



How is COVID-19 changing the retail consumer?

Data-driven insights into consumer behavior
Accenture COVID-19 Consumer Pulse Research—Wave 7

AUGUST 2020



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New and everlasting consumer behavior

The COVID-19 pandemic has fundamentally changed the world as we know it. People are living differently, buying differently and, in many ways, thinking differently.

Long-term trends have been accelerated. Changes anticipated over the next few years have occurred in the space of mere weeks. The impact is profound. Retailers are reshaping their businesses in real-time, to permanent effect.

Our new Accenture COVID-19 Consumer Pulse Research, which we have been conducting every two weeks since March 2020, indicates that habits formed now will endure beyond this crisis, permanently changing what we value, how and where we shop, and how we live and work.

Even as this crisis continues to evolve, by exploring the changes that are happening now, we can consider what retail businesses should do today to outmaneuver uncertainty, and emerge stronger to be ready for what's next.

Consumers have changed how they live, work and shop and these changes are here to stay

With consumers' lives upended by the crisis, there have been substantial and lasting changes in the way people live, work and shop. As retail and leisure facilities reopen, our research explores how consumers are individually reshaping their lives for this new reality.

Concerns for both health and finance continue to influence consumers' attitudes and behaviors. In the last three months, personal health has remained the top priority for consumers, while fear over financial security has risen. Even as restrictions lift, retail footfall remains below pre-pandemic levels, and consumer confidence in visiting public places remains low, although there are hopeful signs.

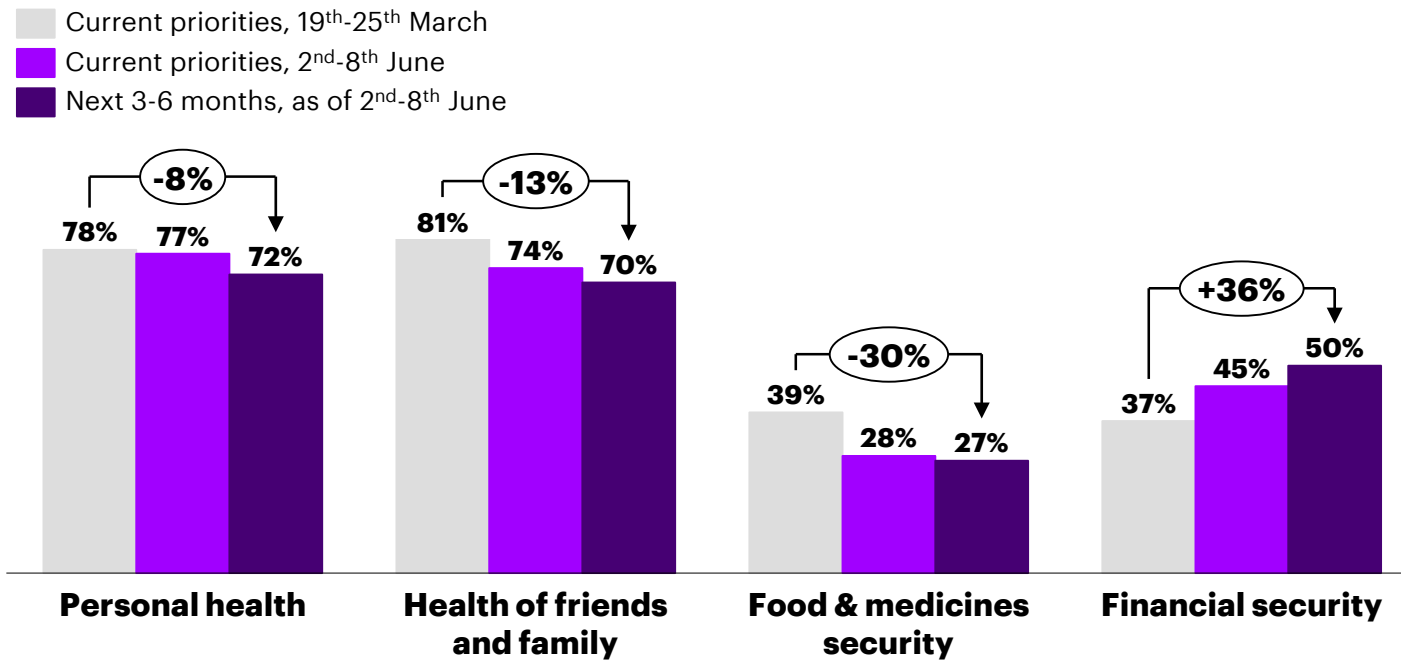
Despite the huge challenges that many businesses have faced, consumers have high expectations for medium and large businesses to act responsibly, addressing major issues such as sustainability.



Financial security is now a prime concern for half of all consumers, but health is still the top priority

Evolving consumer needs

Proportion of consumers that rank need in their top 3 priorities



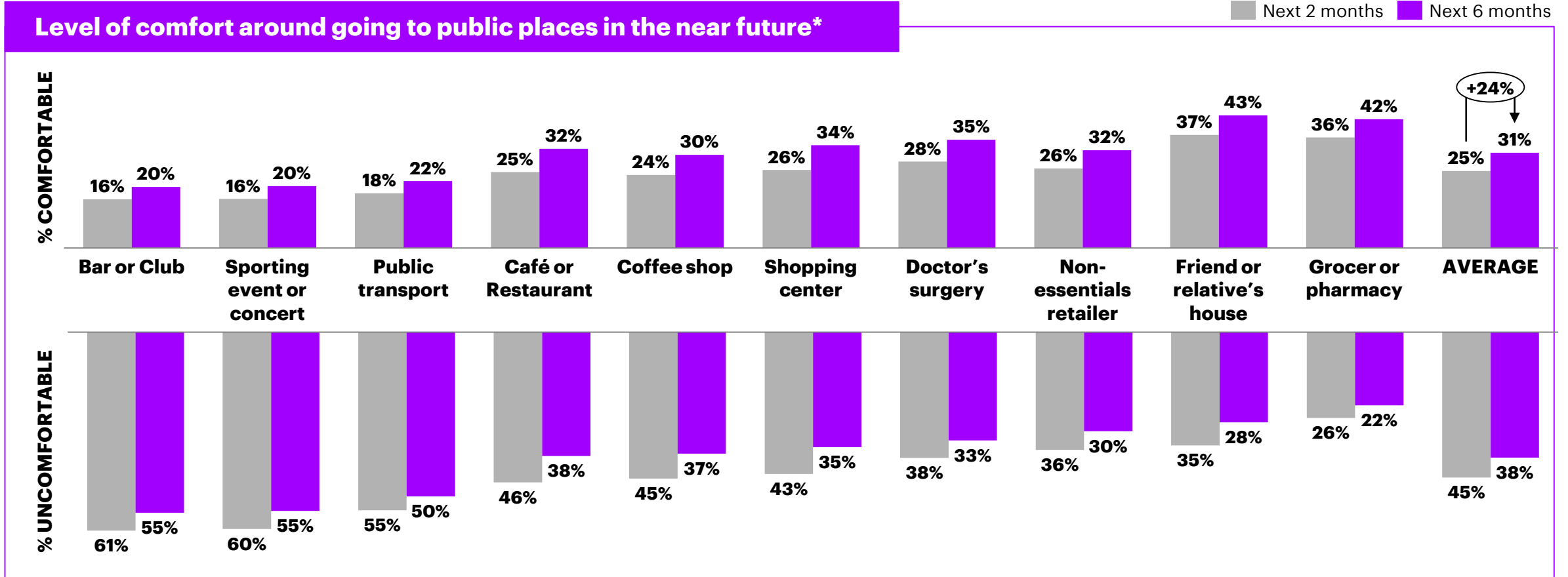
Source: Accenture COVID-19 Consumer Pulse Research, conducted 19th-25th March, 2nd-8th June.

50%

of consumers now rank financial security in their top three priorities—a rise of 36%.

Source: Accenture COVID-19 Consumer Pulse Research, conducted 19th-25th March, 2nd-8th June.

Consumer confidence remains low, but is expected to increase slightly in the near term

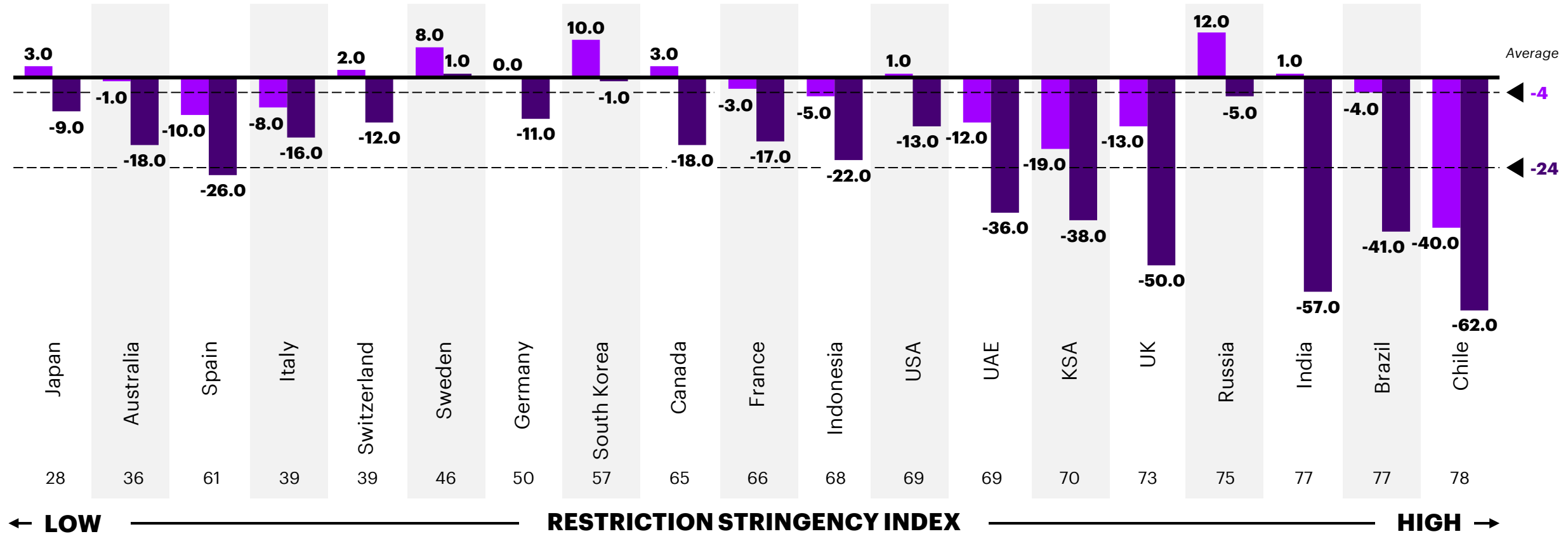


Source: Accenture COVID-19 Consumer Pulse Research, conducted 20th-25th May, 16th-22nd June. *Provided that they were open and it was allowed.

