

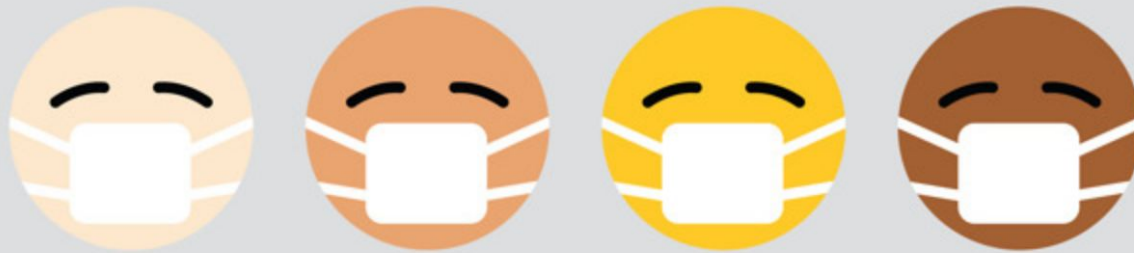
## Coronavirus: Global Change Accelerators

by Petah Marian / 03.13.20  
Retail & Buying

### Consumer Insight & Strategy

# Coronavirus: Global Change Accelerators

Coronavirus is set to drive a significant evolution in consumer beliefs and attitudes. This shift will accelerate a number of strategic shifts WGSN have predicted, creating a new spending landscape.



Visuals on Unsplash

# Analysis

The coronavirus (Covid-19) pandemic has stopped life as normal across much of the world. As governments and healthcare systems around the world put into place strict measures around movement to slow the rate of infection and minimise the death toll, we are coming into a period of significant consumer uncertainty.

After the coronavirus pandemic eases, we do not expect the world to return to business as usual, with this shift accelerating a number of WGSN trends.

As this time puts a fire break in consumer spending, the pause will mean that many will reconsider their values around consumption and spending. As fear for the future continues to grow, they will look to businesses and brand propositions that make them feel secure, and take a more meaningful perspective on consumption. All of this slowing down and reconsideration of values will take place alongside an acceleration of digitisation, as self-isolation shows people how rapidly businesses can fulfil demands online.



Kelly Sikkema

## Accelerator

# Anxiety and Fear

As examined in 2017, anxiety has become a key cultural and generational concern, with fear now becoming the emergent emotional state, forecast as one of our Future Drivers for 2022 and in our Future Consumer 2022.

Current events are accelerating this mindset shift, with consumer fear – and the responses to it – colouring actions both during and after the current coronavirus pandemic.

Consumers will not only be fearful on the wellness front, worrying about their health, but concerns around finances will also come to the fore in the midst of the financial uncertainty that has emerged as businesses are forced to shutter or slow down operations.

There was a 14 point jump in the number of US adults concerned about the domestic economic impact of the coronavirus, with 69% saying they are concerned, in a Morning Consult poll conducted February 24-26 2020, compared to the fortnight prior.

Businesses should work to create in-store and marketing strategies that enhance a sense of security, wellbeing and promote calm.



The New York Times

Response: Anxiety and Fear

# Survival Mode

As people move into a state of Survival Mode (as featured in Future Innovations 2022), this will drive consumer preferences towards products with attributes that reflect a sense of safety and security.

This will mean transparency will become key, with Nielsen survey data finding that 49% of consumers will be willing to pay a premium for products with high quality assurances and verifiable safety standards. These numbers were significantly higher in countries where Covid-19 had already had a significant impact, with Vietnam and China among the markets with the highest sentiment pertaining to quality and safety assurances – 65% and 61% of consumers in those markets, respectively, were “highly willing” to spend a premium.

Concerns about their financial wellbeing will change the value equation for many consumers in their discretionary spending. They'll be concerned about price as well as seeking products that reflect their personal values, while also creating a sense of stability.

Security emerged as a key strategic forecast theme over the course of 2019, and is expected to continue to grow in resonance as a result of Covid-19.

As people return to public space after restrictions end, businesses should focus on facilitating design that engages with consumers in a mindful way, with spaces that reflect a sense of home.

Disaster preparedness emerged as a key focus for the Retail Forecast 2020, and the coronavirus outbreak is highlighting people's vulnerabilities not only to illness but also to other kinds of disaster. Through this, brands will need to ensure that they are helping in which ever way they can. Brands with authority in the space should ensure they are creating location-specific disaster kits for consumers and using their scale to help them through their CSR efforts.



WGSN



Response: Anxiety and Fear

# Showing Up in Times of Crisis

Consumers will look for brands to show up for them and act as a pillar of stability through this crisis and beyond. This concept was explored in our 2018 report *High Velocity Consumer*.

Beyond strategies that emphasise product safety attributes, and ensuring the availability of needed products like hand sanitiser and soap, brands should look to spaces where they can authentically step up for consumers and employees.

Apple has been showing support for its employees stranded in Wenzhou and Hubei due to quarantines with care packages. The packages contain food, sanitiser and face masks, according to a post on Chinese social media site Weibo. The packages also include an iPad to facilitate children's online learning or to help pass the time at home. The letter also emphasises the mental strain, offering access to counselling while the lockdown continues.

