

# **COVID-19: Essential Consumer Takeaways & Business Implications**

**Week of April 13<sup>th</sup>, 2020**



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## About this deck:

- + Wide view of “real-time” consumer attitudes (globally and US specific) as the outbreak of Covid-19 unfolds.
- + Not all encompassing as knowledge is being shared and changing in rapid pace.
- + Sources to research can be found in Notes section.



# In The News

## Week of April 13, 2020

- + *The US is "nearing the peak right now," health official says* - [CNN](#), 4/13/20
- + *The daily U.S. death toll from the coronavirus dipped for the second straight day on Monday* - [USA Today](#), 4/13/20
- + *Stimulus money begins rolling out* - [USA Today](#), 4/13/20
- + *A rift between the White House and states threatens a cohesive response* - [The New York Times](#), 4/14/20
- + *The I.M.F. predicts the worst economic downturn since the Great Depression* - [The New York Times](#), 4/14/20
- + *Wyoming reports first coronavirus death, the last of the 50 states* - [USA Today](#), 4/14/20
- + *President Trump's decision to halt funding for the WHO fueled widespread criticism of the U.S.* - [The New York Times](#), 4/15/20
- + *There's been a flattening of coronavirus cases in the US, Fauci says* - [CNN](#), 4/15/20
- + *In the last four weeks, the number of unemployment claims has reached 22 million* - [The New York Times](#), 4/16/20
- + *The \$349 billion lending program for small businesses has run out of funds* - [The New York Times](#), 4/16/20
- + *Protesters in several states urged their governors to loosen restrictions* - [The New York Times](#), 4/16/20
- + *The governor orders New Yorkers to wear masks in public* - [The New York Times](#), 4/16/20
- + *Schumer says negotiations on more aid for small businesses will continue through the weekend* - [CNN](#), 4/17/20
- + *Midwest governors to partner to reopen regional economy* - [USA Today](#), 4/17/20
- + *President Trump issues guidelines for easing U.S. restrictions* - [The New York Times](#), 4/17/20

# Key Headlines

## Week of April 13, 2020

- + This week, global Covid-19 reached 2,173,168, 674,829 in US.
- + With an additional 5.2 million people filing for unemployment benefits last week, 22 million Americans have now filed jobless claims in the past month.
- + The fear of the virus continues to come closer to home. More Americans (one in five) now know someone who has tested positive for the coronavirus.
- + Trust in the federal government and state government is sliding slowly as the pandemic wears on and infections and joblessness rises.
- + As planning/guidelines for reopening parts of the US society begin, Americans, state governors and business leaders are split in reminding of social distancing requirements. Protesters in several states have urged governors to relax stay-at-home orders, reflecting both economic frustrations and political divides.
- + There's more evidence that the virus is impacting society unevenly, especially those less educated, who still work outside the home and those furloughed, laid off, or whose employers closed. Lower income parents are most worried about their children falling behind in school.
- + Behavior continues to shift. Seven in 10 people now consider going to the grocery store a risky act — and many Americans say they've started wearing masks outside their homes at least sometimes.
- + Tech giants like Amazon, Google and Facebook take steps to combat misinformation.
- + Adoption of virtual hangouts continue to trend, especially among Boomers and seniors, especially after Passover and Easter gatherings last week.

# Insights & Implications

Week of April 13, 2020

- + We've entered the exhaustion and burnout phase of the pandemic cycle. Brands can play a role helping consumers navigate with simple messaging and offering creative ways to stop the bombardment and enable space for reflection.
- + In the height of an 'Infodemic' and the mass spread of misinformation, tech companies have flipped from public enemy to heroes as they aid in combating. Brands should consider reevaluating their relevance in the time of pandemic and find creative ways to meet the new and redefined expectations.
- + Consumers are looking to local leaders in addition to federal government and national organizations to provide security and as they begin to define an exit strategy. Consumers are shifting focus to local sources for trust and guidance. Brands can play a role by promoting sharable hope.
- + Polarization in response to restrictions have emerged, especially among party lines. Brands should be aware of the divide focus on promoting collective message or resiliency.



