

COVID-19 CONSUMER RESEARCH WAVE 5 EXECUTIVE SUMMARY

April 3-5, 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 5

WAVE 5 INTRODUCTION

The following research was conducted between **April 3-5, 2020** by The Harris Poll on the coronavirus outbreak. Fielded among a nationally representative sample of **1,993** U.S adults, the newest research demonstrates how consumers' perceptions are rapidly shifting as new developments emerge.

Section:

01

Topic:

THERE ARE TWO CURVES AMERICANS NOW CARE ABOUT

Introduction:

As we enter into a possible 'peak week' in New York, perhaps it's wrong to think about mitigation as a tradeoff between human health and the economy. As they told us, Americans' livelihoods are now also at risk amid the shutdown and this is becoming a matter of public health. Americans are struggling to pay bills: Over a quarter (27%) have missed (or will soon miss) a bill payment and ages 18-49 are more likely than those 50+ (37% vs. 16%). Especially hard hit are young people. In our interview [for Kaiser Health and VICE](#), our data shows that 31% of 18 to 34 had either been laid off or put on temporary leave, compared with 22% of those 35 to 49 and 15% 50 to 64.

The domino effect moves into American homes where nearly a fifth (19%) say they have missed (or will soon miss) a rent/mortgage payment, especially men (23% vs. 17% women) and 18-49 (27% vs. 10% 50+). As a result, 60% say they can only survive for 1-6 months on their savings and 11% can't live on their savings at all. Four in five Americans (42%) have lost income partially and a fifth (19%) entirely. Americans 18-49 are more likely than 50+ to have lost income partially (51% vs. 31%) and entirely (26% vs. 11%).

Understandably then, over a quarter of Americans (27%) have accumulated more debt than normal and cut back on savings, especially men (31% vs. 23% women) and younger adults (48% of 18-34 vs. 29% of 50+) and a third of Americans (33%) have stopped or cut back on retirement savings, while nearly 2 in 5 Americans (38%) have stopped or cut back on other savings. Nearly half of Americans (43%) think their income will be lower than it was in 2019, notably 18-49 (51% vs. 34% 50+) and \$50k-\$75k HH's (51% vs. 39% of <\$50k HHI).

Amid this pressure, how are we getting by? This week [we lost Bill Withers](#), whose song 'Lean of Me' has been a cultural rallying cry. And indeed, Americans are leaning on family and friends for a financial lifeline; nearly 3 in 10 (28%) have provided financial support for a family member, especially 18-49 (35% vs. 20% 50+). Around a fifth of Americans (19%) have provided financial support for a friend.

Fortunately, we are also summoning our resourcefulness. Indeed, 'Pivot' may become Merriam Webster's word of the year: Around 2 in 5 Americans (38%) have sought out new or additional sources of income. Men are more apt to state this (44% vs. 32% women) as well as ages 18-49 (51% vs. 22% 50+).

Implication:

Many economists say this is a public health decision first and the economics will follow. But the more we suppress the spread by suppressing the economy, the harder the toll on American livelihoods and survival. Flattening the economic curve is a key priority to stemming the anxiety and stress that's growing in discussions across American kitchen tables throughout the nation.

Section:

02

Topic:

TAKING STOCK OF WHAT WE'VE GOT

Introduction:

While our emotions are laid bare, we as a nation are taking time to reflect, connect and to some extent, appreciate life interrupted: The majority of Americans (78%) have felt grateful to be around people they truly care about and more than three quarters (77%) have shown compassion (taking the time to check in with people they care about). Nearly half of Americans (49%) have felt grateful for the break from work to be at home with my family, especially Americans age 18-49 in their prime working years (60% vs. 36% 50+).

And while parents are juggling zoom calls and online education, they are also connecting with their kids: Around a third (31%) have experienced 'Mommy/Daddy' time out-walking away from kids to get a break since the stay-home orders have gone into effect; especially men (38% vs. 25% women) and parents with an annual household income of \$75k+ (36% vs. 25% of <\$50k HHI).

Unfortunately however, nearly half of Americans (49%) and 59% of Gen Z and Millennials have felt lonely and isolated and 40% are overwhelmed since the stay-home orders have gone into effect, a quarter are increasing use of wellness and meditation apps, especially younger adults who feel most alienated and parents who feel most stressed.

Implication:

As the pandemic becomes an unfortunate national routine, dislocation also means reflection. Can this time of crisis yield greater compassion and empathy in our relationships, our communities and into our national partisanship? Most pundits would say no, but social scientists point to defining life events like the Great Depression shaping core values. So how will Gen Z carry forward lessons from the pandemic into their ethos for living?

Section:

03

Topic:

WHAT WE MISS & HOW LIFE MIGHT CHANGE

Introduction:

Thanks in no small part to news and social media, 56% of Americans fear they could die from coronavirus (up from 27% on March 14) and 68% think the amount of fear is sensible given how serious the pandemic has become, a stark reversal from 3 weeks ago when 56% said the amount of fear is irrational and people were overreacting. At the same time, for many of us the walls are closing in: More than a third of Americans (35%) have felt claustrophobic since the stay-home orders have gone into effect; Americans ages 18-49 are more likely (42% vs. 26% of 50+) to feel this way.

