

CPG

& REDSCOUT

+ COVID-19

Responding
to COVID-19

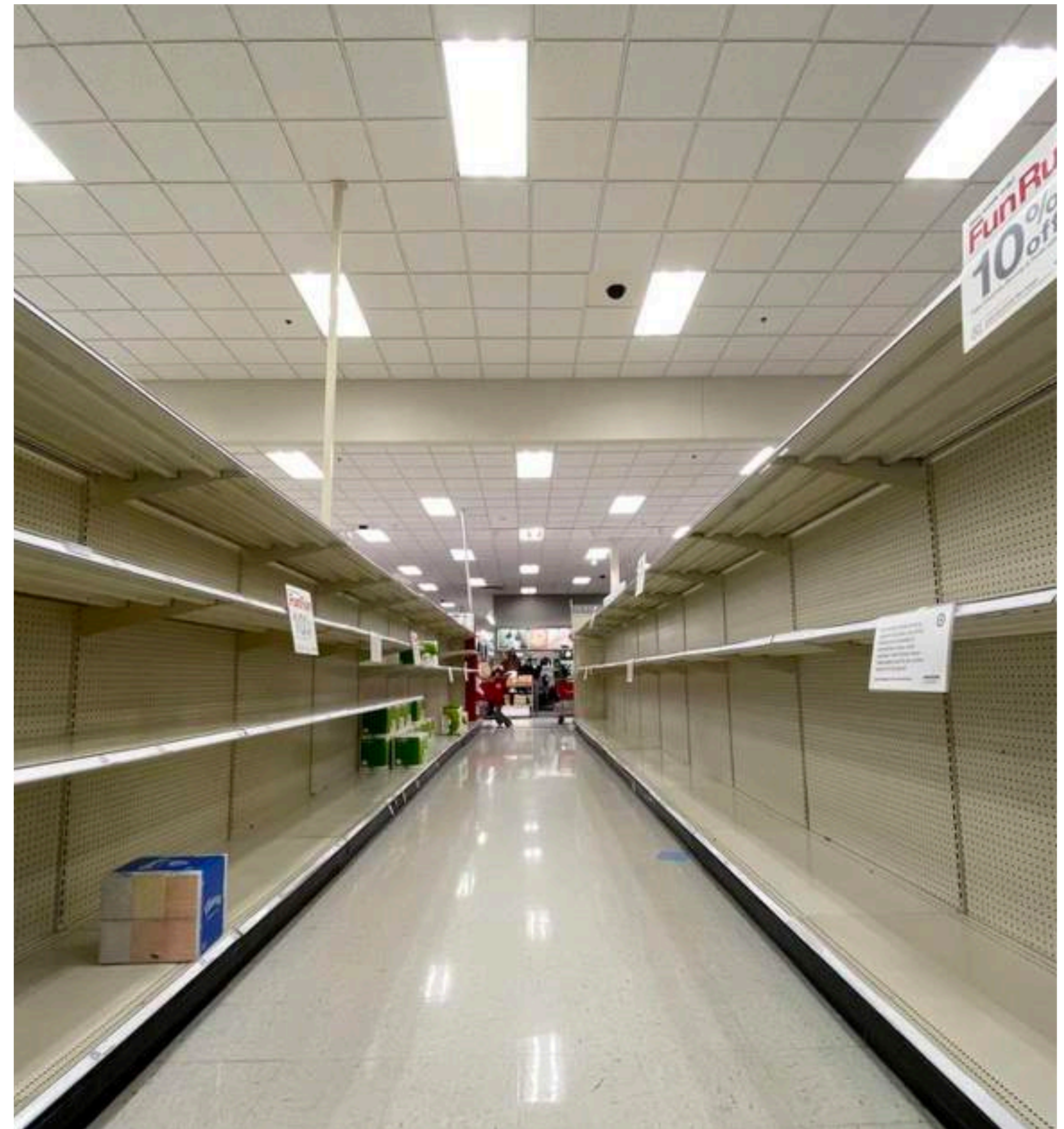
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Not for
External
Distribution

We're all wrestling with this moment of uncertainty.

We — our businesses, our employees, our consumers — are facing an unprecedented moment in history. The COVID-19 outbreak is, first and foremost, a human tragedy which will affect millions with short and long-term impact.