# COVID-19 by the numbers this week.

**2,173,168**

Cases Worldwide

**144,949**

Deaths Worldwide

**546,296**

Recovered Worldwide

**185**

Countries reporting cases

**674,829**

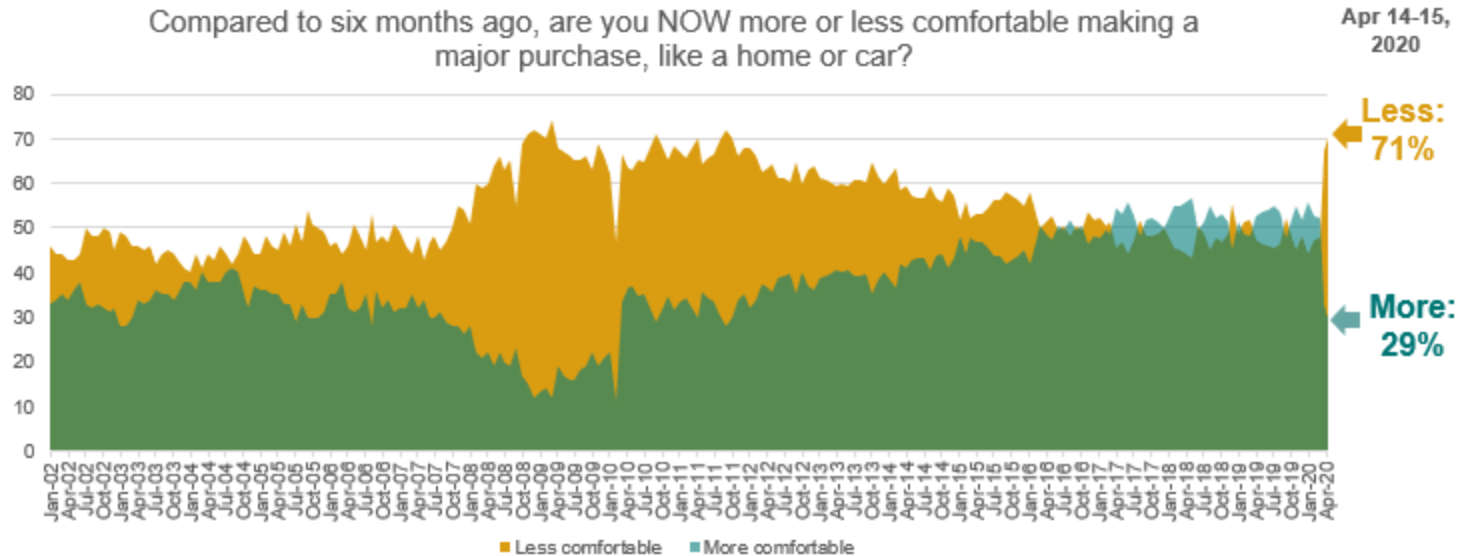
Cases in the United States

**34,475**

Deaths in the United States



# U.S. consumer sentiment remains on pause. 71% of consumers say they are less comfortable making a major purchase, like a home or car, compared to six months ago.



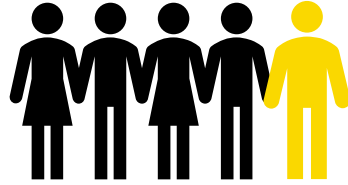
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Source: Jan 2002-Feb 2011 RBC CASH Index; March 2011 to early March Monthly Refinitiv-Ipsos Primary Consumer Sentiment Index; March 28 2020 to date Ipsos Weekly Consumer Confidence Tracker





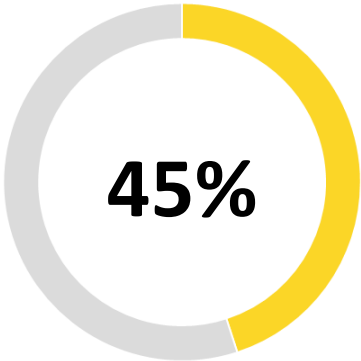
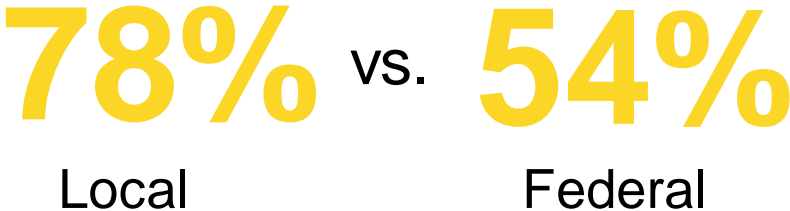
**The virus is getting closer to home – 1 in 5 now know someone who has tested positive for coronavirus, up from 1 in 8 last week.**