Retail footfall remains below January levels across most markets, despite lifting restrictions

Percentage change in visits and length of stay vs. January

Grocery & Pharmacy Non-Essential Retail & Recreation

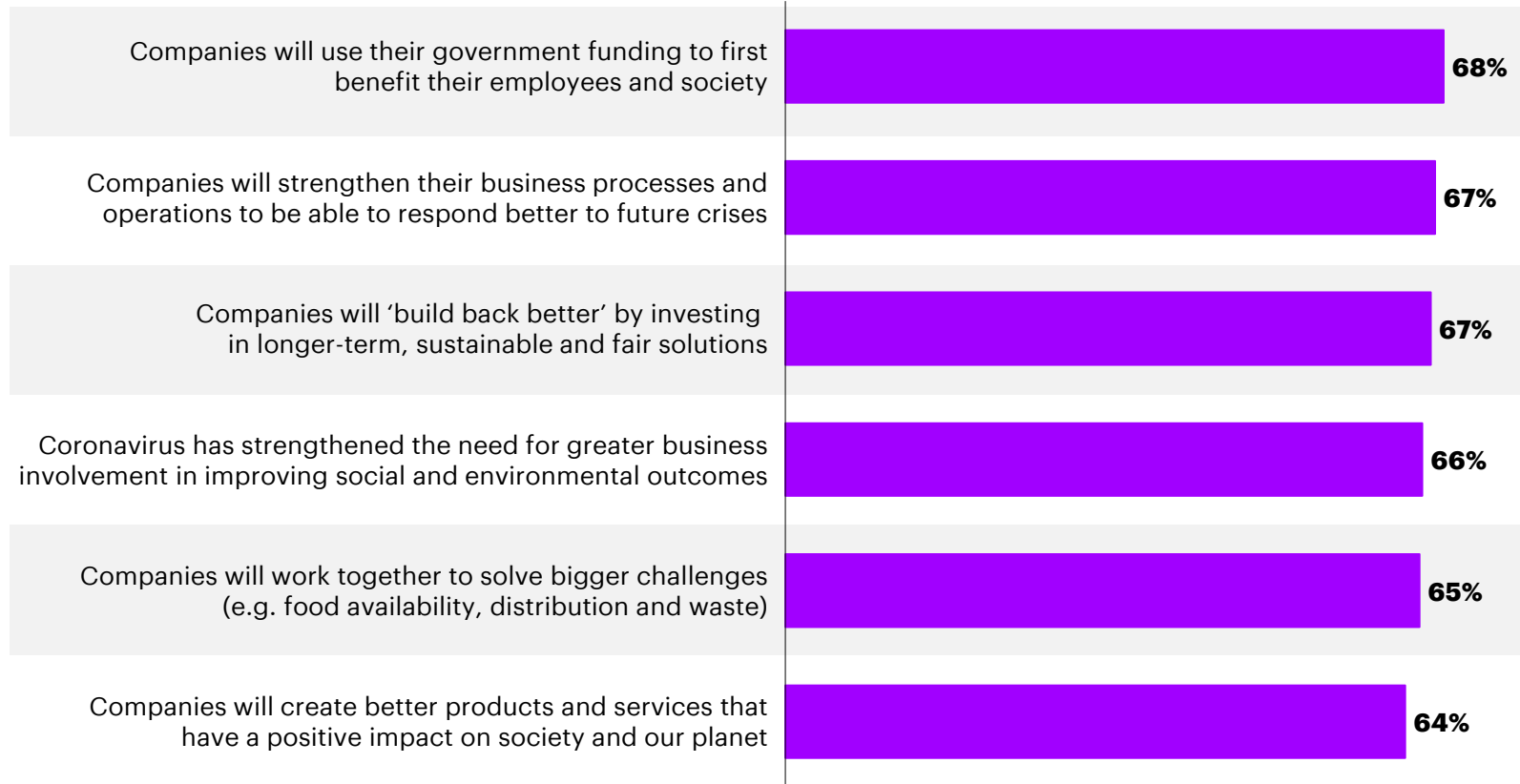


Source: Google LLC "Google COVID-19 Community Mobility Reports". <https://www.google.com/covid19/mobility/> Accessed: 26/06/20. Non-essential retail and recreation includes places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3rd-Feb 6th, 2020. The Government Response Stringency Index is a composite measure based on nine response indicators including retail / workplace closures, travel bans, and restrictions on movement rescaled to a value from 0 to 100 (100 = strictest response). Hale, Thomas, Sam Webster, Anna Petherick, Toby Phillips, and Beatriz Kira (2020). Oxford COVID-19 Government Response Tracker, Blavatnik School of Government. Data use policy: Creative Commons Attribution CC BY standard. Restriction as of 16th June

Consumers have high expectations for businesses to act responsibly

Expectations for businesses

% agree or significantly agree



Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd-8th June.

67%

**of consumers agree or significantly agree that—
Companies will 'build back better' by investing in longer-term, sustainable and fair solutions.**

Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd-8th June.

But not all businesses are considered equal

Big Business

Consumers have high expectations of medium to large businesses, looking to them to solve many of the world's major issues. It's an imperative for consumers that these businesses care for their employees and customers—and they will judge them if they don't.

Profit—Accountability—Responsibility



Companies shouldn't try to make money out of this pandemic... it's a difficult time and companies need to step forward and help, not increase their prices or fire people. They need to increase transparency.

Male, 32-39, China

Local Treasures

In comparison, consumers define their 'local' businesses—small, independent stores in their immediate neighborhood—as much-loved places that they fear won't survive. They're making efforts to support these retailers and their staff, ordering takeout and shopping there when they can.

Community—Neighborhood—People



My wife and I have been ordering from local restaurants about two or three times a week. It's a way to support them, and to help them keep their heads above water.

Male, 56-69, US



Consumers continue to adapt

Implications for retailers

- **Focus on initiatives that will have the biggest impact on consumer confidence**, as both employees and consumers need to see the changes being made to keep them safe. These could include protective face coverings, reformatting store layouts for social distancing, disinfecting during store hours, limiting the number of shoppers in the store, and temperature screening.
- **Ensure a safe return to work for employees in the corporate office** by acknowledging that working practices will be different and some roles may continue from home. Provide a safe environment and allow employees to work remotely, as this will be appreciated by employees and also consumers who may be aware of retailers' practices, given today's transparent world.
- **Train store associates to handle today's new customers**, who will have varying degrees of anxiety and comfort going out in public. Keep everyone safe by ensuring employees are aware of new protocols and trained on how to best approach customers and de-escalate any form of rising tension.
- **Leverage data to continue monitoring relevant factors at the local level**, such as the spread of the virus and consumer confidence. Ensure both the store and regional teams are fully informed and have plans to modify operations.

For work, rest and play—home is where the heart is

Consumers are still choosing to stay at home. Despite lockdowns easing, restrictions lifting, and many consumer businesses reopening, the home continues to be the hub of all activities.