For those of us building (and protecting) businesses, it's a time of fear and uncertainty about what the future will hold, how we can support our consumers and communities, and how we can set ourselves up for success in a rapidly changing landscape.



What should our long-term response be?

How and what we respond to next could define meaningful long-term impact beyond today's core consumers, categories, and capabilities.



5 core consumer needs that will be impacted by COVID-19.

We've identified five consumer needs that are important to packaged goods consumers today. Our ambition is to highlight the ways in which the COVID Crisis is already contributing to their re-evaluation and evolution. We expect that some of these emergent behaviors will have lasting impact. After all, it takes about 2 months to automate a new habit*.

The only question is, how (if at all) should we respond?

- 1—Survival
- 2—Convenience
- 3—Indulgence
- 4—Family-Friendly
- 5—Sustainability

1—Survival

Governments and healthcare systems don't always feel equipped to save us, so people around the world have been taking survival into their own hands. Everything from groceries to gun sales have sky-rocketed as shoppers panic to fortify their offenses and defenses. **Going forward, we imagine consumers will embrace 'survival' as an everyday consideration.**



Everyone is a prepper.

Consumers are stocking up on shelf-stable essentials, while emergency preparedness startups like Judy promise to equip them for future crises we can't predict.



Immunity is the ultimate superpower.

Fear of contracting the virus has led to next level awareness of and investment in immune strength. A cohort of new brands are touting immunity as a primary benefit.