1/5 Americans know someone  
who has tested positive for  
coronavirus

**Americans are pulling inward: they are looking to their local government for leadership and are more supportive of local businesses.**

### **Trust in Government**



Have a more positive view of small businesses

**Americans feel that social distancing during this time is a sign of patriotism, and many support fining those who do not comply. A strong majority are concerned that easing social distancing too soon will cause a surge in COVID-19 cases.**

**90%**

Consider social distancing compliance a 'patriotic duty'

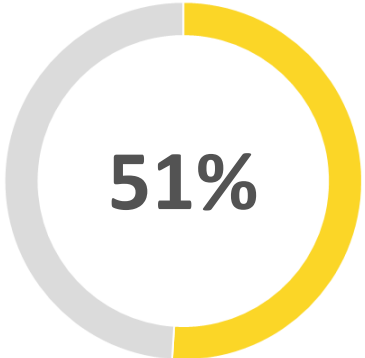
**64%**

Support fining people for congregating with more than 10 people

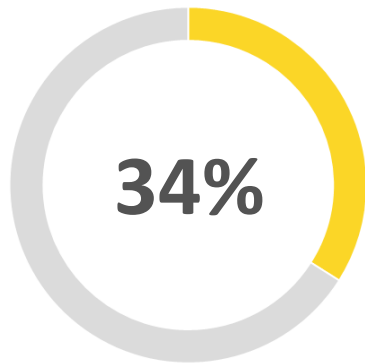
**84%**

I am concerned that easing off of the restrictions too soon will cause a surge in coronavirus cases

**There is a clash between the belief that Americans should continue to socially distance and the feeling of claustrophobia Americans are feeling while sheltering in place.**



Americans should start returning to work and life as normal more than a month from now

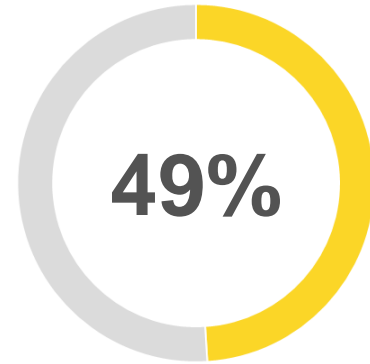


I feel claustrophobic - unable to escape my home

**Americans are split in terms of their concern for the economy: about half say that social distancing requirements need to be withdrawn to restart the economy, while the other half disagrees. This is also creating a conflict between cautious governors and restless constituents.**



*“Protests draw thousands over state stay-at-home orders during coronavirus pandemic”*

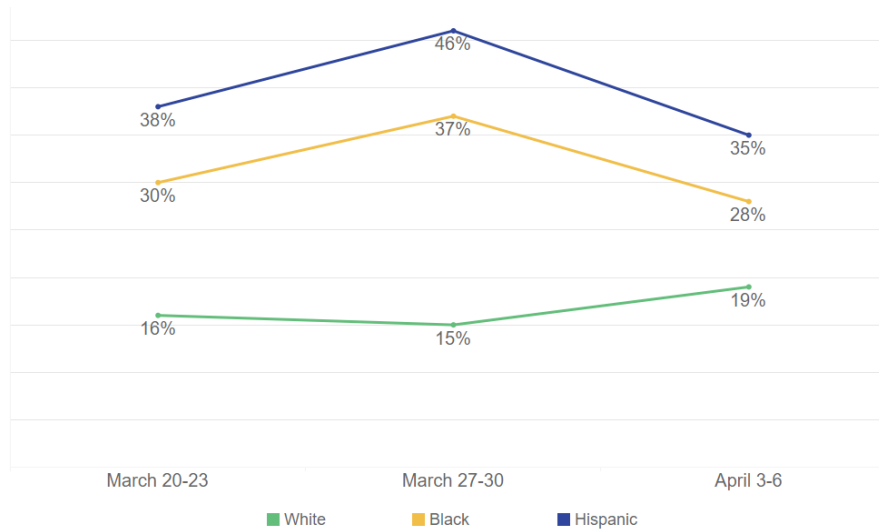


Agree that mandated mass social distancing requirements need to be rescinded (i.e., withdrawn) in order to restart the economy

# Job security concerns are not equal across races, with Hispanics the most concerned. However, as the recession effects loom and more layoffs occur across industries, no one feels secure.