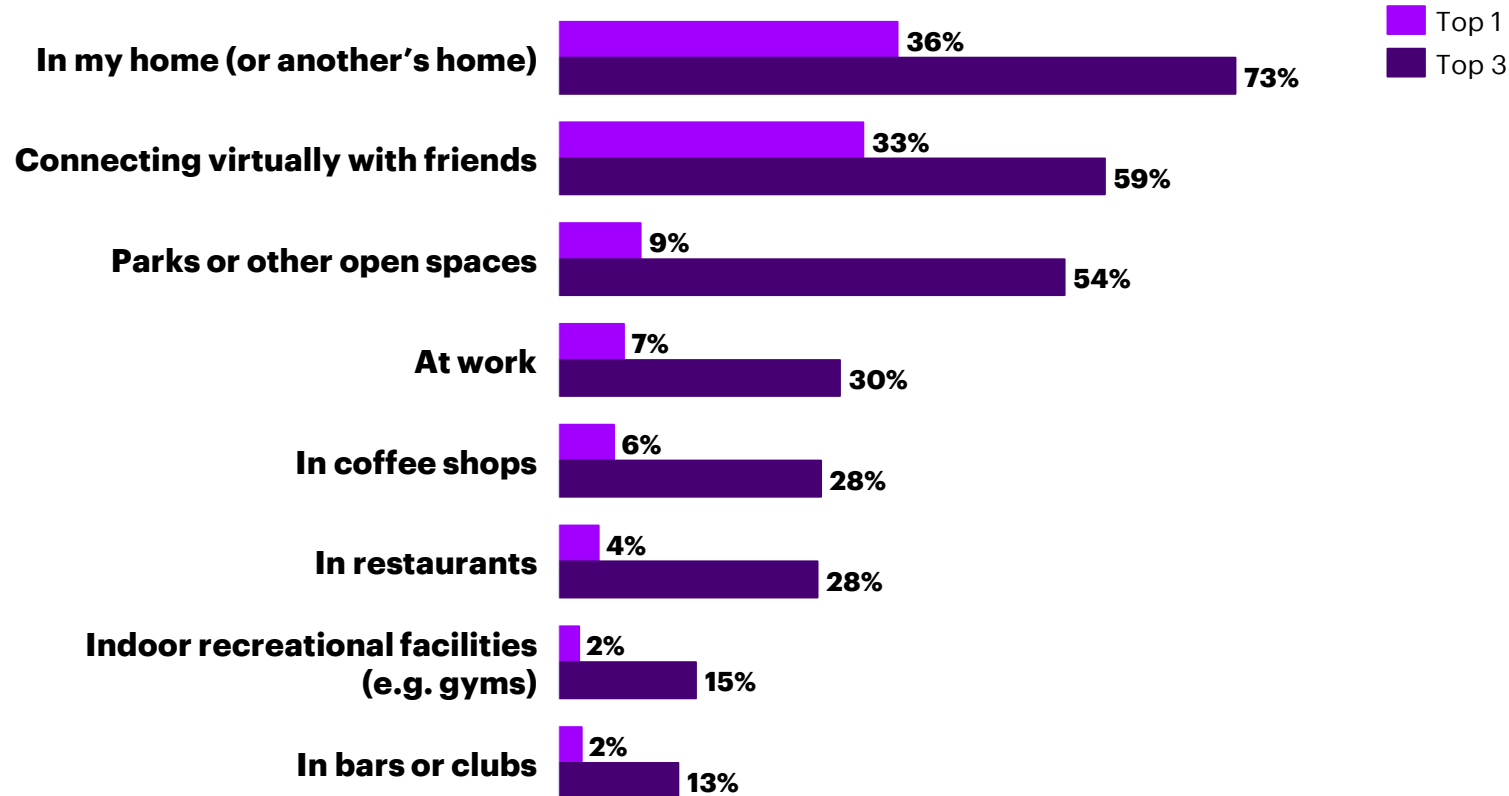
Socializing at home (or someone else's home) is still the preferred option, while connecting virtually with friends remains a high priority across all age groups. The initial rise in home cooking and baking, as well as home improvement and DIY activities, which was evident in our earlier research, are remaining popular pastimes for consumers. And the once mandatory working from home has been embraced by many and continues to be popular despite many offices reopening.



Socializing at home is preferred in the next 6 months

Preferred locations for socialization

Top places consumers anticipate doing most of their socializing in the next 6 months



Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June. *Provided that they were open and it was allowed.



We learn to have fun with simple things like spending time together at home talking about things in life. After the outbreak I believe that we will enjoy more time together in open environments like squares and parks instead of being in malls.

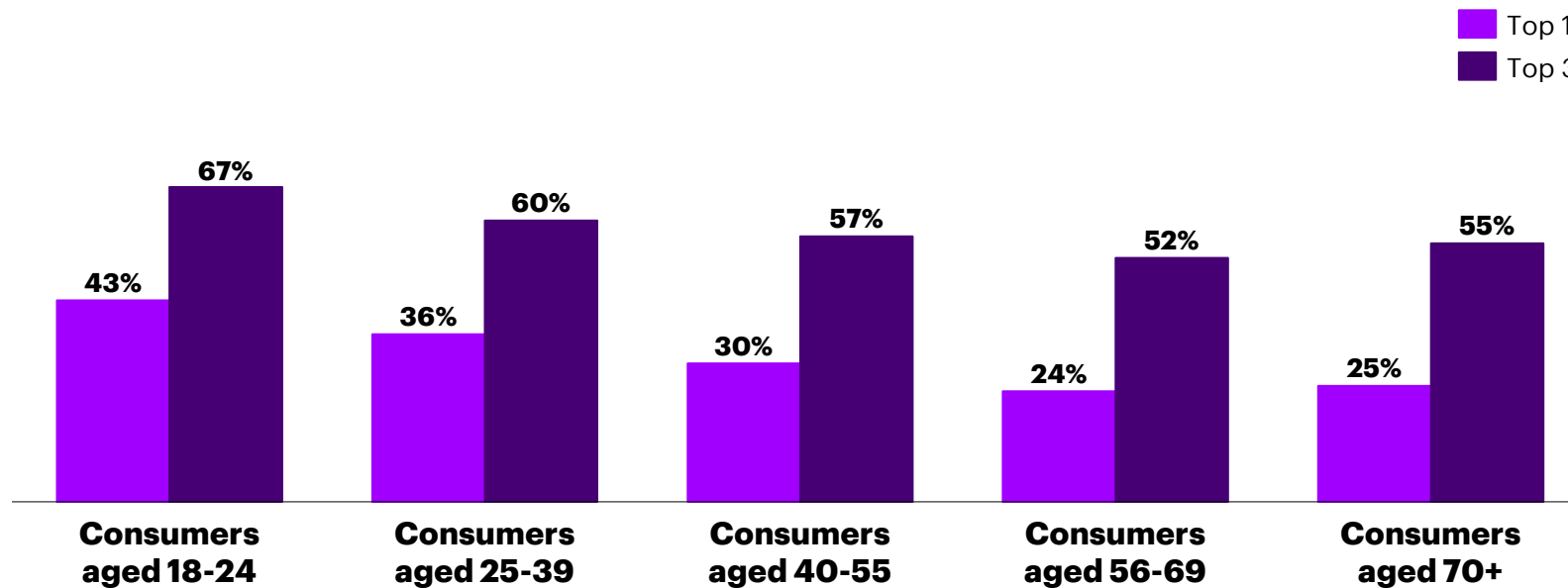
Male, 25-31, Brazil

Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June

Preference for socializing virtually persists across age groups

Virtual socialization in the near future by age

% who ranked connecting virtually as a preferred location (ranked top 1 or top 3) to socialize in the next 6 months



Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.



I will video chat with family and friends. I am not doing face to face for a while.

Female, 70+, US

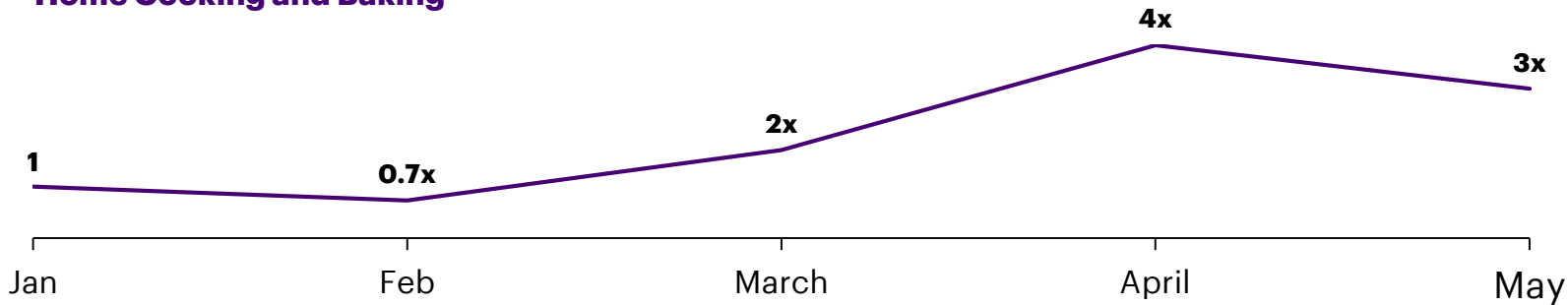
Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June

New hobbies from home continue as markets stabilize

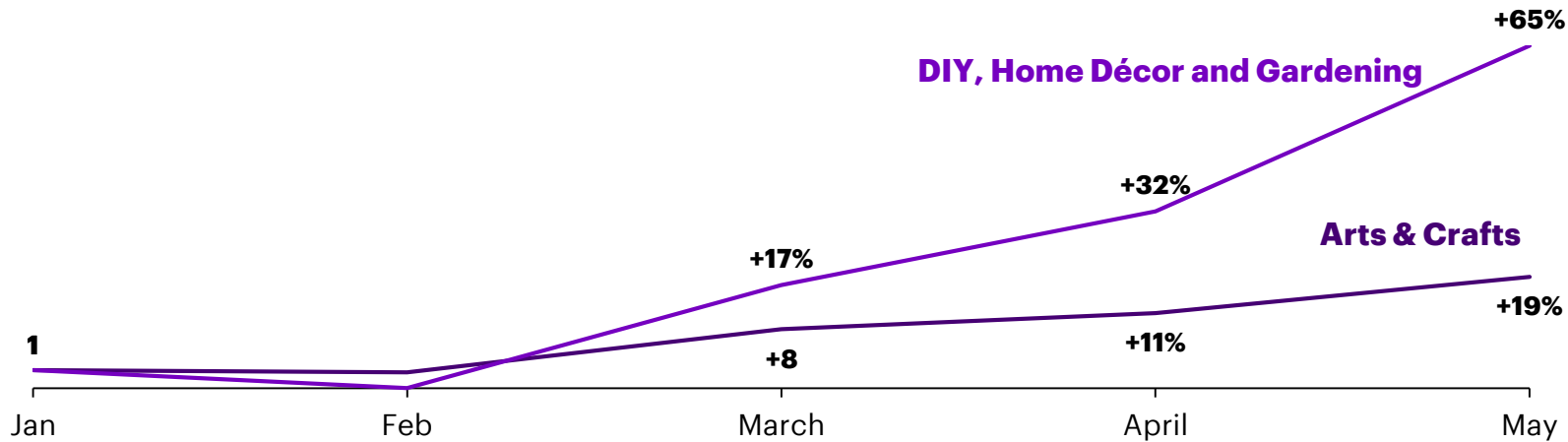
Increase in hashtags for hobbies from home