In the UK, Lush has garnered positive attention for encouraging people to come

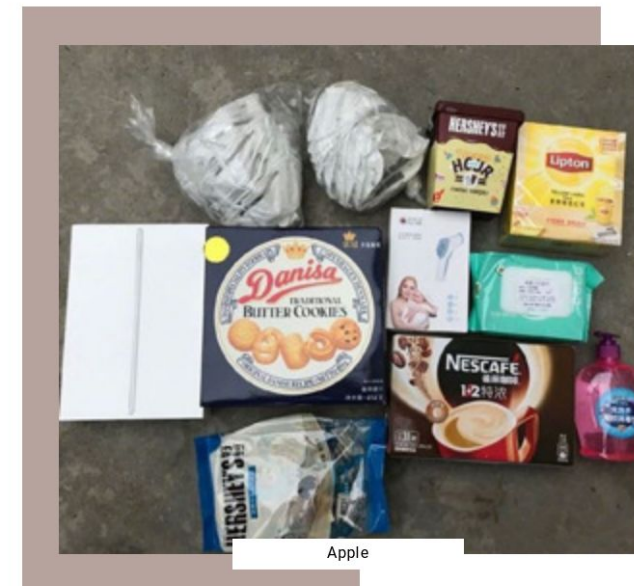
into stores to wash their hands, in the hope of limiting Covid-19 transmission.

Starbucks in China has proactively released imagery that allows people to understand how they should be washing their hands, as well as changing the customer proposition in lower risk areas (when it's been safe to operate), to create the "Contactless Starbucks Experience".

The strategy leverages digital ordering, such as Mobile Order and Pay through the Starbucks app, but minimises human contact and reduces time in the store itself. Customers order beverages on the app, and when they go to pick it up, a staff member takes their temperature before checking them in. Another staff member, wearing gloves, places their order on the Mobile Order and Pay station, which has been relocated near the front of the store, and steps aside. The customer then steps forward to collect their order. Cups in the store have been printed with positive messages like "Hang in there" to inspire resilience.



Starbucks



Apple

Response: Anxiety and Fear

# Privacy and Autonomy

Consumers will have to balance desires for privacy and autonomy with government pushes for increased transparency and control.

Throughout the coronavirus outbreak, governments have used mobile phone geo-location tools to help contain the spread of the outbreak, particularly in China and South Korea.

In China, the government imposed a traffic light system that allowed movement based on where people had been and who they had been in contact with, in the Alipay mobile payment system. Red means two weeks' self-isolation, yellow means one week and green means that people can move freely. People were not able to enter public transport without this status being checked.

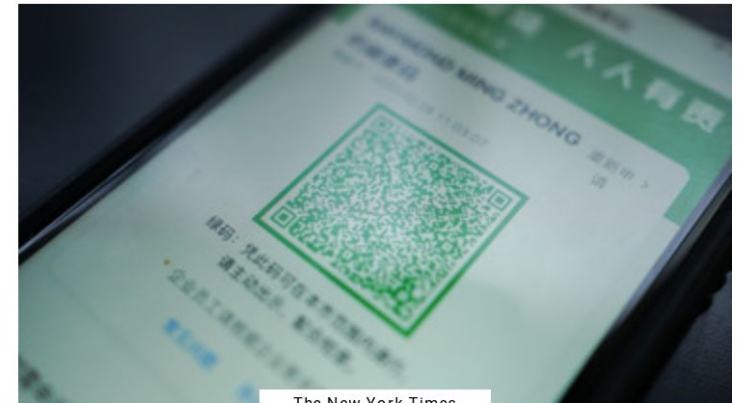
In South Korea, the government released an app to help the ill to stay in touch with case workers and report on their progress. It also used GPS to keep track of their location to make sure they are not breaking their quarantine.

In 2019, WGSN published a series of reports on the Future of Privacy as it becomes an increasingly important focus.

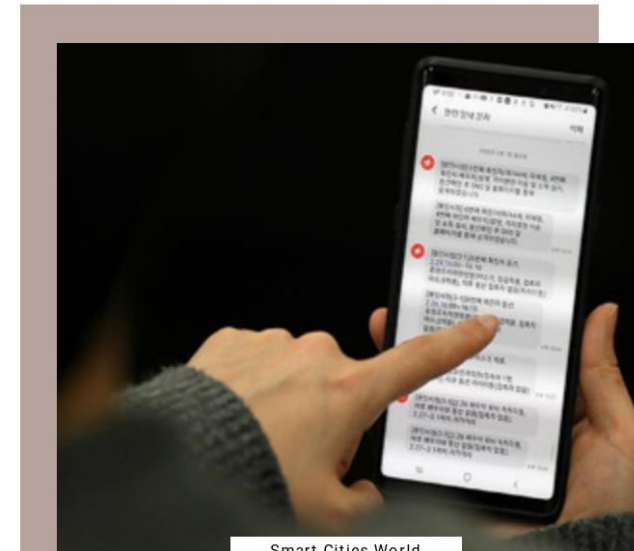
While acting for the greater good, these programmes have made explicit the degree to which citizens' behaviour can be controlled through their smartphones. Expect increased levels of consumer interrogation into the data that is being held on them and how it is being used.