### Hispanic Americans Are Most Concerned About Job Security

Percent who are extremely or very concerned with their job security, by race



Source: Axios/Ipsos tracker surveying over 1,000 Americans using the Ipsos KnowledgePanel®. The base for this question is employed people. 600+ employed people were surveyed for each wave.



**57% of those still leaving the home to work as they normally would say they feel that doing their job is moderately or very risky, compared with 13% of those working from home.**

How much of a risk to your health and well-being do you think the following activities are right now?

% Large risk or Moderate risk



Q26. How much of a risk to your health and well-being do you think the following activities are right now?  
Wave 5 Interview dates: April 10-13, 2020 (n=1,098)  
\*Among employed respondents only

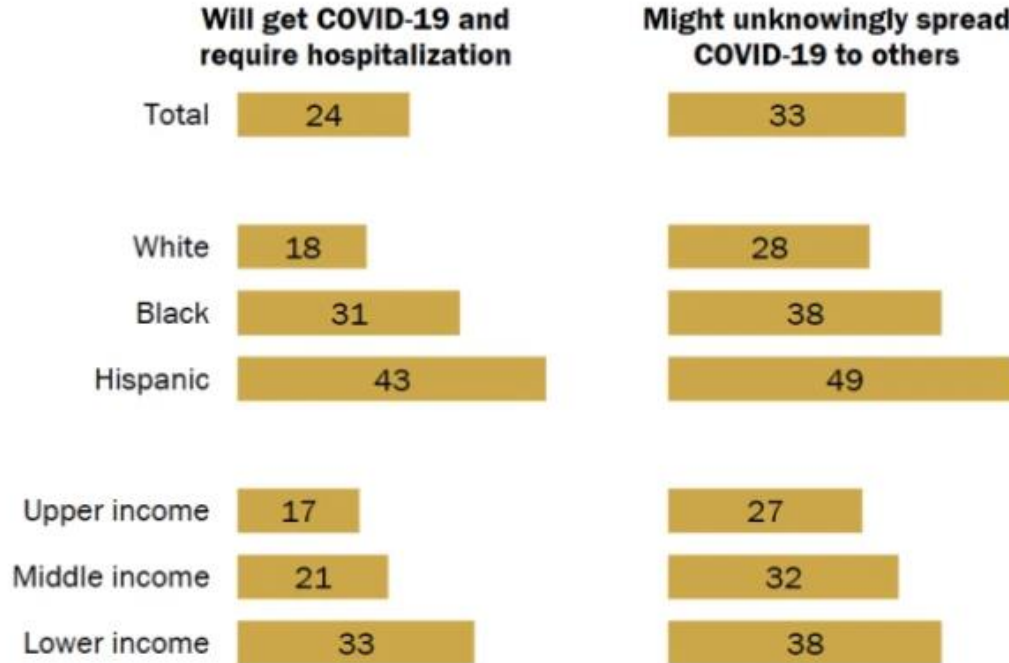
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African Americans (50%) and Hispanics (47%) are more likely than non-Hispanic whites (37%) to see their work as risky to their health or well-being.

# Racial and income differences in concerns over contracting COVID-19 continue to surface. Black, Hispanic and lower income Americans are more likely to say the spread of the disease is a major threat.

