-3 months |
| Go to the office | 1-30 days |

Section:

03

Topic:

AMERICA EATS IN, BUT FORGETS TO SHELTER

Introduction:

Restaurant meals were toast as of last week, but the food delivery appears to now be slowing: Americans are more likely to order take out and pick up themselves (62%) over using food delivery apps (38%), but younger Americans are more likely to do both while older generations are much more likely to order takeout from a restaurant. Shelter in Place isn't an order that's being followed by Grandma and Grandpa: 82% of 65+ are picking up from restaurants.

Also, three quarters (73%) of Americans are more likely to buy groceries in person during the pandemic vs. order home delivery groceries (27%). And again, older Americans are the least likely to order home delivery groceries; less than one fifth (17%) of adults over 55 say they would do this vs. over 3 in 10 Gen Z (33%) and Millennials (36%) and 35-44 (37%).

Implication:

Food marketers, retailers and grocery stores need to protect the public health as getting food is lessening social distancing. Can your company and brand help seniors? What is the modern 'meals on wheels' to help our older Americans stay safe inside their homes?

Section:

04

Topic:

THE KIDS ARE ALRIGHT

Introduction:

While a quarter of Americans feel isolated, social distancing does not have to mean isolation and youth are leading the way: over half (55%) of Gen Z and nearly 4 in 10 Americans say they are virtually connecting with family and friends via FaceTime and other means; over two thirds (35%) of Gen Z had a virtual gathering with friends just in the last week (20% of all Americans).

Implication:

What can your brand do to facilitate virtual engagement? You don't have to be a video conferencing company, but what role can you play in helping create engagement with people under the constraint of a shelter in place? And especially with our nations' kids, who seem to enjoy the family time (thus far).

Section:

05

Topic:

OUR (VIRTUAL) TOWN

Introduction:

We are also seeing a strengthening of our sense of community in our data: 44% say they have “checked in with someone they hadn’t reached out to in a while” and nearly a fifth (19%) have 'helped an at-risk friend or neighbor with errands.’

Implication:

There is huge opportunity to find “good” in this experience. What can businesses do to re-educate, re-prioritize, re-appraise? And if virtual living is here to stay for an indefinite period, how do communities change? What do households look like in a world where classes, playdates and conference calls are all conducted under one roof?

Section:

06

Topic:

COPING WITH CABIN FEVER

Introduction:

Americans are staying active, mentally and physically; (36%) are getting back into old hobbies and (25%) are picking up new ones. This is highest among Gen Z (54%) and lowest among older Americans 65+ (27%). 36% are going for daily walks, this is highest among older Americans 65+ (40%). People are also searching for a reprieve by tuning out the news: 4 in 10 Americans say they are “reading more non-news related content to cope”. And almost 4 in 10 Gen Z are setting routine breaks in the online classes or the workday vs. only 10% of adults ages 55-64 and 15% 45-54.

Implication:

Think about what the American family will need not now but perhaps 4 to 6 weeks from now? Video conferencing companies and online streaming are early winners, but what about cappuccino machines, at-home streaming workouts and virtual gyms?

What emotional and educational support will children need for extended online education? And how is that made accessible to all Americans?

Section:

07

Topic:

BAILOUTS, SAY OLDER PEOPLE

Introduction:

Americans say the industries being hit the hardest deserve bailouts: small business (63%) healthcare (58%) and restaurants (53%). Younger Americans are more likely to oppose bailouts while older are more likely to support. And while two-thirds (65%) say it would make no difference if a company receives a bailout, nearly a quarter would either stop using the product/service entirely (8%) or shop for an alternative (15%). 30% of Gen Z would stop buying from a company that received a bailout.

Implication:

Understanding the values of your audiences by demography will be important in navigating the pandemic to prioritize issues, messaging, tone and intention. While a topic such as bailouts created similar sentiment in our data during the global financial crisis (and no one stopped buying cars), the political axis has shifted in our country; yet at the same time, Americans' macro worries about the economy might be more important.

Section:

08

Topic:

YOUNG PEOPLE SAY 'MEH'

Introduction:

As of this morning, nearly 1 in 5 Americans are ordered to stay indoors. Most Americans are obeying and say they would still leave the house to go to the grocery store (85%), the pharmacy (81%), or to care for family members in another household (67%). But Gen Z are least compliant: one third (32%) of those aged 18-24 would go out to visit friends, more than half would go to a restaurant for carry-out (53%), and 28% would have dinner at a friend's house. Overall, Americans plan on complying with the sweeping national restrictions. The vast majority of Americans would follow mandates that restrict: convening groups larger than 10 people (93%), international travel (94%), and non-essential workers to their homes (91%).

Implication:

If you are a youth brand or have Gen Z in your target audience sphere, urge them to frame compliance like a social cause issue. How can you be pro-climate change and pro-hurting vulnerable people? This is their chance to make a tangible difference in a crisis. Marketers that with success talking to youth should use their skills for the national good. We need a Rosie The Riveter for Gen Z.

Section:

09

Topic:

SHORTAGES AND PANIC BUYING

Introduction:

Americans are increasingly concerned about healthcare shortages to address the COVID-19 outbreak: nearly 9 in 10 Americans are concerned of a potential shortage of healthcare workers (doctors, nurses, support staff, up 8% since last week). 86% of Americans are concerned about a potential shortage of hospital ventilators (for assisted breathing) or hospital beds (up 9% in the last week). Approximately 4 in 5 Americans are concerned about a potential shortage of surgical masks and gloves (83%) or testing kits for COVID-19 (82%). Concern for a shortage of surgical masks and gloves and testing kits for COVID-19 have increased since last week (12% increase and 9% increase, respectively).

Implication:

Companies are not waiting for the government to retool to combat C-19. As this never before seen crisis envelops our national healthcare system you must plan far in advance now.

Questions?

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KNOWLEDGE IS POWER