Brands will need to respond with strategies that put customers in control of the information that they share, while demonstrating how information could be used to benefit others.

Businesses will need to explore new business models that move beyond trading a person's data for services. Reconsider the value equation that will make the customer see the value in sharing information for the collective good.



The New York Times



Smart Cities World

## Accelerator

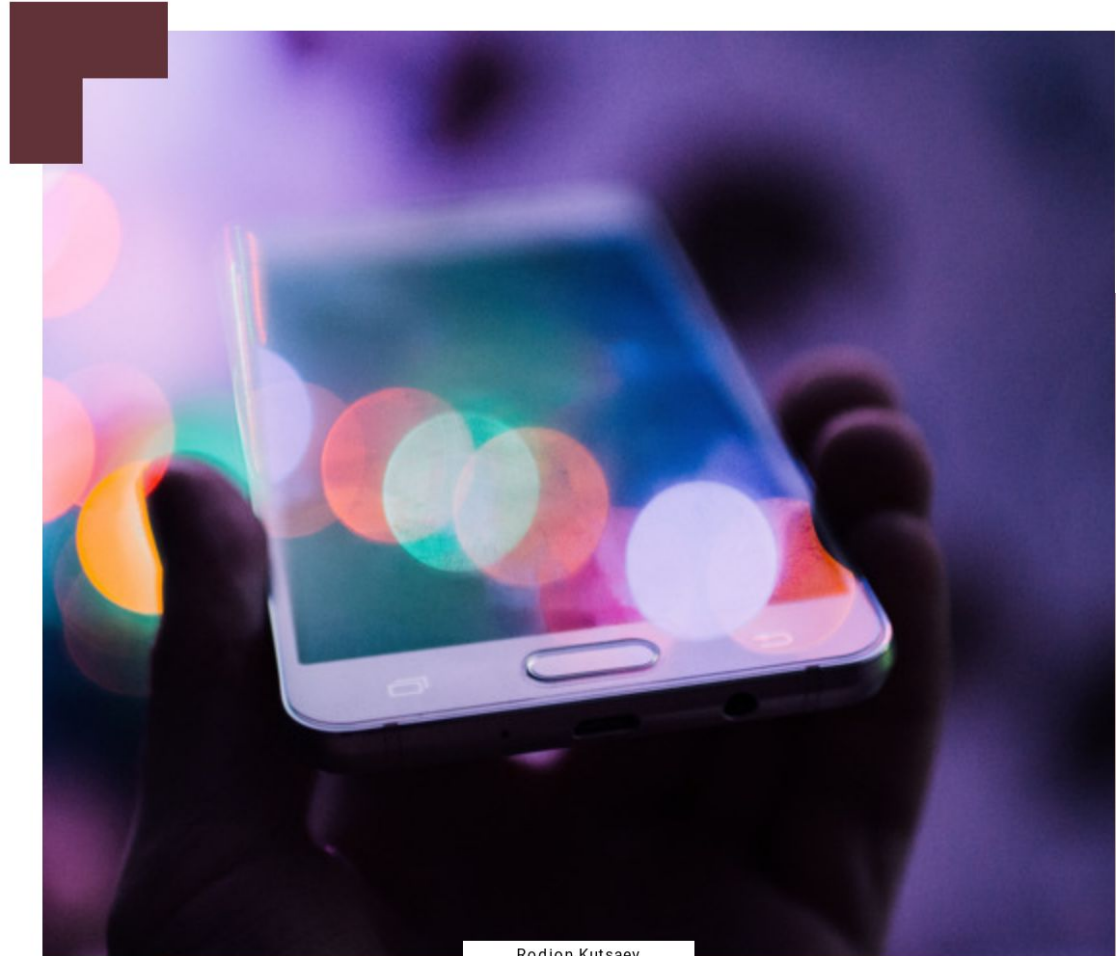
# Digitisation

As consumers around the world look to limit contact with each other, through government-mandated self-isolation schemes or personal efforts to avoid coronavirus, there has been a spike in people looking to use digital services.

This is sweeping across many industries, from retail and food delivery to business meetings, supply chains and education.

In Japan, online supermarket chain Seiyu attributed gains to people not wanting to go out to grocery shops, while in the UK, the government is working with supermarket operators to help manage increased demands for online servicing.

Businesses will have to contend with consumers' enhanced expectations beyond this period. They will also see the financial opportunities that digitisation presents, through virtual events, meetings and remote working.



Rodion Kutsaev



Response: Digitisation

# Tech-celleration

The current outbreak is creating opportunities to accelerate shifts taking around digitisation of product.

Increased isolation at home, and economic uncertainty will mean that there's a less sustained demand for new products. This presents an opportunity for brands to entertain and create a sense of normality through clothing avatars and digital products.

As people spend more time at home, look to partner with games providers to create digital avatars, like those created by Louis Vuitton for League of Legends, which blended digital skins with physical goods.

Apps such as Drest and Covet will allow people to express their styling prowess through games that let them play with outfitting digital avatars in current-season clothing.