*% who say they are **very** concerned that they...*





## Lower income parents are most worried about their children falling behind in school.

*% of parents whose children's school is closed saying ...*

*They are \_\_\_ satisfied with the way their children's school has been handling instruction during the school closure*

	Very	Somewhat	Net
Upper income	41	43	84
Middle income	47	36	83
Lower income	45	38	82

*They are \_\_\_ concerned about their children falling behind in school as a result of any disruptions caused by the coronavirus outbreak*

	Very	Somewhat	Net
Upper income	17	40	57
Middle income	21	37	57
Lower income	41	35	76

*Their children have received \_\_\_ online instruction from their school since it closed*

	A lot	Some	Net
Upper income	51	37	87
Middle income	44	38	82
Lower income	38	31	69

*They or another adult in their household are providing \_\_\_ additional instruction or resources to their children beyond what is being provided by the school*

	A lot	Some	Net
Upper income	24	42	66
Middle income	26	45	71
Lower income	25	42	67

**Americans view activities outside of the home riskier. Seven in 10 people now consider going to the grocery store a risky act. For many, a vaccine will need to be developed before they feel comfortable engaging in a variety of activities.**

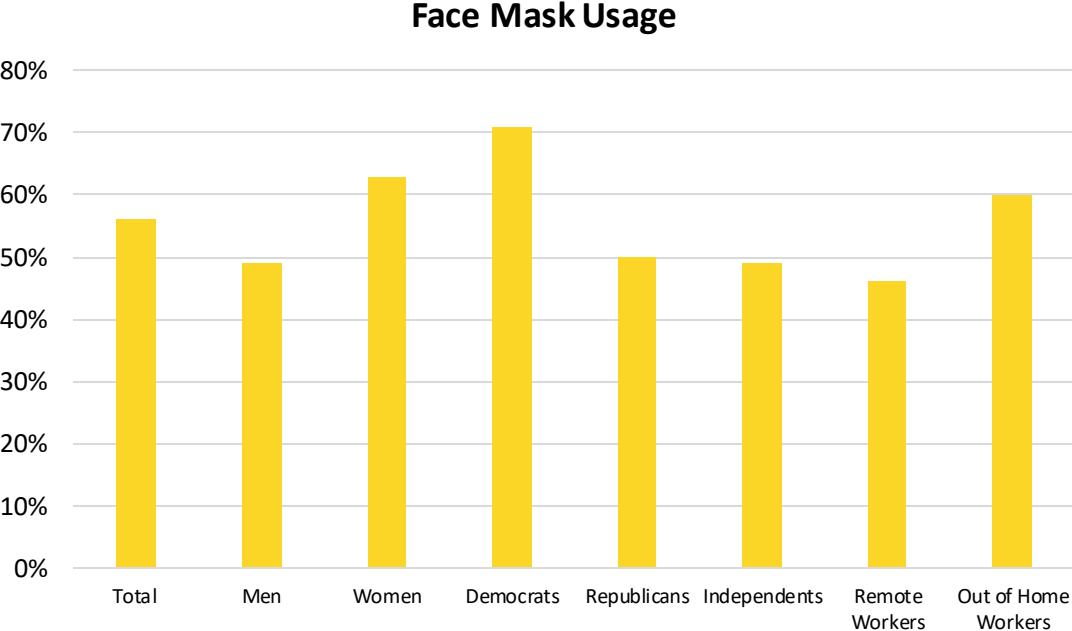
**7** in 10

Americans know someone who has tested positive for coronavirus

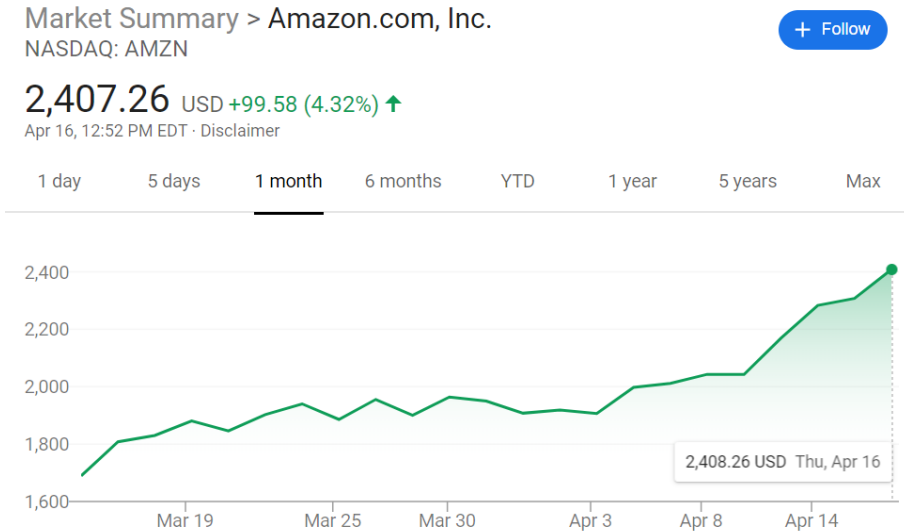
**62%**

Say a vaccine will be necessary for them to resume normal activities like flying, going to the gym, sporting events, etc.

