

COVID-19 CONSUMER RESEARCH WAVE 8 EXECUTIVE SUMMARY

April 25-27, 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 8

WAVE 8 INTRODUCTION

The following research was conducted between **April 25-27, 2020** by The Harris Poll on the coronavirus outbreak. Fielded among a nationally representative sample of **2,050** U.S adults, the newest research demonstrates how consumers' perceptions are rapidly shifting as new developments emerge.

Section:

01

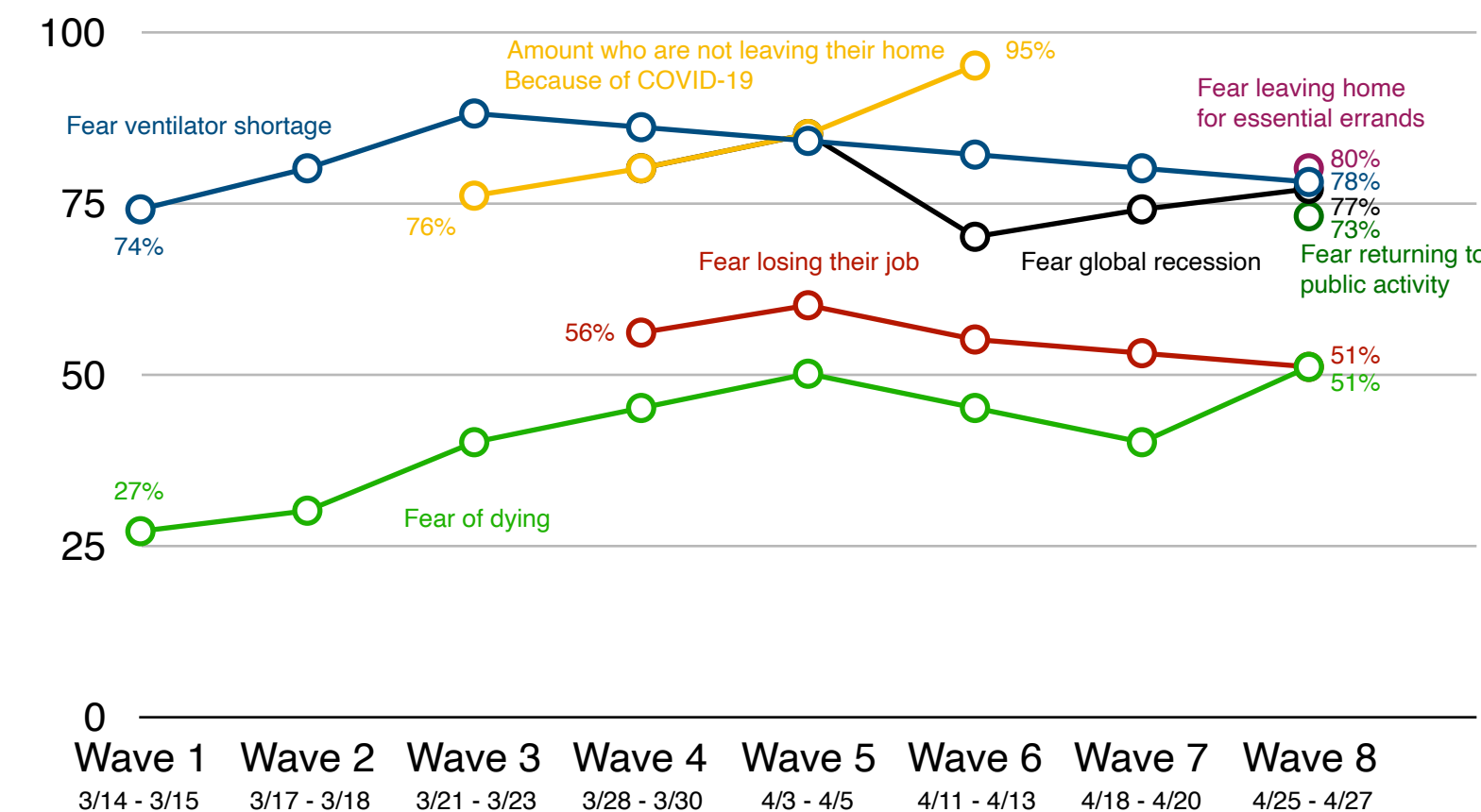
Topic:

SAFETY AS A CUSTOMER JOURNEY

Introduction:

Add a fifth 'P' to the fundamentals of marketing: Product, Price, Promotion, Place and Purell. As this chart shows, **Americans are housebound** until businesses have a plan to protect them. We liken this to a customer journey that has hygiene as the basis for all commercial transactions, be it flying on a plane, going to a business conference, or shopping in a store:

Trended Fear Curves During COVID-19



- Eight in ten Americans (80%) are still concerned of their risk of being exposed to coronavirus when leaving home for errands (84% women; 76% men) and (69%) worry they'll accidentally expose others (72% parents; 65% non-parents).
- Almost three quarters (73%) of Americans worry about **future public activities** such as public transit or socializing (77% women; 70% men); or (68%) going to bars, restaurants, hairdressers, etc. Two thirds (66%) of parents are concerned their kids will be exposed if sent back to school, causing many districts to cancel in-person classes for the remainder of the school year. Taking a flight (66%) is also a concern as is going back to the office (63%).
- Given this, the business community remains more bearish than some lawmakers on reopening: as states push to re-open, [business leaders say not so fast](#).
- Who's re-thinking their safety customer journey? In the **farm-to-table hygiene movement**, Airbnb will make property owners [wait 24 hours between guests](#).
- One prediction: **safety will soon be 'branded' at its source of origin** like a bottle of Evian: Australia is [training veterinarians to be pet detectives](#) to spot future pandemics.
- Dining out remains the thing Americans miss most (70% miss a lot/somewhat) but will need reassurance that it's safe, such as reconfiguring layouts for social distancing (62%). As the NYT reports, many [restaurants are trying](#).
- A sobering statistic: **The coronavirus has killed more Americans than the Vietnam War**.

Implication:

Industries whose products and services interact on the customer's journey must work together to provide a 'blockchain effect' of hygiene. For instance, hotels may lose bookings if travelers think planes aren't safe. Or, produce sellers may suffer if restaurants can't be seen as in control of their food supply. Frenemies, enemies and adjacent partners all need to work together, sharing data and mapping journeys that reassure and provide peace of mind.

Section:

02

Topic:

PREPPING FOR THE TEST

Introduction:

Experts at The [Rockefeller Foundation](#) believe the U.S. needs to **triple its amount of testing** in the coming weeks from 1 million to 3 million a week and 30 million in the next six months. Testing is key for public confidence but unfortunately, we are not there yet: currently, the U.S. has **tested about 1.6% of the population**. The public agrees: Two-thirds (66%) say proper testing in place must happen before Americans can return to work, while (80%) are concerned about shortages of testing kits for COVID-19.

- This challenge is not a technology problem: “It’s a coordination and logistics challenge, period. And perhaps the most frustrating thing of all is that we did not have to wait for an invention or a reinvention of any of anything”, RF researchers say.
- In fact, Americans see tech as a potential savior. [In our polling for Politico](#), 38% of Americans said their view of the tech industry has turned “more positive” since coronavirus arrived, compared to 8% this wave who said it’s now “more negative.” Also, (41%) believe the tech industry should help solve the outbreak, and (81%) approve of large tech firms specifically helping to trace coronavirus cases.
- And the public is willing to help: our poll found 71% are willing to share their own location data and receive alerts about possible exposure to the virus. A public registry of COVID-19 cases is also popular: 65% favored some kind of database that would show if their neighbors tested positive for the virus.