As explored in Fashion: Big Ideas 2022, consumers will look to augmented reality to create a more realistic try-on process across many categories, particularly in beauty, where people will feel increasingly concerned about hygiene and contamination when it comes to trying on skincare and make-up. Fashion brands could use augmented reality to create digital imagery and help prevent large groups of people congregating for shoots.

The current crisis will also help businesses make the case for digital sampling and 3D modelling to help speed up the design process.

Look to the strategies being employed by Tommy Hilfiger, which in autumn 2020 will launch a collection designed and developed using 3D technology, with products modelled on virtual avatars. By 2021 all of the brand's collections will be designed in 3D.



Louis Vuitton x League of Legends



Response: Digitisation

# Fulfilment Expectations

As consumers have increasingly relied on delivery services, particularly those in countries where there have been strict self-isolation measures in place, expectations on speed of delivery and the kind of delivery experience they receive have rapidly evolved. In countries with nascent grocery delivery uptake, the crisis has shown people what is possible and is accelerating e-commerce uptake.

As forecast in The Future of Retail 2019, people's desire to stay close to home will accelerate development of unmanned and autonomous delivery.

As people become increasingly fearful of coming into contact with each other, expect increased attention on strategies that allow them to be in control of their delivery experience. In Korea, delivery providers began offering 'untact shopping', with online operators like Coupang leaving deliveries in front of the door to reduce contact with customers. This is a marked change from previous strategies, where they were known for friendly in-person service.

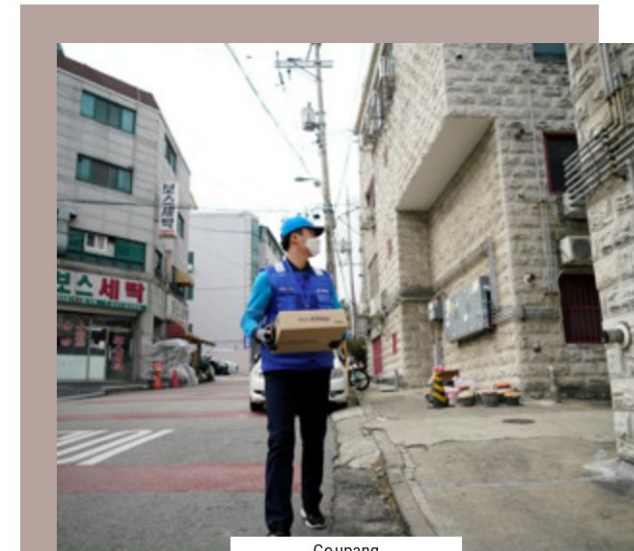
This sort of strategy is being extended into other apps, particularly in the US and UK – Postmates, Instacart and Deliveroo have now begun offering non-contact delivery options.

Consumers are expecting more transparency in understanding how their food is delivered. This was forecast in 2017's Chinese Millennials: New Food Convenience, and with consumers now seeking evidence of how food was prepared, this has been accelerated through strategies undertaken by China's Ele.me, where orders have a card attached showing the names of who prepared the food, who packed it and the courier, and their body temperatures, for easy tracking purposes.

In the longer term, this shift will mean that certain groups of people will feel more empowered to ask for what they want when it comes to the sort of delivery experience that they want – for instance, asking online retailers to avoid sending excess and unnecessary packaging from orders.



Deliveroo



Coupang

WGSN

# Virtual Services

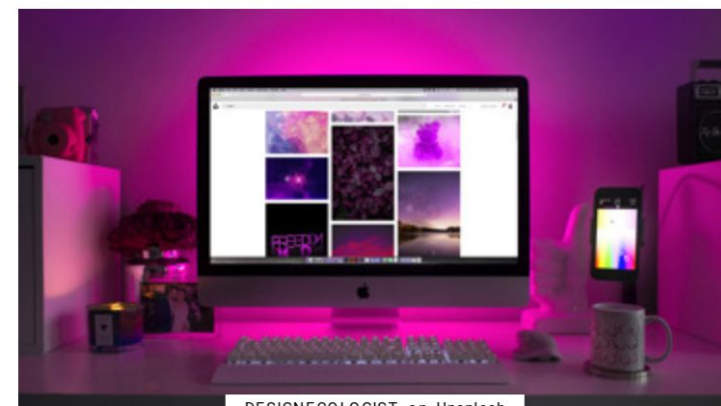
Forced to work from home and avoid large gatherings, the IRL aspects of people's administrative and professional lives will shift increasingly towards the virtual.

As companies see the potential operational savings from not operating large office spaces, and people start to enjoy the benefits of remote work, expect companies to look to operationalise increased levels of flexible working among office staff. In the longer term, expect the acceleration of trends towards hot-desking and remote regional co-working spaces that allow people to remain in their local neighbourhoods. Businesses should build strategies that continue to facilitate connection and improve collaboration when working remotely.