% increase in social media hashtags since January (stabilizing markets)

Home Cooking and Baking



DIY, Home Décor and Gardening



Source: Accenture social listening analysis Jan-May 2020.
Stabilizing markets included: Canada, Australia, France, Germany, Italy, Japan, Spain, South Korea, Switzerland, UAE



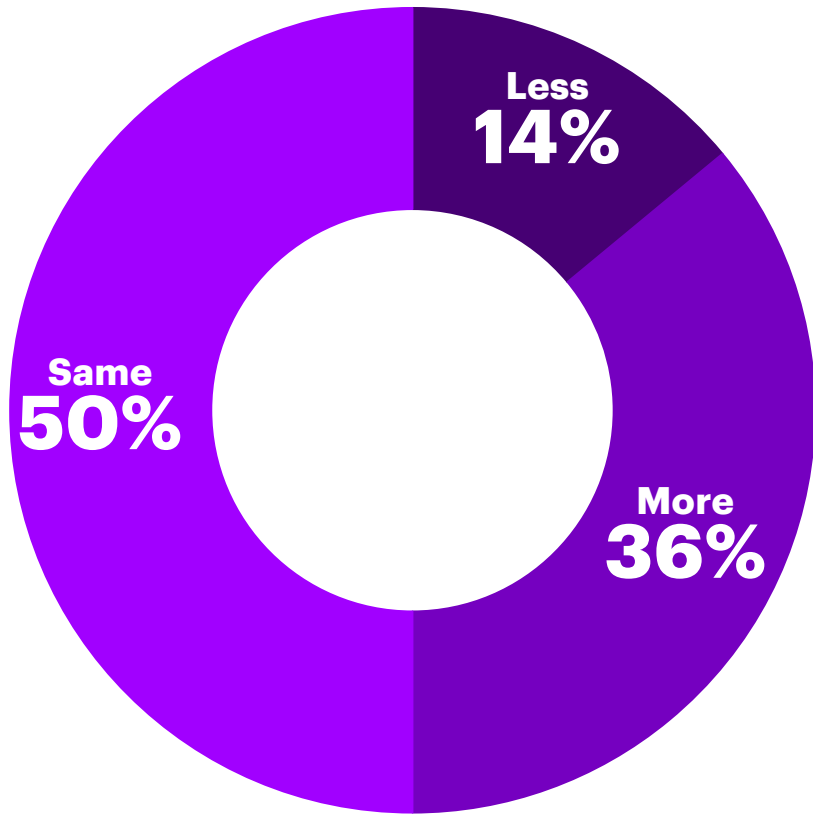
One thing I've come up with that is fun is baking. I think I will continue with [it] in the future because it is one of my passions that I have just come up with.

Male, 18-24, Sweden

Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June

Working from home continues to be popular

Change in work-from-home frequency from pre- to post-outbreak



53%

of people who never worked from home previously now plan to work from home more often in the future.

Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd-8th June, N = 3,826 respondents working from home.



Life at home has become more fulfilling since I have been working from home. I spend more time with my family.

Female, 32-39, UK

Source: Accenture COVID-19 Consumer Pulse Research, conducted 5th-11th May.



Home is where the heart is

Implications for retailers

- **Plan and prepare for a shift to at-home and virtual** for the medium term, as this is the new reality.
- **Consider how to serve new social and creative occasions in the home** that can be formalised and commercialised through new business models or services.
- **Collaborate across industries** to bring together products, content, engagement and digital technology to enhance 'edutainment' and digital paths to purchase.
- **Retain new consumers** and sustain new channels or increased levels of usage, by exploring key purchase motivators such as price, payment models, support and experience.
- **Review the locations and formats of your stores**, given the continued focus on the home for living and working, and on local and neighborhood shopping.

Shopping remains local, mindful—and digital

What consumers are buying and how they are shopping has changed dramatically as a result of the pandemic, and these new habits are continuing to play out, long after the easing of lockdowns.

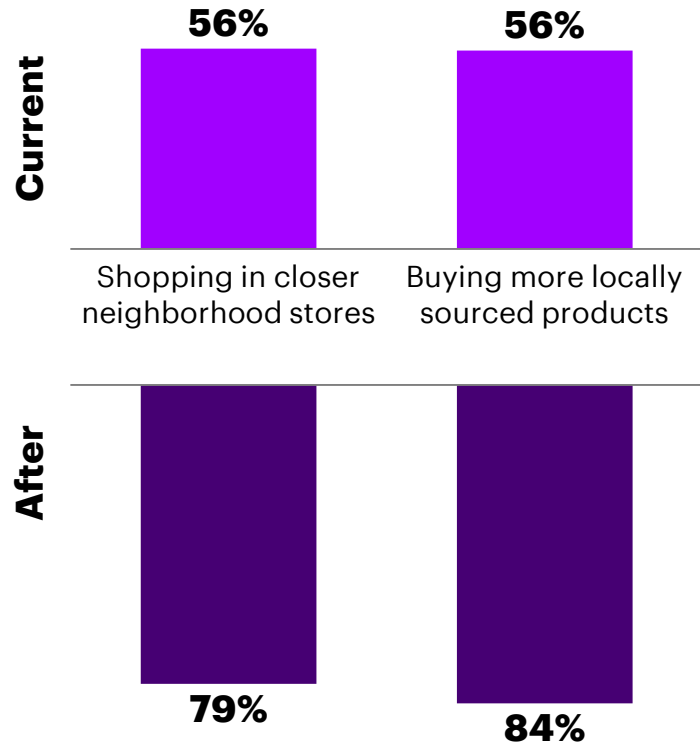
In many cases, consumers have used this life pause to reflect on their own consumption. They are striving to shop locally (whether that is to support neighborhood stores, national products, or as a quest for authentic and artisan products), limit food waste, shop more sustainably, and consider costs.

The dramatic rise in the adoption of ecommerce and omnichannel services, which has been evident since the start of our research in March, sees no sign of abating. Consumers are enjoying the safety and convenience of these services and are continuing with them, despite stores reopening across all sectors.

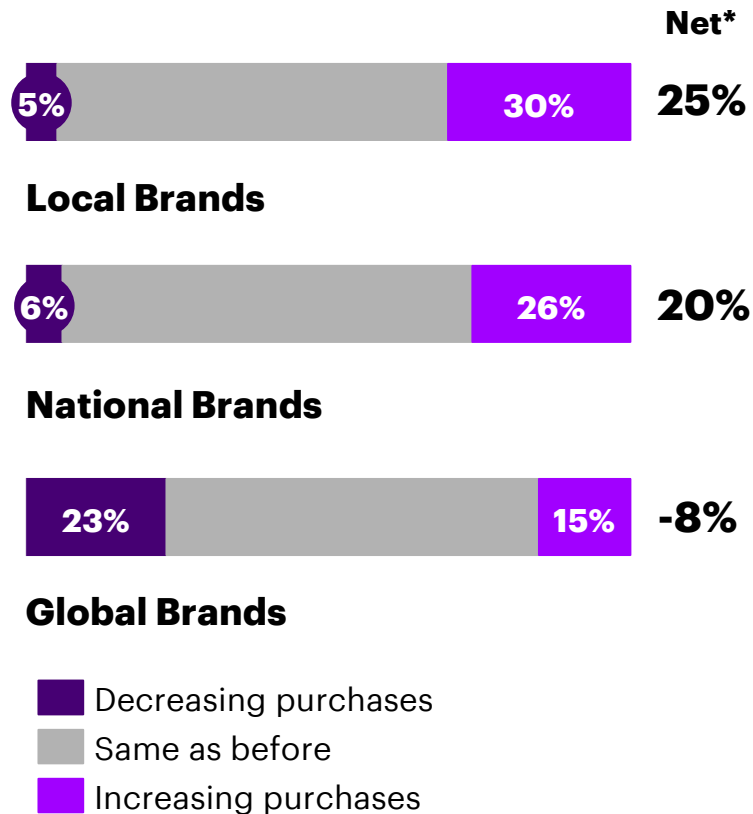


Demand for local goods—and local brands—is growing

Proportion of consumers who are changing their shopping habits



Purchasing changes during the pandemic



The smaller shops in the area that were selling fruit and vegetables—we wanted to support them so their businesses wouldn't go to the wall.