**Masks, more than gloves, are becoming part of Americans' daily uniform. 56% said they wear a mask occasionally, sometimes or all the time, while only 37% said they ever wear gloves out. Mask usage is even higher in particular groups such as Democrats 71% and women 63%.**



**In the technology space, the giants are gaining back consumer goodwill due to the broad societal reliance on their offerings. The scale and reach of FANG (Facebook, Amazon, Netflix, Google) now look less like a danger and more like a public good.**



- Amazon has become a delivery lifeline.
- Apple and Google devices along with Facebook's social networks keep people in touch.
- Entertainment from Netflix, Google's YouTube, Amazon and other streaming players are keeping consumers sane.

The Tech giants are also seen as the source of trust as they work to combat misinformation around the coronavirus in a world of saturated content.



## Facebook will steer users who interact with coronavirus misinformation to WHO

The move is just the most recent step in an aggressive and coordinated response by Facebook and other tech companies to promote facts and guidance from reputable sources.

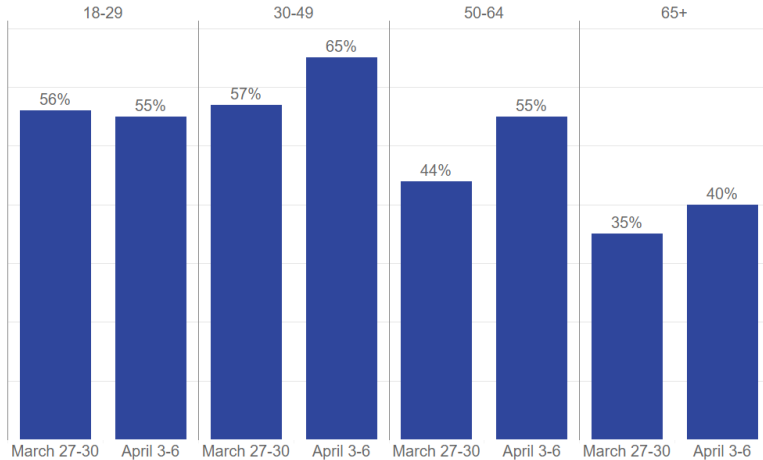
*“Facebook displayed fact-checking labels on **40 million posts** in March alone”*

*“Facebook and Instagram have directed more than **2 billion people** to reliable health resources from the WHO and other organizations with more than **350 million users** clicking through to the sites.”*

## Boomers and Matures are adopting video chat technology and likely to have these behaviors stick. 50-64-year old's showed the largest growth in adaption of video calls with an 11 point jump.

Qualitative data from this past weekend showed that Seder meals and Easter celebrations accelerated this growth.

Percent who have video called with friends and family in the last week, by age



*"We used it on Wednesday night for three seders, there's no way we would ever been able to have seders with people in different parts of the country before."  
-93 year old*

*"I think yes, we will continue to use Zoom (after the pandemic is over) I think that Zoom is great. I love that I can communicate with people I did not see very often and sometimes never. It's just a wonderful thing."  
- 84-year-old*

Source: Axios/Ipsos tracker surveying over 1,000 Americans using the Ipsos KnowledgePanel® conducted between March 27-30, and April 3-6, 2020.



The effects of the first month of quarantine are becoming transparent in the data, for better or for worse. Two in five Americans report spending more time talking with family. However, one in eight express a magnification of disagreements, particularly acute among those who have been furloughed or laid off (26%).