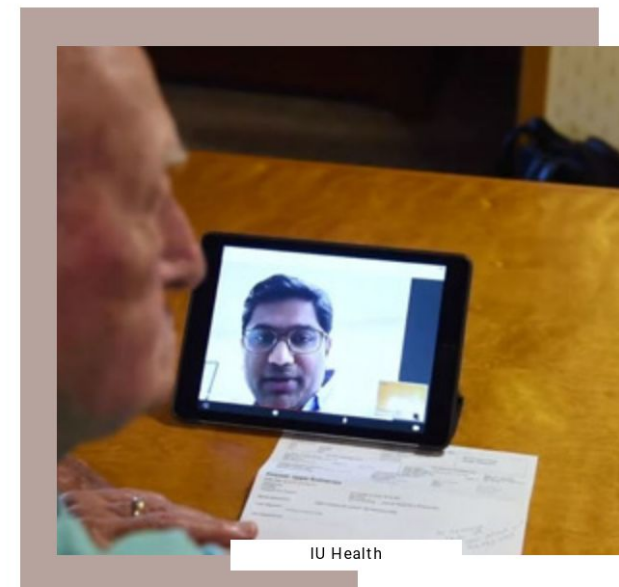
Across the events space, expect huge shifts as companies find workarounds to not being able to attend conferences, events and trade shows. Expect an increase in the number of creative solutions that arise in response to these events.

As criticism around the carbon impact large-scale international events continues to grow, these creative solutions have the potential to offer an alternative way forward that will allow for people to do their jobs without necessarily having to travel around the world.

As people attempt to avoid hospitals and doctor's surgeries, expect a rapid uptick in the use of Telehealth services, as explored in our US: Healthcare Empowered Consumers report, particularly in the US, where consideration of cost plays a much larger part in medical decisions. Indiana University Health has launched a virtual clinic to offer people in Indiana free virtual screenings for Covid-19 through the IU Health virtual care mobile app. US lawmakers have announced a US\$8.3bn bill to fund Telehealth services on medicare, making it available to more people.



DESIGNECOLOGIST\_on\_Unsplash



IU Health

# Sustainability

The Covid-19 pandemic is complicating attitudes towards sustainability.

On one hand, people are understanding more about what it means to live locally, and the reduction in industry has led to declines in air pollution, particularly in China.

The National Aeronautics and Space Administration (NASA) reported that air pollution – mainly nitrogen dioxide emitted from burning fossil fuels – had decreased by 30% in China between January 1-20 compared to January 28-February 25.

As more people have this experience, particularly as governments mobilise quickly to restrict movement and prevent the coronavirus from spreading, people are seeing what an alternative future might look like, particularly people in areas with heavy air pollution.

In the short term, however, sustainability as a personal priority is declining in importance, as people prioritise their health. This is being evidenced particularly in areas where nascent behavioural changes create concerns around hygiene and security.

Starbucks has banned the use of reusable cups to prevent viral transmission, and brands should expect that reuse and resale strategies are likely to take a brief backseat as consumers increasingly feel less comfortable about products that they don't know the full ownership history of.

As people come out of the crisis, expect more of a considered mindset towards sustainability, with consumers demanding businesses and government to stand up in aid of their long-term needs for a sustainable future.



Starbucks



## Accelerator: Emotional Isolation

# Emotional Isolation

Self-isolation strategies are forecast to lead to negative mental health states and a more sombre, contemplative mood among people affected by coronavirus.

The impacts of these shifts are likely to be more heavily felt in locations such as Hong Kong, where studies have found that a third of the population is experiencing the symptoms of PTSD due to the pro-democracy protests, up from 2% in 2015.

As people prioritise emotional wellbeing both during and after the crisis, expect a value shift to continue to take hold as they increasingly question what brings fulfilment in their lives.

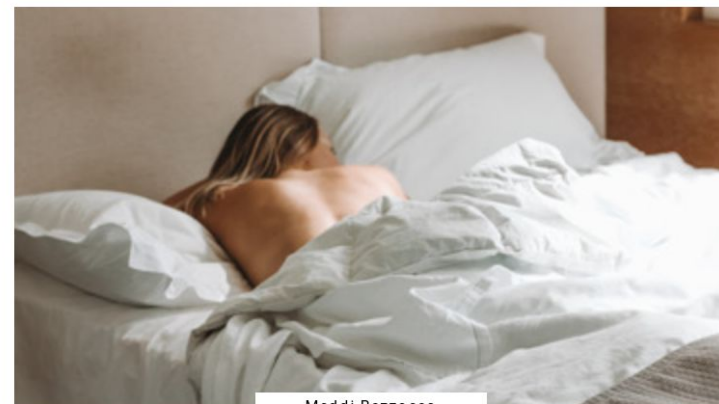
As this evolves, so too will consumer purchasing priorities, with this shift likely to continue to accelerate attitudes towards the end of more. There will be a focus on consumer wellbeing, both physical and mental, as a means of creating a sense of control in a landscape where people increasingly feel lost.

People will increasingly look to apps for emotional support and therapy.