Male, 40-55, Germany

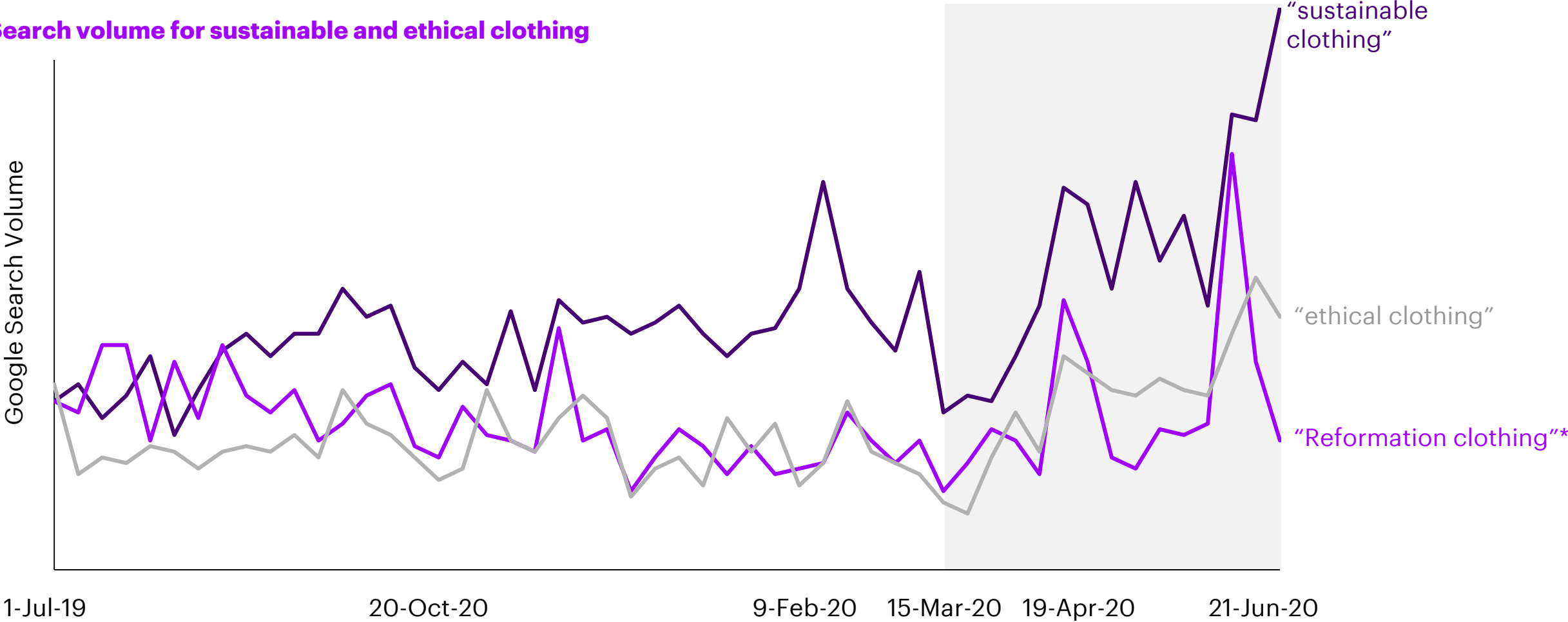
Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd-8th June, 16th-22nd June.

17 *Net purchases measured as the % of consumers increasing purchasing, less the % of consumers decreasing purchasing of these brand types, vs. their purchasing habits in the prior two weeks.

Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June

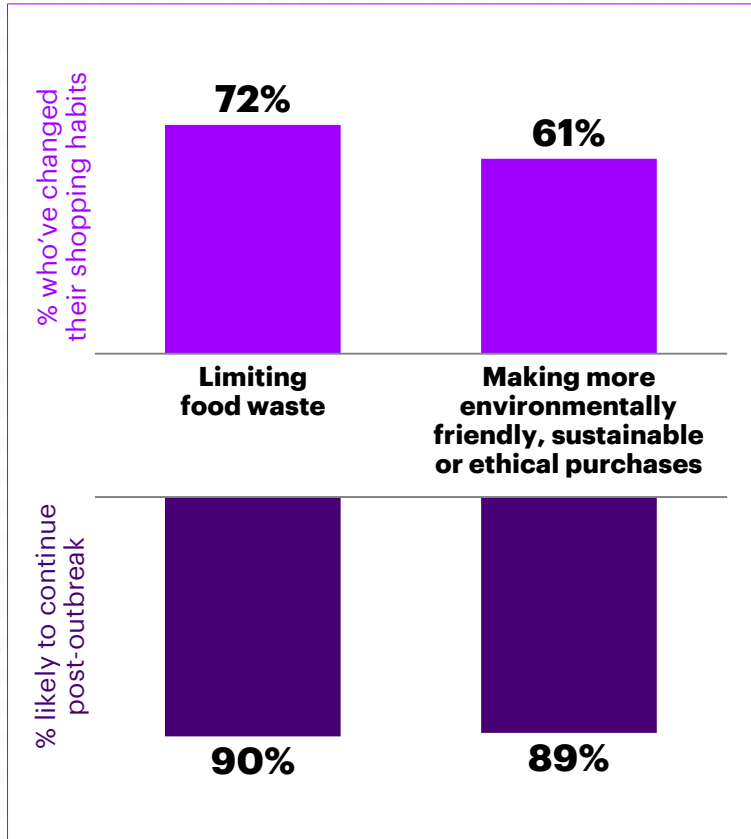
Sustainability trends are accelerating in some categories

Search volume for sustainable and ethical clothing



Source: Google Search Data, June 30, 2019 – June 21, 2020, United States. *Sustainable clothing brand in US

Consumers are forced to face their own consumption causing many to reconsider their purchases accordingly



Face-to-face with waste



Now you're at home all day, you see how much you're using and the garbage you're producing. You start to rethink what you need.

Female, 40-55, US

Re-evaluating needs

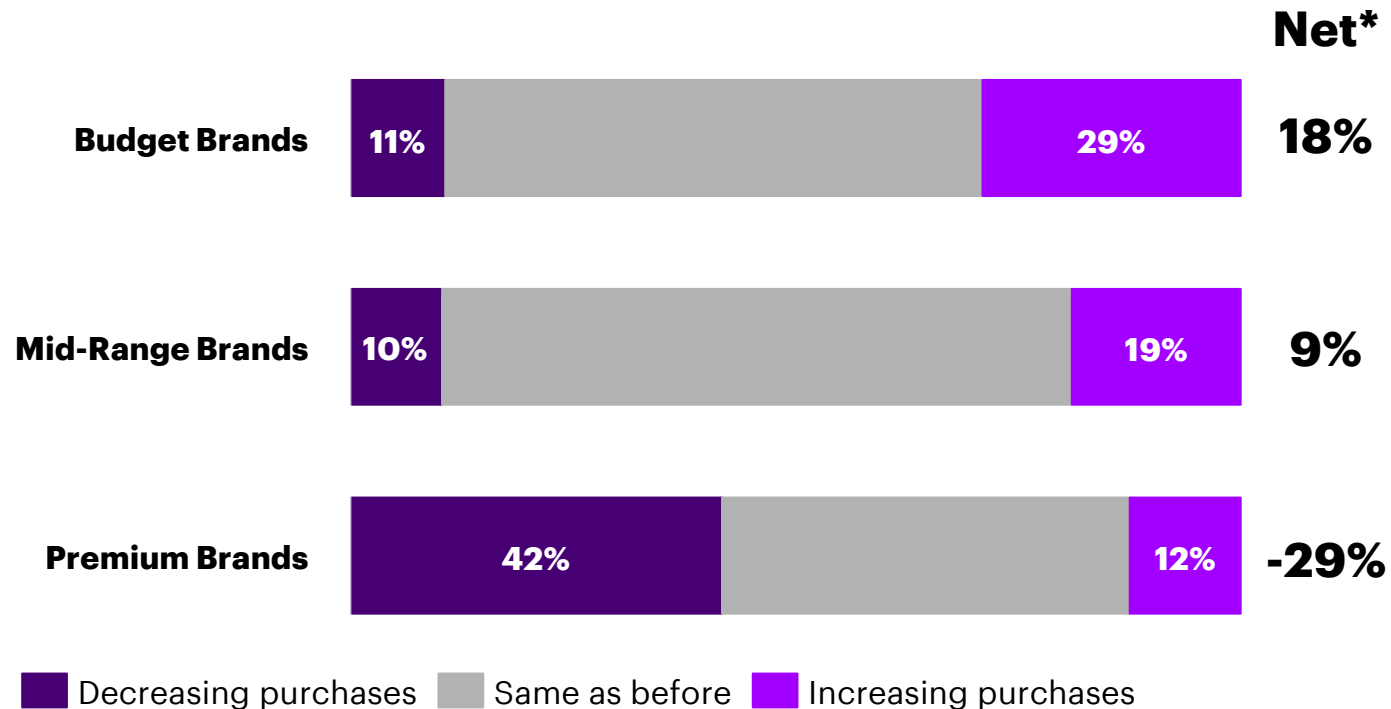


It's been a moment to pause and re-evaluate what's important. I'm realising that I need a lot, lot less than I thought.

Female, 56-69, US

Consumers are cost conscious, increasing purchases of mid-range and budget brands

Purchasing changes during the pandemic



Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.

20 *Net purchases measured as the % of consumers increasing purchasing, less the % of consumers decreasing purchasing of these brand types, vs. their purchasing habits in the prior two weeks.

35%

of consumers say their income has declined due to the outbreak.

54%

of consumers are shopping more cost consciously and likely to continue doing so.