Implication:

As we’ve shown over the past several waves of data, America’s pessimistic expectations about returning to restaurants, sporting events, flights and hotels collide with their desire to do so. But without testing, there’s no peace of mind to resume normal activities. As States and Federal haggle, Business must expand testing through employee programs, funding to accelerate production or even making of approved kits and other forms of coordinated outreach. How can your company help America pass the test?

Section:

03

Topic:

THE MECCA OF SUBURBIA

Introduction:

Beset by high rents, clogged streets and now a virus unleashed, Urbanites tell us they're seeking the suburban/rural way of life, by considering to move to less densely populated regions in order to feel safe as well as revisit a lifestyle many had in their youth and are reminded of under quarantine. Interestingly, urban Americans are changing their eating habits the most in quarantine mirroring life in the suburbs. Also, they're twice as likely to be looking at Zillow for suburban homes and apartments.

- **Mirroring life in the suburbs:** 73% of Urbanites are seeking more fresh food (vs. 55% Suburban; 61% Rural) and 63% are seeking more home cooked meals (vs. 44% Suburban; 51% Rural) as they look out on the remainder of the year. Meanwhile, Suburban and Rural regions are more likely to already be increasing home-cooked meals (68% Suburban; 66% Rural vs. 64% Urban who have increased home-cooked meals since the outbreak).
- Eight in ten (81%) of Urbanites are concerned about the risk of exposure when they leave their home to run essential errands and 4 in 10 (39%) say the crisis has caused them to consider moving to a less densely populated area of the country.
- Urbanites who are twice as likely to be browsing real estate websites vs. people who live in Rural and Suburban region: urban dwellers (43%) most likely vs. (26%) suburban, (21%) rural.

- A mass exodus was portended for New York after 9/11, only to see its population expand. But what's different now is tele-working, virtual museum tours, plays and concerts. Will Suburbia hold a new swagger to Americans, especially younger ones the way Brooklyn and Austin did for Millennials?

Implication:

The lure of moving to urban cities used to be about opportunity, where city dwellers happily gave up space for the luxury of convenience. Today that space is a coveted sense of security as when the chance of virus transmission spikes in groups as small as 10 people (that's a fraction of a subway car during rush hour).

Section:

04

Topic:

YOU MUST TRY THE DR. JEKYLL DIET

Introduction:

It looks like the health kick is here to stay, but so is the red wine, chocolate and oreos: as tensions continue to rise, our fear of transmission when leaving the house is matched with growing cabin fever when sheltering at home, consumers are shopping to nurture the body and soul: a shopping cart balanced by health foods to protect immunity and indulgent foods to protect our sanity and emotional wellbeing.

- Four in ten Americans (42%) are **consuming more fresh food** and among them, (63%) plan on increasing or (34%) maintaining their consumption; only (3%) plan on less kale.
- And nearly 7 in 10 (66%) are **eating more home-cooked meals**; of them (91%) plan on increasing (51%) or eating the same number of meals (40%).
- Use of **foods for fortification** is a trend: a quarter are drinking more orange juice (24%) and of that group (90%) either plan on increasing (51%) or drinking the same amount (39%).
- Yet (23%) are **drinking more alcohol** since C-19, and among them 35% say they will drink the same or more (37%); only 28% will drink less. Also, 42% are eating more snack foods and of that group 38% plan on eating the same or more (28%). Candy and soft drinks follow roughly the same pattern.

- Why is this polarized diet happening? A combination of stress and gratitude: 37% feel overwhelmed trying to balance work at home and other needs of their family, 52% feel grateful to be home with family, while 55% have cabin fever.
- P.S. speaking of drinking, for your Zoom virtual happy hour try this conversation-starter: Did you know [The Romans invented recycling?](#)

Implication:

Looking out on the remainder of the year filled with uncertainty of 'returning to normal', the one thing we can control is what we eat and how we live at home, consumers are shopping to create a sense of balance we lack in the outside world. As businesses think of the underlying turbulence in people's lives today and how your brand might be the perfect counterbalance to what they're feeling. Right now, everything seems one-part virtue, one-part vice.