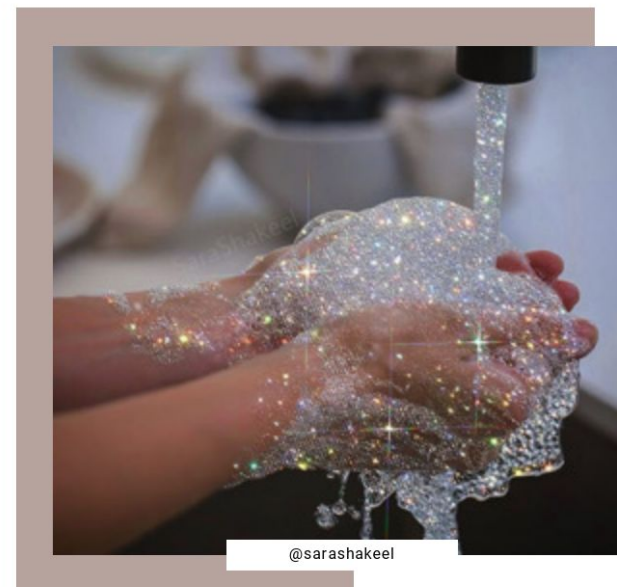
Look to strategies that help enhance self-care, as explored in Millennial Marketing: Self-Care and Wellness and the Wellness Tribes series of reports, which explores the key drivers in each of the demographic groups.

As explored in our 2015 report Caring Economy, kindness will become a currency in its own right again, as brands positively reward and reinforce acts of kindness, and consumers look to offset purchase guilt through charitable donations and acts. Ensure that messaging understands the pressure that consumers are under, and steps into help them in moments of crisis.

As forecast in Community-Corporate Cooperation, look to step in where people feel that governments have let them down, through fixing societal ills.



Maddi Bazzocco



@sarashakeel

Response: Emotional Isolation

## Meaning Economy

As consumers come out of this crisis, expect increased consideration around what it means to spend one's time well. This is likely to lead to a continued re-evaluation of status indicators, as described in *Key Ideas: 2020*, with a person's relationships and wellbeing becoming increasingly important indicators of social capital.

Through the pandemic, spending forecasts have plummeted. In the US, the Congressional Budget Office has estimated that spending on food services, arts and accommodations would temporarily decline by about 80% during a major pandemic. Spending on public transportation would drop by 67%. If the pandemic peaks in China in Q1 and outbreaks in other countries prove mild and contained, global growth could be lowered by 0.5% of its previous forecast, the OECD said. Global GDP growth is expected to drop to 2.4% in 2020, from prior forecasts of 2.9%, with growth potentially negative in the first quarter of the year.

Expect values to continue to evolve to reflect a desire for optimisation of the self and of the community with a focus on joy and the greater good, over flashy displays of wealth.

As people re-evaluate their relationship with mindless consumption, brands will have to do more to encourage people to spend, through strategies that focus on creating meaning for consumers.

Brands should tap into this via strategies that help consumers feel part of something bigger or via leading a better life. Look to strategies undertaken by cookware brand Equal Parts, which differentiates through providing education to their customers via a chat-based line.



Equal Parts

Response: Emotional Isolation

# Individual and Collective Good

The crisis is highlighting the scale of inequality in some countries. In the short term, people are facing a sense of individual scarcity due to panic purchasing of products like hand sanitiser, face masks and toilet roll. However, in the longer term, it's likely to drive increased questions around the broader dangers of short term and individualistic governance, particularly in relation to healthcare cover and sick leave for lower earners. Many will question strategies that lead to faster virus transmission due to people being unable to afford testing or self-isolation.

While many in full-time roles are being told to work from home if concerned and have full healthcare cover, many of those on hourly contracts need to be physically present to do their jobs. These roles are often in food preparation, office cleaning, security, delivery services and retail which are often low-wage jobs. US Bureau of Labor Statistics found that only 30% of workers in the lowest wage bracket have sick leave and 86% of US workers are in the service industry.

In the US, companies are already extending benefits around testing and sick leave to ensure that people don't spread the virus to colleagues and customers, allowing those who have been in contact with Covid-19 victims to self-isolate. Apple and Darden have both extended their benefits programmes to ensure that their staff are managing

This is likely to colour beliefs around universal healthcare and benefits, which could have significant impacts in the US election, as more people may look to support progressive viewpoints.

Similarly, this shift is also likely to change conversations around the climate crisis, with people already critiquing government mobilisation to contain the virus, but their lack of action when it comes to managing science-based targets.



Kelly Sikkema



Response: Emotional Isolation

# Time Well Spent

In Future Innovations 2022, we predicted that consumers will increasingly prioritise time affluence – a lifestyle that eschews overburdened schedules and workaholicism in favour of leisure, emotional wellbeing and more sleep. Coronavirus will accelerate this through the period of enforced 'niksen', a Dutch stress-reducing practice that allows people to do absolutely nothing.

As circumstances force people to slow down the pace of their lives, expect a reevaluation of what time well spent looks like, particularly among the perpetually burnt out Millennial cohort.

In China, where consumers have been more heavily impacted by isolation strategies so far, they have been using the time to engage in simple pleasures like cooking, a marked shift in a culture whose middle class is typified by a 996 culture that lends itself to a high reliance on food delivery. In China, there has been a huge uplift in people sharing their recipes on food community app Xiachufang.