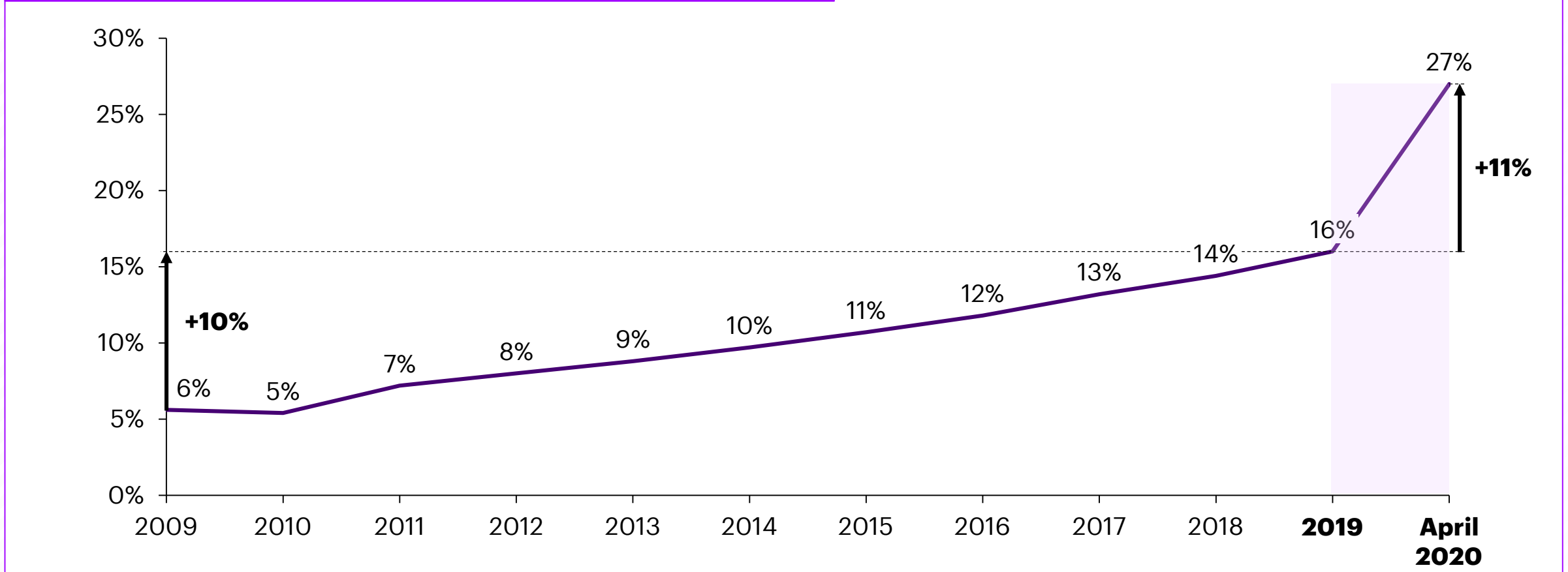
Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.

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eCommerce has seen 10 years of growth in a matter of months

eCommerce acceleration

US eCommerce penetration as % of retail sales

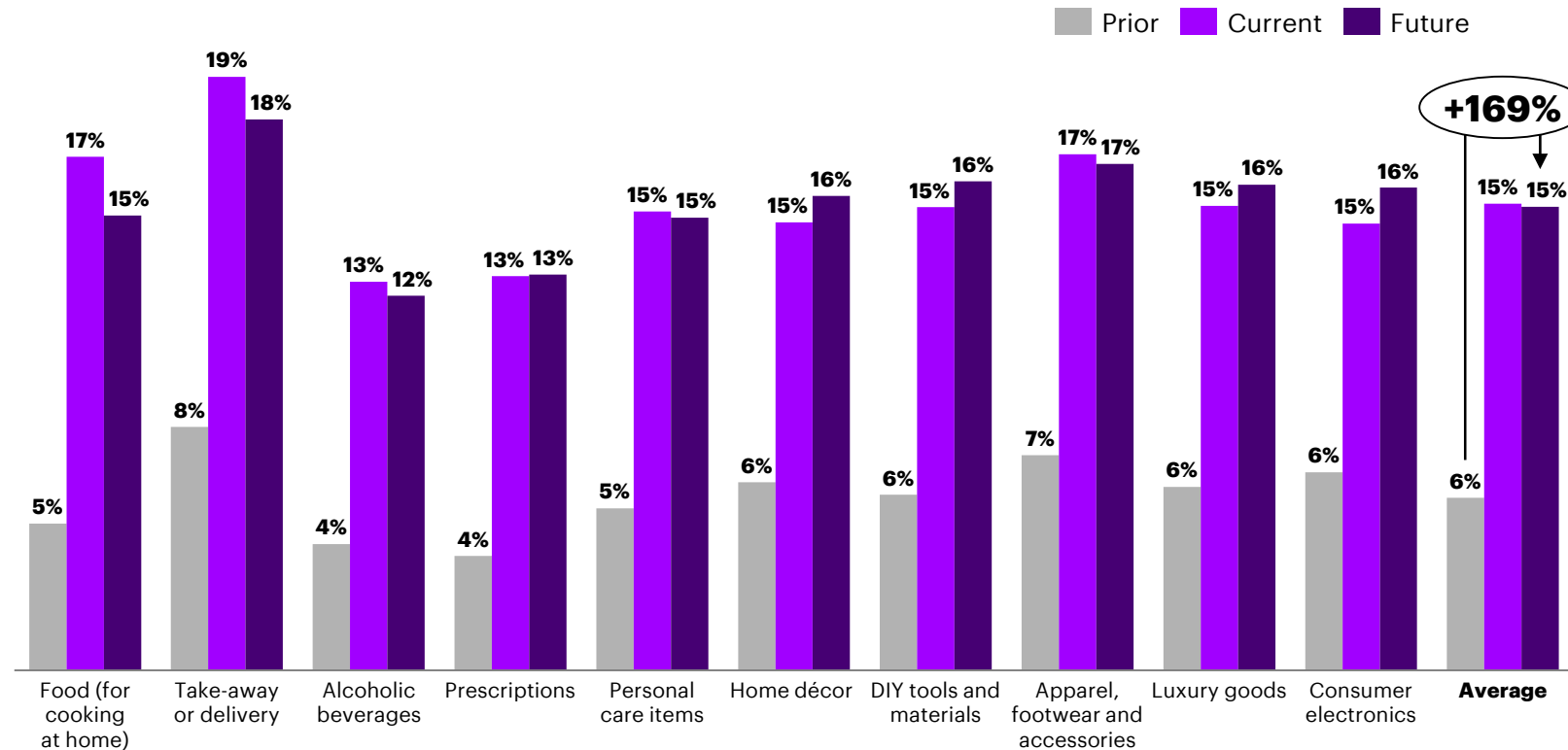


Source: Bank of America, US Department of Commerce, ShawSpring Research via L'Oreal presentation at [Deutsche Bank Access Global Consumer Conference](#), 9 June 2020.

The shift to ecommerce will remain once the outbreak subsides

Proportion of purchases made online by infrequent ecommerce users

Frequency of online purchases for consumers who used online channels for less than 25% of purchases prior to the outbreak



Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.

The huge shift to ecommerce is likely to continue.

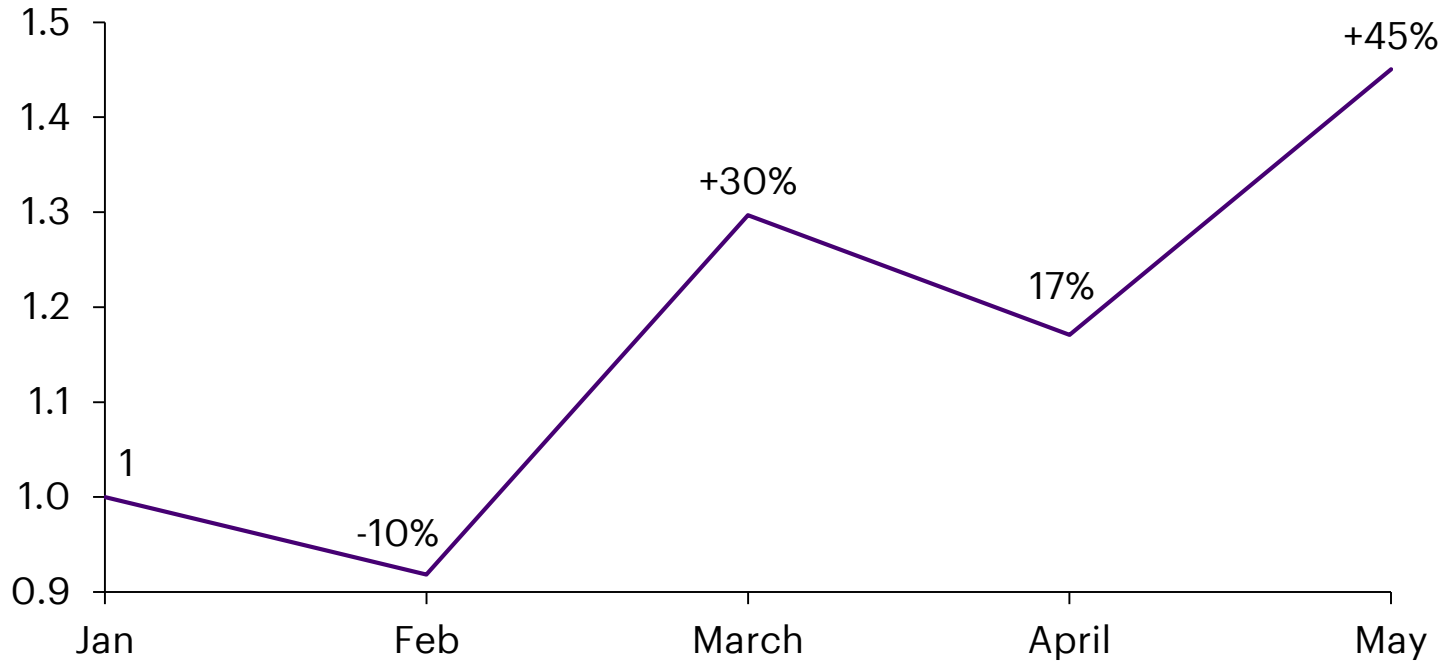
169%
is the expected future increase in ecommerce purchases from new or low frequency users.

Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.

Consumers continue to shop online even where retail has reopened in stabilizing markets

Increase in online shopping hashtags

% change in social media hashtags for online shopping since January (stabilizing markets)



Source: Accenture social listening analysis Jan-May 2020
Stabilizing markets included: Canada, Australia, France, Germany, Italy, Japan, Spain, South Korea, Switzerland, UAE



I have shopped and purchased more products online than before the coronavirus and I will continue this practice even when the restrictions and outbreak subsides. I have found the online experience very interesting and pleasant and the delivery service to my residence very prompt and courteous.

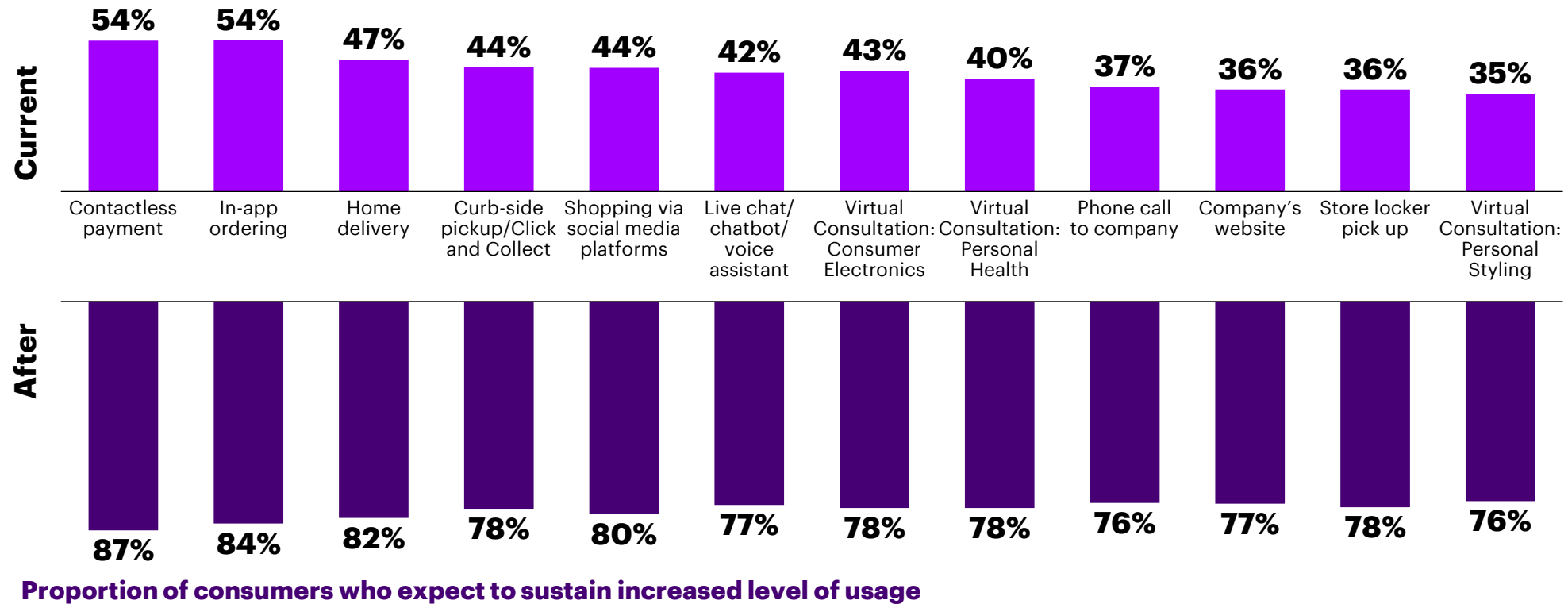
Female, 56-69, Australia

Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th-22nd June.

Consumers using omnichannel services are likely to continue doing so

Proportion of consumers who have increased usage of digitally-enabled services during the COVID-19 outbreak

Consumers who have increased or significantly increased usage



Source: Accenture COVID-19 Consumer Pulse Research, conducted 2nd -8th June. Excludes those who do not use services.



Shopping is local, mindful and digital

Implications for retailers

- **Create closer partnerships with local businesses** to meet the demand for local, trusted and authentic products and shopping experiences, and help these entities survive the current turmoil.
- **Consider introducing or increasing value and mid-range brands** within the assortment, to meet the demand from cost-conscious consumers.
- **Continue to focus on broader and holistic health and wellness offerings**—strategies that include changes in assortment, driving education and awareness, and developing incentives can go along way to help consumers to make healthier choices.
- **Focus on incentivizing conscious consumption** by driving public-private action and consumer education.
- **Provide options for shopping digitally**—offering consumers different ways to shop will help to generate loyalty.

Retailers to rebuild with responsibility and resilience

The retail industry has suffered challenges in its past, but none like the current pandemic. Long term trends have accelerated, and retail consumers have permanently changed what they buy and how they shop.

Retailers have responded in record time with new products and services, new ways of working, and some impressive displays of innovation. Responsibility to employees and consumers has taken on a new significance. To understand and build relationships with their new consumers, retailers need to leverage data-driven insights to inform future decision making.

Home will be the new battleground. With life, work and shopping continuing to focus around the home, retailers need to develop products and services to meet new consumer needs, increase investments in digital, and maximise the potential of their stores by reconsidering formats and locations.

Retailers have an opportunity to reset and rebuild their businesses. How they help consumers navigate the pandemic will influence future success.



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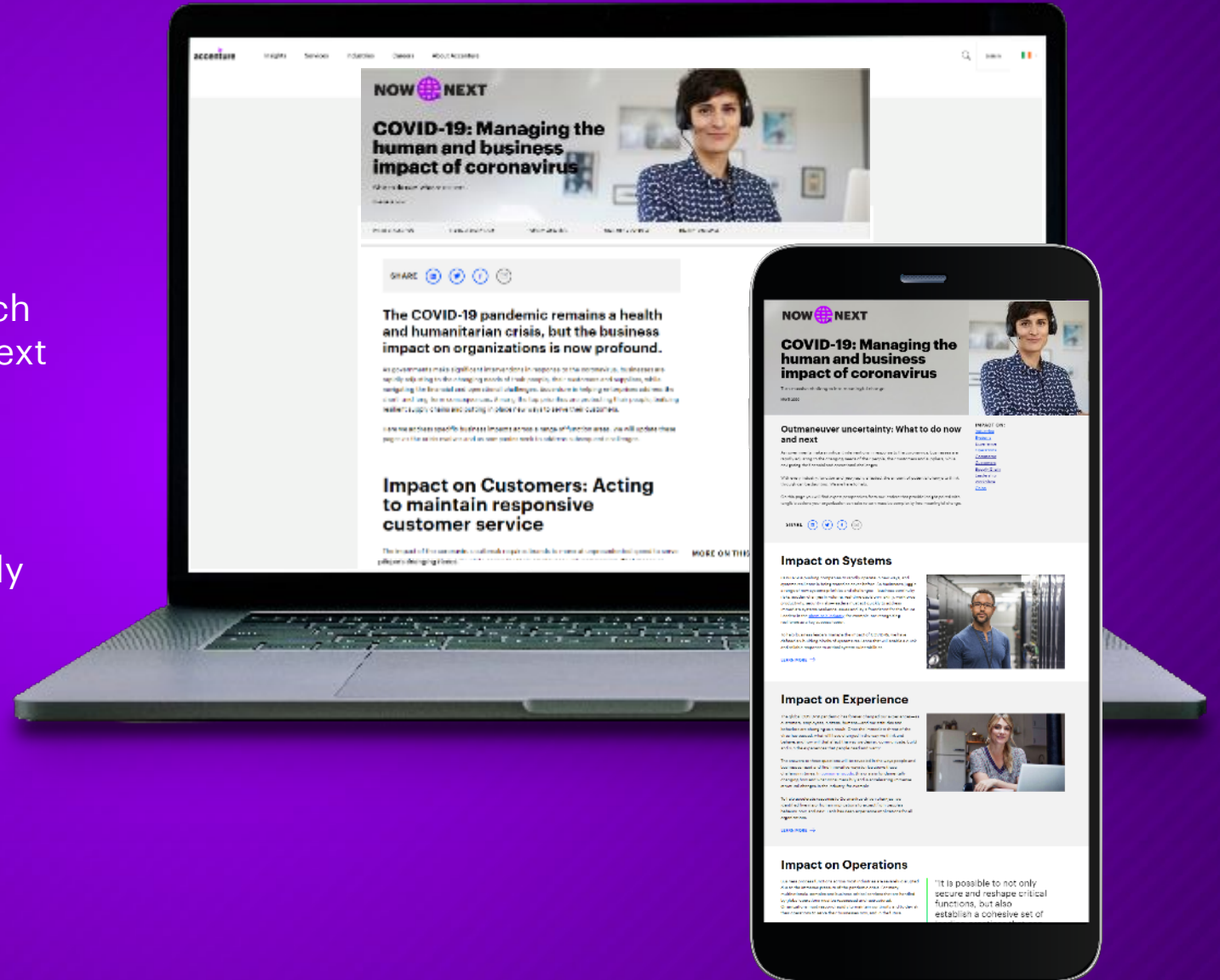
This is a sample of the Accenture Consumer Pulse Research 2020. To access the full report and discuss its potential implications for your retail business, please contact: maureen.e.bossi@accenture.com

To help our clients navigate both the human and business impact of COVID-19, we've created a hub of all of our latest thinking on a variety of topics.

Each topic highlights specific actions which can be taken now, and what to consider next as industries move towards a new normal.