Section:

05

Topic:

CLEAN HOUSE, DIRTY HAIR

Introduction:

Either because their housekeeper is in quarantine or the entire family is under one roof 24/7 (or both), Americans are **cleaning the house more** at the expense of their own personal appearance. Uncertainty about the new normal in our future means pandemic-prepping the household over priming our looks for the grand re-opening.

- **Americans are using cleaning products more than 10x/week:** Surface cleaners 7x/wk and floor cleaners 3.5x/wk vs. shampoo 4x/wk vs. razors 2.5x/wk and makeup 2x/wk. And they say they plan on using more or the same amount of cleaning products (90%) surface cleaners (83%), floor cleaners (90%) and appliances like their dishwasher (85%).
- Parents are twice as likely as non-parents to keep the dishwasher running and almost nine in ten Americans (88%) are using the washer/dryer now and will use it more or the same (on avg. 3.3x/week).
- And with all the home meals, 88% say they will use their cooking appliances more or the same in the future (on avg. 8.6x/wk.)
- While 26% of women and 31% of Gen Z/Millennials are buying less makeup, 36% of women plan on using more when they can get out of the house.
- Same goes for shampoo: 92% plan on using more or the same and on average are using 4x/week. And thankfully 22% say they will use more deodorant (current using average is 5.8/wk; women are using more deodorant than men at 6.3 vs. 5.3 times per wk.)

- Shave the beard: 87% plan on using razors or grooming and on average 2.5x/wk
- Zoom vs. Staples: 20% plan on using less office supplies vs. 17% who plan on using more.
- And did you know there's [a right way to sweep a floor?](#)

Implication:

Which behaviors will snap back? Dislocations cause reappraisal of preferences as routines get upended. But research your categories carefully to parse today's usage from tomorrow's desire. And anticipate future interruptions and a consumer who is blended in and out of the house more than before. Products may surge and wane based on in and out of home time spent. But in a battle of the inside vs. the outside, the house is certainly taking market share.

Section:

06

Topic:

THE GROCERY WARS

Introduction:

As Grocery stores and food delivery services battle for the supermarket basket, both have faced supply chain disruptions that have frustrated their customers. Here's where Americans are right now on the tug-a-war in aisle four:

- **Buying groceries:** 45% of Americans are spending more on groceries than were before COVID-19, esp. Parents, adults 35-49 and Urbanites. Most are spending \$100/week on groceries; most of Gen Z/Millennials are spending \$125/week vs. \$120 35-49; \$100 50-64; \$100 65+.
- **Spending more:** 51% of adults ages 35-49 and 48% of 18-34 are spending more than they were before COVID-19 vs. 40% of 50-64 and 39% of 65+. Also, 51% of Urbanites are spending more than they were before COVID-19 vs. 45% of Suburban and 36% of Rural; 49% of Parents are spending more than they were before COVID-19 vs. (40%) of non-parents.
- **Will grocery shoppers come back?** 58% of Americans say they are more likely to buy groceries in store right now and 70% are more likely to do so post COVID-19.
- **And a large number will mix in delivery and in-store pickup:** 43% say they are more likely to order online and pick up in store now and 36% are more likely to do so post COVID-19. Also, 43% are more likely to order groceries online through the retailer and have them delivered to their home right now and 33% are more likely to do so post COVID-19.

- **Fewer see a pure online grocery future:** While a considerable number (37%) are more likely to order groceries through a delivery service (e.g., Instacart, Postmates) right now and 29% are more likely to do so post COVID-19, but these numbers trail the interaction with their traditional grocer. Other Harris data shows online grocery more preferable for staples and non-perishables.
- **Still fewer are into home meal kits:** 29% are more likely to buy meal kits and having them sent to their home right now, and 25% are more likely to do so post COVID-19.