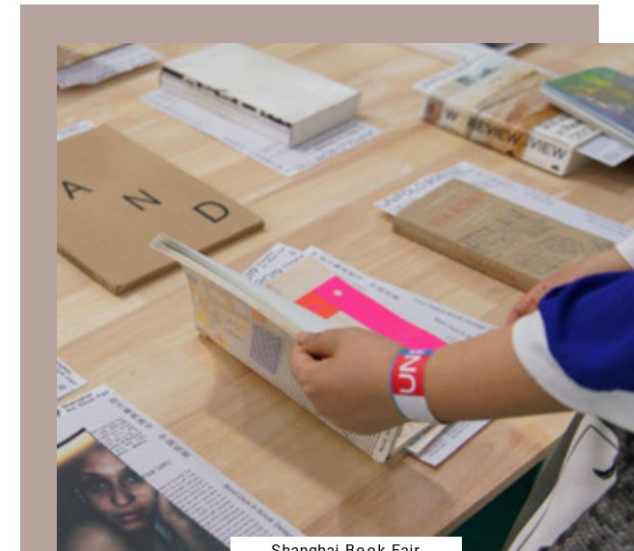
People have been looking to technology to help drive connection and entertainment, for instance using Douyin to livestream DJ sets so that people can have the cathartic experience of dancing.

People are finding solace from worry in home-based activities like craft, reading and organising their homes. The Mindful Cleaning trend is likely to accelerate as people look to manual labour as a means of feeling more in control of their circumstances. In China, Shanghai Book Fair – Love Reading Love Life was launched in February to help drive connection through books, also allowing people to share their feelings on the pandemic.

Brands will need to ensure that their propositions tap into a slower lifestyle and that products reflect a desire for considered consumption. Look to Membership Retail as a strategy to bring consumers closer together, but think about how some of these strategies could shift to the virtual sphere.



Business Insider



Shanghai Book Fair

Response: Emotional Isolation

# Focus on Family

As the 'time well spent' shift gathers steam, so will the focus on family. Through the coronavirus crisis, schools have closed and shifted to virtual learning, while parents have attempted to manage keeping children entertained, while trying to work, in often cramped living spaces.

As explored in the Alphas: Emerging Wellness Tribes, families will encourage Alphas to adopt mindful practices and free-play as a survival tool. Through periods of self-isolation, they will look to tech-enabled gamified exercises to combat a sedentary lifestyle. As families are allowed outside after periods of self-isolation there will be a focus on nature immersion. In response to the crisis, there will be a focus on emotional literacy and resilience to help mitigate anxiety around health. Families will focus on mindfulness both as a coping strategy and as a means of filling time.

As concerns about safety are amplified among parents, there will be a focus on staying closer to home.

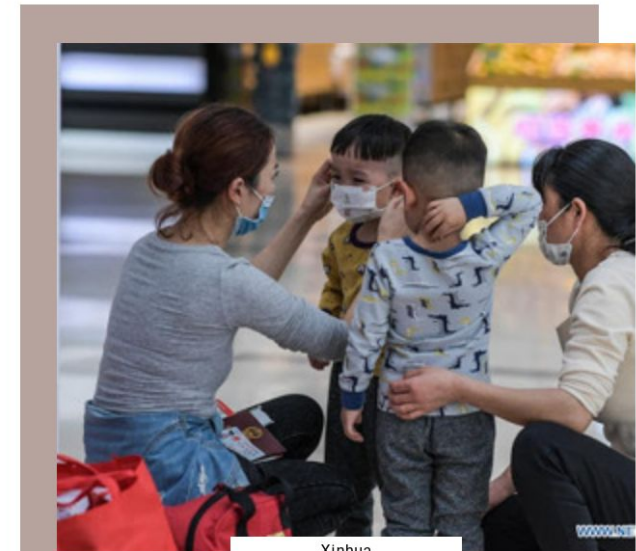
Throughout the self-isolation period in many Asian countries, parents have been sharing tips on how to engage with their kids, with food and cooking activities being a key point of connection, as explored in 2017's Alpha Eats: The New Foodie Generation.

With both parents equally spending more time at home, there's also an opportunity for trends around inclusive parenting to take deeper root and accelerate. Fathers will take on a more active role in parenting duties. As norms change in families, there will be an expectation that a more equitable division of parenting labour will take place.

As we forecast in Alphas: Learning to Live Slow, coronavirus will continue to extend the focus on time well spent as their parents reprioritise their energies on celebrating what makes us uniquely human.



Navy Times



Xinhua



Response: Emotional Isolation

# Localvists

As consumers spend more time at home, they will want to remain closer to home, as predicted in the Localvists in Future Consumer 2020 and the Settlers in Future Consumer 2022.

Increased tension is emerging between nations and regions. As governments move to protect citizens through travel bans and managing the flow of medical supplies, expect populism and racism to continue to grow, and people to react with community-focused responses. We have already seen this in the drop off in spending in Asian-cuisine restaurants as people make ill-informed decisions to stay away to protect themselves from the virus. Food critic Jay Rayner wrote an article British newspaper The Guardian urging people to go and eat at Chinese restaurants, and toilet paper brand Who Gives A Crap took to Instagram to encourage followers to do the same.

As proximity and convenience become increasingly important purchase drivers, and consumers look to buy local brands that have been negatively impacted by breaks in

spending due to coronavirus, ensure that messaging explores how businesses are supporting local brands through supplier inclusion strategies.

As noted in Shopper Forecast 2020, businesses should reposition their stores as community-led spaces that strengthen ties. Consider local store formats with a smaller footprint that complement both flagships and digital channels, that serve customers where they are for both sales and returns.