And with uncertainty comes anxiety and frustration: 54% feel angry that they don't know when this will end, this is especially true for Gen Z/Millennials (66% vs 48% of 35+) who are predisposed to stress growing up amid uncertainty as seen in our [APA Stress in America Survey](#). Millennials and Gen Z are most likely to feel overwhelmed right now (52% vs 37% of all adults).

Disruption is also impacting our daily life and personal work habits: More Americans start their day by rolling out of bed and jumping on the computer (56%) while (49%) wear PJs/sweatpants while working from home supporting a trending meme that "We're not working from home. We are at home during a crisis, trying to work." Add to the fact that 50% admit to not taking a daily shower isn't an indication that Americans are becoming lazy, (56% are actually working more now that they are home), but that Americans are doing the best they can in an unprecedented time.

But we are looking ahead! When we asked, which do you think will have a bigger effect on the life of you and your family: COVID-19 itself, or the economic impact of the C-19 pandemic? —almost two-thirds of Americans (62%) feel the economic impact of the pandemic will have a bigger effect on their lives and that of their families than (38%) COVID-19 itself. Women are more concerned about the economic impact (65% vs 58% men), whereas men skew slightly more concerned about C-19 itself (42% vs. 35% women) as do lower income HH's (insurance coverage, access to critical care) and this, in turn, drives their concern to the economic impact.

Implication:

Expect economic fear to soon overpower the health fear in America. Companies and marketers need to be understanding and meet the post-trauma of the crisis with economic-driven incentives for their customers from extending payment terms, consolidating debt, and forms of outreach to help consumers bridge into a new and uncertain future.

Section:

04

Topic:

PENT UP DEMAND CONTINUES TO BUILD

Introduction:

We told you Americans were squeamish about getting back out there. When asked how long after the curve flattens it will be before they will dine out, four in 10 (43%) say they'll do it within 30 days; two-thirds (66%) within three months. One-fifth of Americans (21%) say they will stay in a hotel and 41% within three months and 60% within six months. Airlines don't reach majority tipping points until four to six months after the curve flattens and 57% of people say it will take a year or more before they will take a cruise.

Yet amid America's month of cabin fever, we are seeing desire emerge in between the cracks of fear. People do miss things, obviously. The top three things Americans miss most are: dining out at restaurants/bars (51%), gathering with friends and family (49%), and shopping in stores (39%). And women, specifically, miss restaurants/bars (55% vs. 47% men), gathering with friends and family (58% vs. 39% men) and shopping in stores (44% vs. 32% men).

This week we also asked Americans, "Once the pandemic is over and things return to normal, do you think each of the following areas of your life will be very different, somewhat different or mostly the same?" The majority of Americans feel family, work and eating will be the areas of life to stay the same, especially among middle-class families and Baby Boomers. Almost half of all seniors feel shopping habits will change, a significant difference. And travel/vacations look to be the area most impacted by change which tracks with other data in our survey (above).

But Americans feel social activity, shopping and travel are the categories to become somewhat different after the pandemic, especially younger women, which suggests possible further dislocation for traditional brick and mortar shopping models. Travel/vacations are again expected to change; Democrats seem more insistent of changes happening in their social lives and routines than Republicans.

Yet Americans expect travel/vacations, social activity, personal hygiene and shopping habits to change the most. Younger people and Gen X/young Boomers feel social activity will change especially. Eating habits is the category least likely to see profound changes in American consumption by their expectations. Overall in this data it's important to look at the opposites: e.g. 68% of Americans do not expect their travel/vacations to change dramatically.

That we see such stark levels of fear regarding C-19 in our other data and that we have not yet crested the pandemic suggest Americans might have pent up demand (e.g. revenge spending) that marketers might service once life returns to some normalcy. Americans also report being more voracious users this month of smartphones (60%), television (53%), streaming TV (50%), games (43%), books (35%), music apps (33%), food delivery (22%) and podcasts (18%).

Finally, Americans are also planning longer-term purchases. One in five (19%) say they are considering buying new household goods, furniture, or appliances; 16% buying a car, attending a concert or sporting event or buying gifts or other non-essential items for themselves or their friends and family.

And their answers to how they would prepare for something like this in the future are to keep more of their money in savings (59%) and stockpile nonperishable foods (33%); make improvements to their living situation (18%), purchase a gun (13%) and remodel their kitchen (9%). Men are more likely than women to go "Y2K" including re-thinking their homes (23% vs. 13%), purchasing a gun (17% vs. 8%) and remodeling their kitchen (14% vs. 5%).

Implication:

Think about American resiliency in your marketing strategy. There is likely a 'whiplash' effect about to happen as the first sign that things might return to some type of normalcy. Upper funnel activity might soon re-emerge, even in unlikely categories like travel and entertainment.