Implication:

Americans love shopping in grocery stores and they've done so throughout the crisis. At this moment there seems to be a combination of in-store shopping (experience/control) mixed with pick-up and/or delivery (convenience/safety). Amazon, Fresh Direct and Instacart should be highlighting their inherent safety benefits and ask consumers in today's age, is grocery shopping an essential task?

Section:

07

Topic:

STERILE OFFICES, BETTER PAY

Introduction:

As Americans eye their return to the office and workplaces reopening, what do workers want to see? Essentially a laboratory-like office environment and hazard pay.

- **In order for workplaces to re-open**, three quarters of Americans (76%) want hand sanitizer everywhere while 67% want PPE such as masks, respirators, 64% want physical barriers/work spaces reconfigured for social distancing, 59% want employee training for proper use of PPE, and 58% want temperature tests.
- There is majority support across the country **for protecting employees who are exposed at work**: 74% paid sick leave, 67% payment for COVID-19 testing, 60% coverage of hospital expenses, 60% coverage for all out of pocket medical expenses, and 52% temporary total disability benefits in lieu of wages. Speaking of sterile, will the Coronavirus [bring back the cubicle?](#)
- **Businesses who don't comply could be liable**: Half (56%) of Americans say businesses that **force non-essential workers to come back to work while COVID-19 still poses a threat should be held criminally liable**.

- **Coronavirus has caused economic hardship for millions of Americans. Now, could it lead to a shift in compensation and workers' rights?** Three-fifths (57%) say the U.S. should raise the Federal Minimum Wage due to economic uncertainty from the pandemic, and 63% would support an increase in their state if on the ballot this November.
- Pitching a minimum wage hike? [Fox Business](#): Mark Cuban says the economic recovery from coronavirus requires a federal minimum wage hike.
- Workers have proven they are 'essential' for their company, but will they be rewarded to help protect them during economic uncertainty? [Bloomberg reports](#) "business groups are pressuring Democratic officials in several states to postpone planned minimum-wage increases, arguing that embattled businesses can't afford to give workers a raise as they face the coronavirus-related economic crisis."

Implication:

The fallout from coronavirus will reshape not just how we work in the years to come, but the conditions in which we work as well as pay and benefits for workers.

Section:

08

Topic:

THE COVID REPUTATIONAL RANKINGS

Introduction:

Companies have the opportunity to reinvent themselves and there's no better time than a crisis to change habits as [our data shows in USA TODAY](#), with the abrupt shift in opinions on the tech industry as online services have become essential to daily life for people working and sheltering at home; positing for stakeholder capitalism that even 'bad' companies can become good. Is the tech industry the next hero to the rescue?

- **Big Tech's Admirable Pandemic Response:** Three-fifths (59%) say the tech industry has had a good response to the pandemic trailing only (76%) healthcare (doctors/nurses/hospitals), 74% grocery, 67% food and beverage, and 66% restaurants.
- **TECH TO THE RESCUE:** 41% think technology companies *should provide solutions* during the coronavirus (third only to the experts in healthcare (62%) and pharma 57%), and 81% *approve of large technology companies helping to trace coronavirus cases*.
- **Big tech is freed from the data privacy bias that used to hold their reputation captive:** 73% are comfortable **sharing anonymous location data** in the interest of fighting the pandemic. Four in 10 (38%) Americans say their **view of the tech industry has become more positive since the start of the pandemic**.

- **Capitalizing in a crisis is the worst thing Americans think you can do:** 27% think companies who create advertisements about COVID-19 are just doing it for publicity, and most of them feel contrived/forced. [The L.A. Lakers](#) join the long list of faux-small companies returning their SBA coronavirus loans.

Implication:

Some industry reputational issues seemed entrenched and unmovable before the crisis. But as the pandemic shows, the public can change its mind. There's no better time than a crisis to change habits. What can your firm do to be 'essential' to society. Americans are willing to bury the hatchet so come and meet them halfway.

Questions?

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