Shorten the path to the consumer through strategies that build deeper relationships with the consumer, particularly when they don't want to leave the house, such as text based retail and in-store fulfilment.

Ensure that strategies are tailored with the local catchment area in mind, with store design and ranging that really focuses on local tastes and preferences.



Shopping local

**Woah, Australia**

With all the panic buying madness, we've sold out of all of our products and are working as hard as possible to restock. We've reserved enough stock to ensure those of you with active subscriptions whose orders are set to process in the next couple of weeks still receive their TP.

We also want to acknowledge that these are crazy times. We feel it too. **We're thinking a lot about how we can do our bit to encourage kindness, empathy and calm. So join us!** If you have spare rolls, see if your neighbours need some. Go and support your favourite Chinese restaurant. Watch some puppy videos. And stay tuned – we'll let you know when we're going to have toilet paper again!

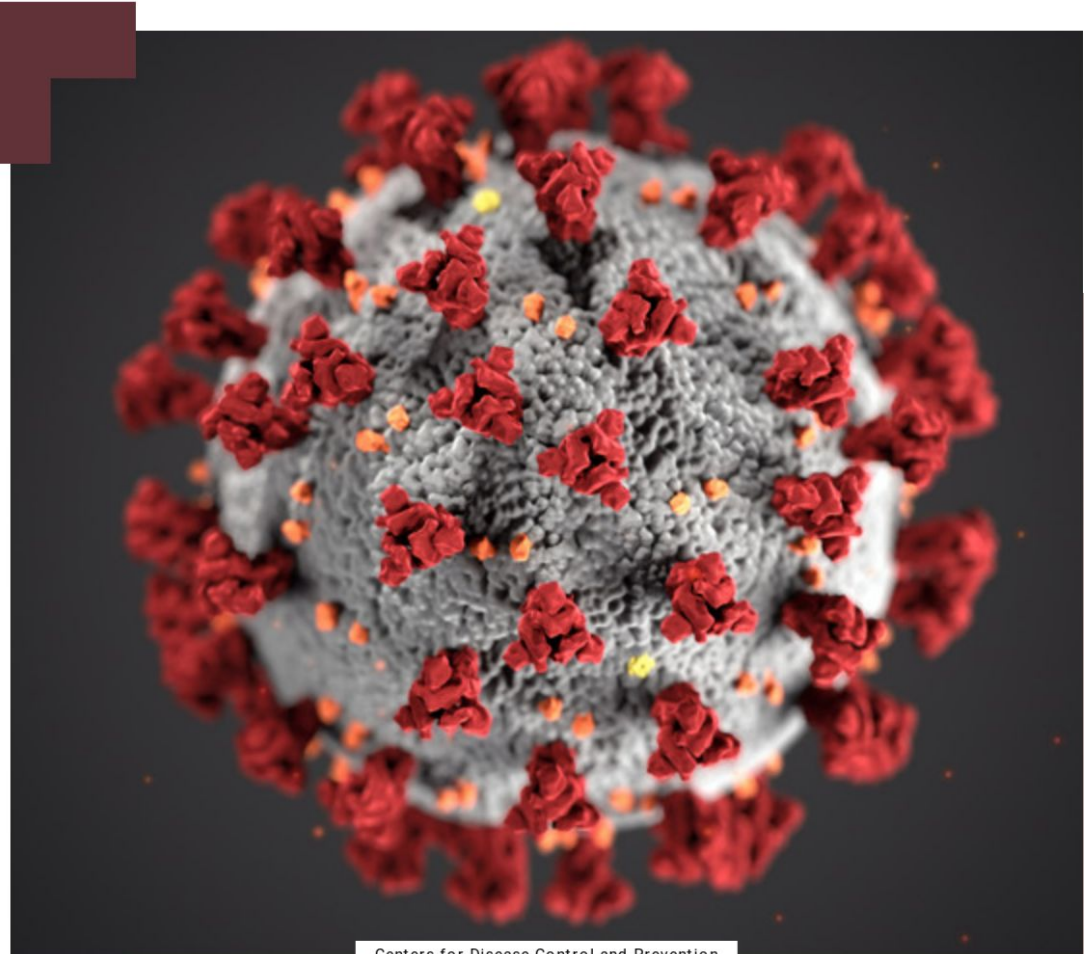
The **Who Gives a Crap**

WGSN



# Action Points

- Coronavirus has pushed fundamental questions about the way our society operates into the forefront of discussions. This is reinforcing consumer attitudes towards the mitigating the damaging impact of climate change, and other global issues. Brands should think about their purpose and benefits which extend to society rather than individuals.
- Work to assuage collective fear and anxiety through strategies that create a sense of security.
- Go beyond your role as a business to be a pillar that shows up for the consumer in times of crisis.
- Consumers will increasingly interrogate the use of data, particularly when location based, ensure that the customer understands the benefit to them.
- Digital expectations will increase as consumers self-isolate, and experience the benefits of e-commerce.
- As people come together (virtually) in support and assistance, localism is going to become more important. Consider your brand's role in people's lives, communities and local areas.



Centers for Disease Control and Prevention

# Related Reports

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