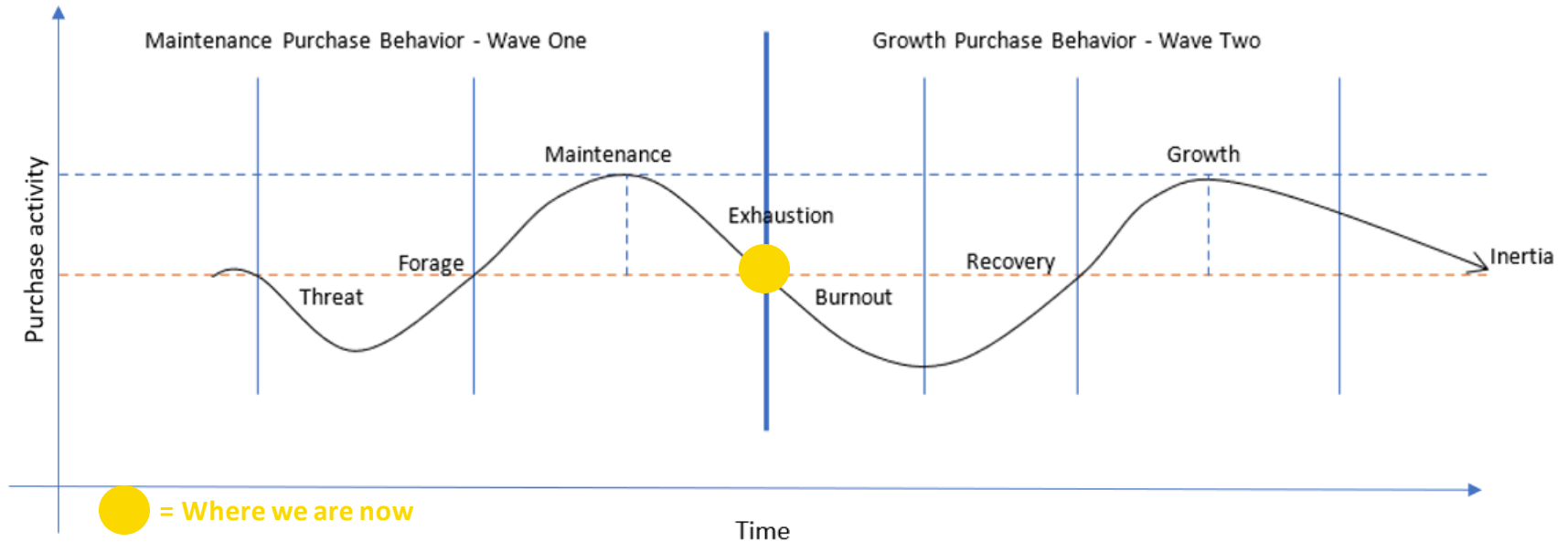
43%

of Americans report spending more time talking with their family compared to a month ago.

16%

say the amount or intensity of disagreements with family or friends have increased in the last month.

During the pandemic, consumer emotional response and associated purchasing behavior goes through phases. We are now in the “Exhaustion” phase – using up what is on hand, and seeking mental escape.





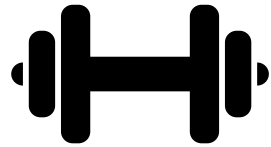
Consumers are shifting from seeking content on how to just stay safe to content on how to stay sane, “world news” fell off the top 10 fastest growing sub-reddits, with memes as the fastest growing. Indicating a shift to an exhaustion stage.

## Fastest growing: [/r/memes](#)



7 days	
<a href="#">/r/announcements</a>	↑ +475,575
<a href="#">/r/funny</a>	↑ +166,659
<a href="#">/r/memes</a>	↑ +145,453
<a href="#">/r/AskReddit</a>	↑ +131,084
<a href="#">/r/aww</a>	↑ +114,323
<a href="#">/r/Music</a>	↑ +107,773
<a href="#">/r/gaming</a>	↑ +105,085
<a href="#">/r/AnimalCrossing</a>	↑ +101,304
<a href="#">/r/food</a>	↑ +79,185
<a href="#">/r/VALORANT</a>	↑ +76,712

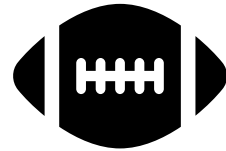
**Americans are pivoting to a new normal: they're likely to replace well-loved parts of their life with safer alternatives (i.e., at home, virtual, and live streamed) after the pandemic is over.**



**85%** will work out at home vs. **15%** would go back to their local gym



**67%** will have a virtual happy hour vs. **33%** would go to a bar



**73%** will watch sports at home vs. **27%** would attend a live sporting event

**Thank you.**