Section:

05

Topic:

WHAT A COMPANY DOES IS MORE IMPORTANT THAN WHAT IT SAYS

Introduction:

States across the nation are struggling to address the pandemic as it takes different shapes and forms across communities. Americans are applauding the likes of firms like Honeywell, GM and Ford that are making ventilators, masks and other PPE. More than 9 in 10 Americans have improved opinions of companies that donate money, supplies or employee's time to aid relief in communities (92%) and when a company shifts production to make equipment or supplies necessary to fight the pandemic (91%).

But desired corporate action extends past addressing the pandemic directly to encompass supporting consumers who are indirectly affected; 91% have improved opinions towards companies that allow customers to forgo payments for up to 6 months or offer lower interest rates or other programs.

This also extends to protecting employees: 84% have improved opinions of company executives who forgo salaries, bonuses or other compensation. In fact, 84% say large companies' top priority should be keeping its employees safe, even if it means that customers need to wait to get their products.

Today, corporate action is becoming a requirement to advertise around C-19: 36% say that Marketers should only advertise if they have taken action to address COVID-19 and the amount of Americans who felt companies that advertise about COVID-19 is "a good thing regardless of actions they have taken, because it shows they care," decreased from 41% last week to 38% this week. In fact, 26% think companies who advertise about C-19 are just doing it for publicity, most of them feel contrived/forced.

However, the industries who are taking action see their reputations improve and are also the most trusted sources of information regarding C-19. Public opinion of the healthcare industry has increased since the coronavirus outbreak to 62%, and doctors/nurses as well as medical journals, are the top two most trusted sources of information on the topic (93% and 87%, respectively).

And Big Pharma is becoming Good Pharma with its position to provide solutions: Nearly 2 in 5 Americans (39%) say their view of pharmaceutical industries have become more positive since the start of the coronavirus pandemic and 6 in 10 say the pharmaceutical industry is best suited to provide solutions. We also see this trend rising across technology. More than 4 in 10 say technology is best suited and should provide solutions (42%) and almost four in ten people (37%) now have a favorable view of big tech.

Implication:

Every corporate reputation will be redefined by the response to C-19. And as seen in pharma and tech, esteem can literally be remade by a leadership position. Don't be limited by the constraints of your industry, regulation, etc., to not re-think what you could mean to society at this moment. There may have never been a better time to "pivot". Everything is on the table. And remember, don't say it...DO IT!

Section:

06

Topic:

ZOOM PARENTING AND THE RISE OF PERMISSIBILITY

Introduction:

We all know about helicopter parents. But now in the 24/7 hybrid house-conference room-classroom, leniency is the new currency as at-home as parents try to preoccupy their kids during the workday to prevent zoom video bombs, which 35% of Americans have experienced. As half of parents (49%) have increased their use of virtual meeting sites, over a third (35%) say they have experienced kids making cameos on video or conference calls. Dads are more freaked out about this (43% vs. 29% of women), while Moms say to Dads, 'welcome to the show.' More than half of parents (54%) have been giving in to more screen time to preoccupy kids since the stay-home orders and more than 2 in 5 Americans (43%) have been relying on more treats/snacks to keep their kids happy (new data we'll release Friday in the Wall Street Journal shows that streaming services are the new toilet paper of the pandemic). Finally, nearly a third of parents (32%) have been buying more toys, books or games to preoccupy kids, especially stressed out Dads (39% vs. 25% women).

And with rising cabin fever and not a lot of space, parents with kids in the household are 2x more likely than adults with no kids to increase consumption of gaming and other in-home entertainment to keep their children busy (60% vs. 33% of adults with no kids in HH). More than half of Americans (54%) have felt cabin fever and more than a third (35%) have felt claustrophobic (unable to escape my home) since the stay-home orders have gone into effect.

To combat tight living quarters, 70% of parents have increased use of streaming services (vs. 42% of adults with no kids in the HH), 65% of parents have increased use of social media (vs. 40% of adults with no kids in the HH); 52% of parents have increased use of music apps (vs. 22% of adults with no kids in the HH) and 33% of parents have increased use of food delivery apps (vs. 16% of adults with no kids in the HH). Finally, 28% of parents have increased use of podcasts (vs. 12% of adults with no kids in the HH). Any diversion seems worth a try.

Lastly, online learning is easier than it sounds: Close to a third of parents (31%) are frustrated with online schooling systems. Dads are more likely than moms to be frustrated (37% vs. 27%) suggesting their understanding of the work/life balance and attention to home affairs is still lacking.

Implication:

Potential dislocation could be the new normal, meaning Americans will rethink their homes as bunker-goers. From remodeling to accommodate new at-home situational work/school/life living, to stocking up to avoid shortages, a number of COVID-19 preppers will emerge in consumers that could cause new runs on products or new categories not previously considered "essential."

Questions?

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KNOWLEDGE IS POWER