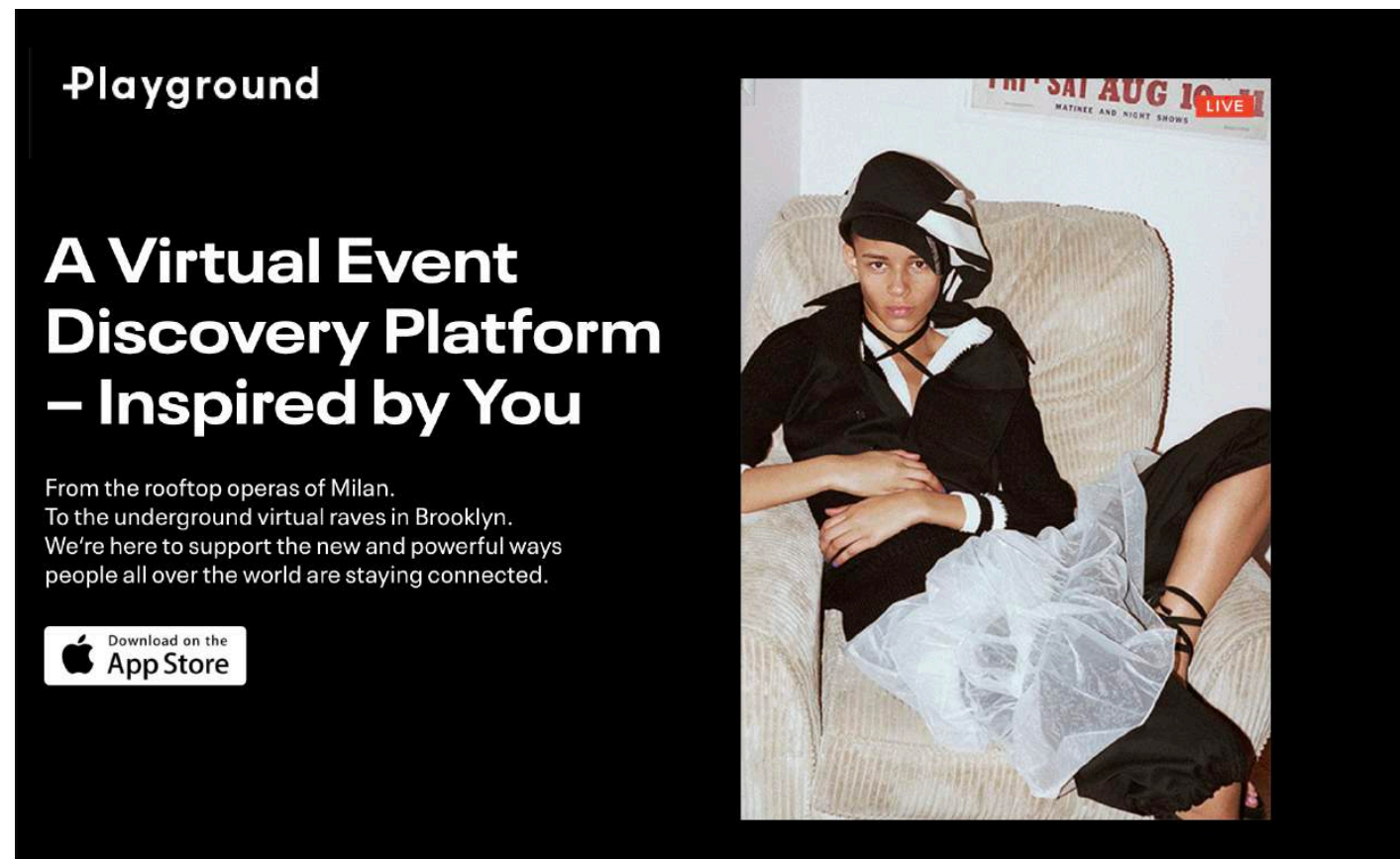


There's more interest in food that's 'indestructible.'

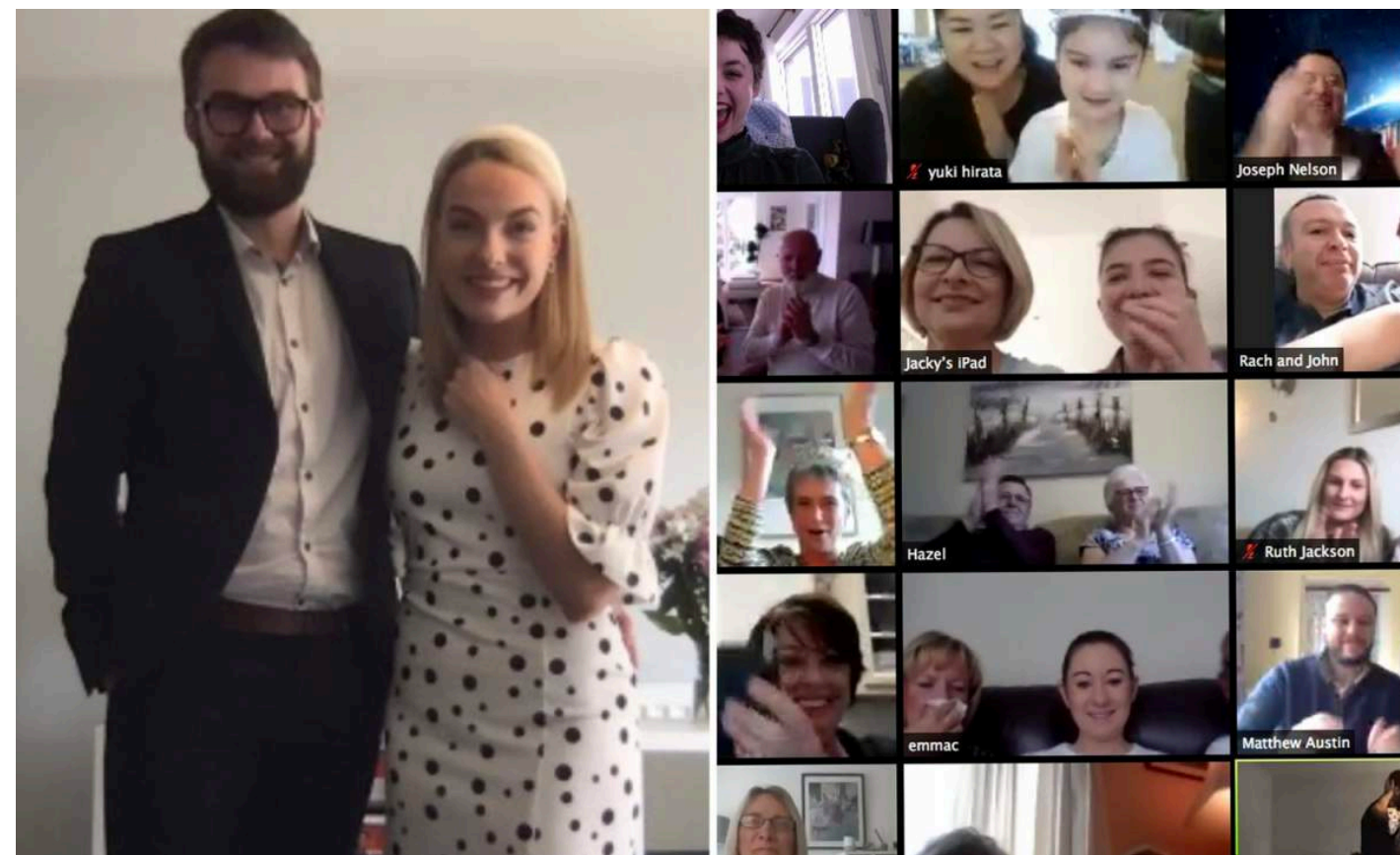
With an uncertain future ahead, people are appreciating nutritionally complete offerings that do it all, and last forever.