From leadership essentials to ensuring productivity for your employees and customer service groups to building supply chain resilience and much more, our hub will be constantly updated. Check back regularly for more insights.

[VISIT OUR HUB HERE](#)



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Methodology



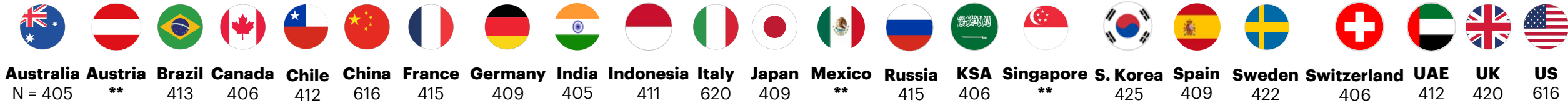
The COVID-19 Consumer Pulse Research

Accenture's COVID-19 Consumer Pulse Research is monitoring the changing attitudes, behaviors and habits of consumers worldwide as they adapt to a new reality during the COVID-19 outbreak, and which of these changes are likely to have a lasting impact once the crisis is over.

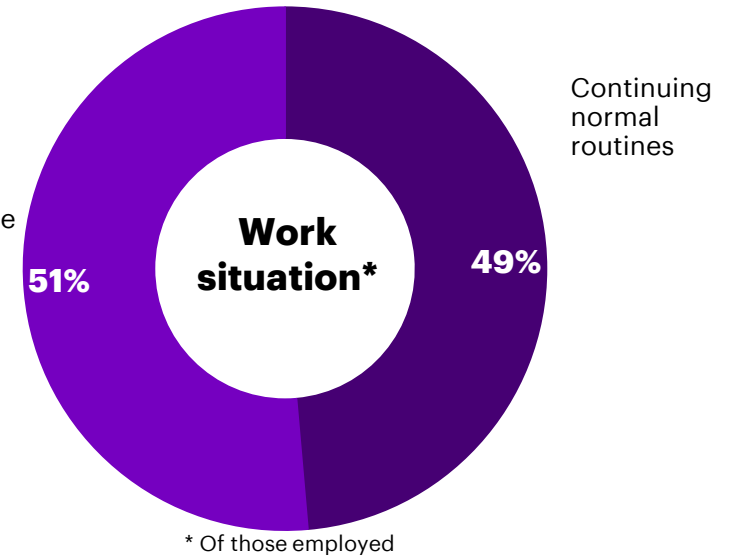
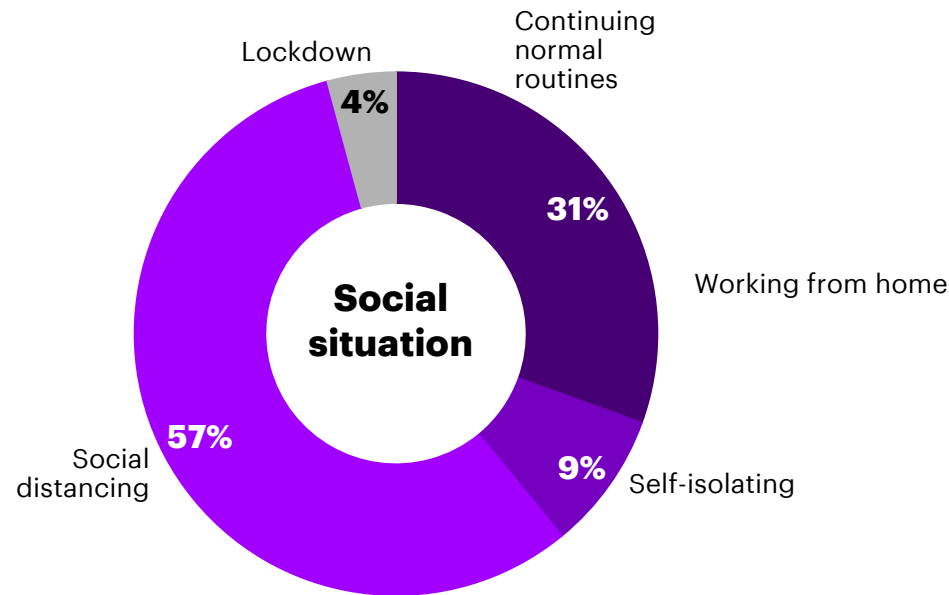
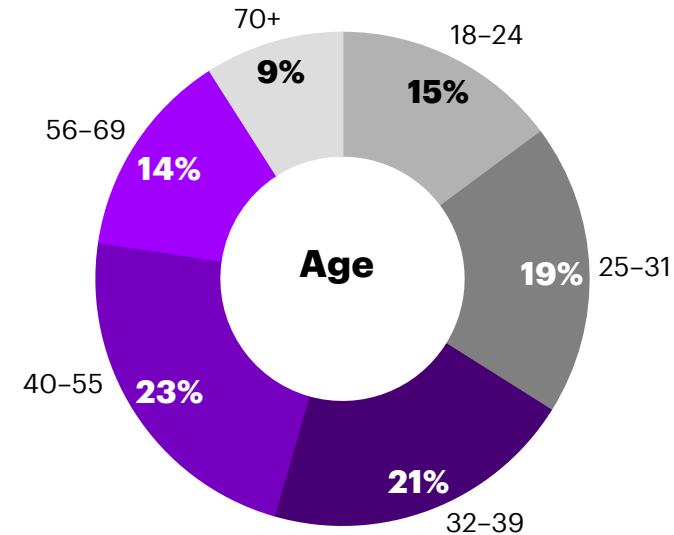
The seventh wave of this survey was conducted from June 16th-22nd and includes 8,852 consumers in 20 markets around the globe.

This has been complemented by a number of digital ethnographic studies:

- Accenture COVID-19 Food Study: 30 consumers in the US completed April 3rd-8th
- Accenture Research COVID-19 CG&S Human Perspectives: 15 consumers in China, Mexico, Spain, and the US conducted 27th April – 8th May,
- Accenture COVID-19 Qualitative Consumer Research, conducted by Happen: 60 consumers across China, Brazil, USA, Germany and Italy, 26-29th May



Wave Seven

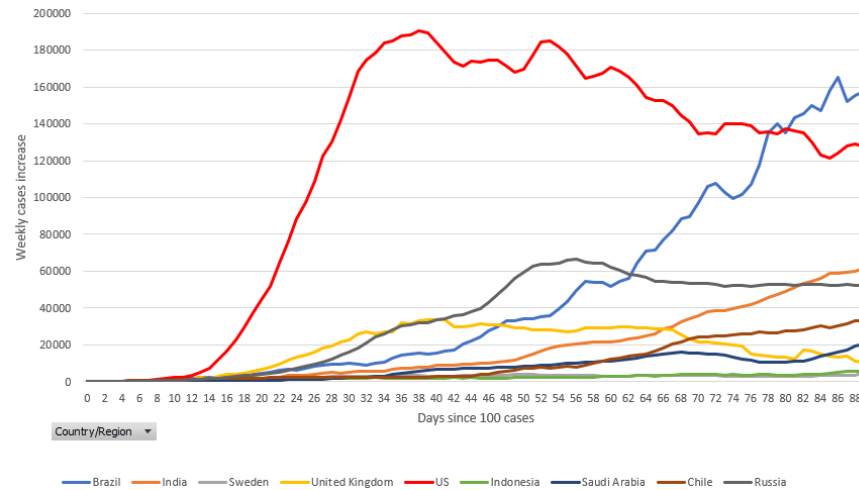


Source: Accenture COVID-19 Consumer Pulse Research, conducted 16th – 22nd June. **Excluded in Wave 7.

The 20 markets were split into two types based on the stage of outbreak at time of fielding

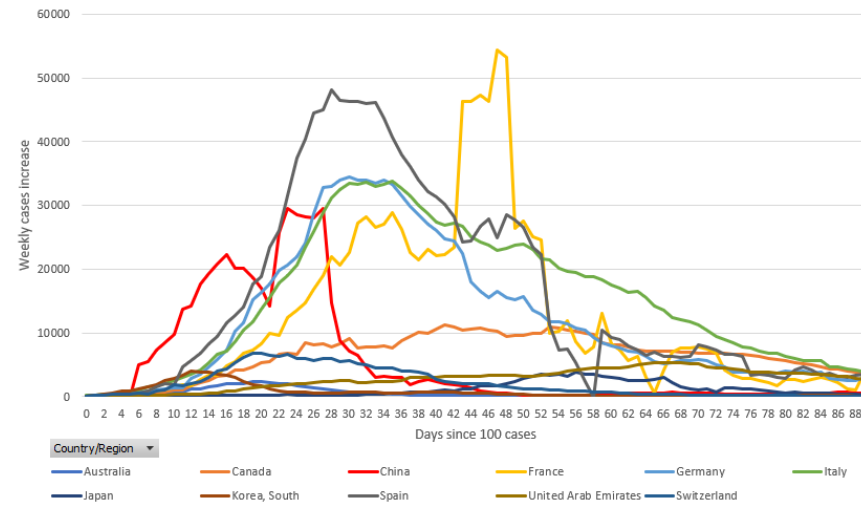
Markets were grouped into two stages of the COVID-19 outbreak. The classification took into account the time since first 100 cases were diagnosed in each country, the weekly increase of new cases and the lifting of government restrictions.

Advancing



- **Brazil**
- **Chile**
- **India**
- **Indonesia**
- **Russia**
- **Saudi Arabia**
- **Sweden**
- **UK**
- **US**

Stabilizing



- **Australia**
- **Canada**
- **China**
- **France**
- **Germany**
- **Italy**
- **Japan**
- **South Korea**
- **Spain**
- **Switzerland**
- **UAE**