2—Convenience

A broken global supply chain and 'Shelter in Place' orders require that we live in a much smaller radius— going beyond that is either practically challenging or ethically unsound. To keep us sane, all the products and experiences that once existed OOH are now entering IH, with all its comforts and constraints. **Going forward, we imagine 'convenience' will be redefined as helping us do more, and feel more, at home.**



Home is the venue for the experience economy. As restaurants, bars, and movie theaters close, all entertainment is in-sourced. These experiences are trying to offer the connection and full-sensory inspiration their IRL predecessors did.



Intimacy embraces ease over IRL. Even the most human moments — from family dinners, to dates, to weddings — are happening digitally. Shifting to these non-traditional formats is subtly changing our rituals too.



'Local' provenance has global urgency. The world is realizing how vulnerable our global supply chain makes us, and how inhumane behemoth retailers can be. Communities are banding together to support local businesses.

3—Indulgence

For once, we have seemingly unlimited time to indulge. But when we need it most, our tried-and-true sources of entertainment and escape aren't readily at hand. This is opening up space for new ways of replenishment, divergent thinking, and innovation. **Going forward, we imagine 'indulgence' will be seen more as a creative necessity than a guilty pleasure.**



Slow-living is being rediscovered.

From meditation to bread-making, people are trying to make the most of more time alone by prioritizing mental health—which we don't always make space for in our 'real lives.'



Home-grown innovations are shaping how we play.

Adults and kids are playing with...play — Neighbors are playing tennis out their windows. Parents are inventing new art projects. Orchestras are playing together through video.



'Bad' is the new 'Good'.

From screen-time to junk food, once frowned upon indulgences are not only 'ok'; they're essentials that deliver comfort and sanity. The World Health organization is even promoting video gaming...

4—Family-Friendly

The COVID Crisis has forced families to come together in new, very intense, ways — living on top of one another in multi-generational households, playing new roles for each other, and taking care of everyone from kids to grandparents from afar. **Going forward, we imagine that 'family friendly' will be less about appealing kids and more about caring for multiple generations at once.**



'Parents' are 'Educators' & 'Entertainers'

Parents are becoming the ultimate multi-takers — balancing typical parenting duties with completely foreign ones. All at the same time. With much less consistent support. No breaks in sight.



Elder-Care is the new Child-Care.

It's never been more top of mind that our aging population is at risk. Designing products and services that are accessible to them (even in our absence) is imperative.



Time together is needed more...and less.

To maintain positive relations, parents and kids are craving both more healthy and fun things to do together...and boundaries to protect necessary 'me time' for all ages.

5—Sustainability

The first few weeks of the COVID Crisis have radically altered how we've thought about sustainability and the possibility of collective, radical change. **Going forward, we imagine that 'sustainability' will take on new and more 'close to home' definitions, and that change will feel more possible than ever before.**



Food System resilience is not guaranteed.

There's much uncertainty about food security and whether governments and institutions can mitigate global food shortages and high prices — a level of uncertainty this generation hasn't felt before.



Access to resources is a 'first world problem' too.

From basic sanitation supplies to toilet paper to healthy food, people are struggling to meet their fundamental needs even in the wealthiest of countries.



Collective action is possible.

The whole world is coming together to make major changes at huge cost for the greater good. It will no longer be possible to say 'change can't be made' after COVID.

Planning a long-term response.

Now is a critical moment to plan, pressure-test, and prepare for a long-term response. Here are the steps we recommend starting with.

1

Find Your Focus

Align consumer needs with current priorities to identify synergies.

2

Consider the Cost of Doing Nothing

Think 5-10 years out, and determine whether the cost of not responding is great enough.

3

Talk to Real People

Leverage (digital) customer research to really dig into both immediate and lasting behavioral changes.

Thank you

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