

A woman with dark hair, wearing a white surgical face mask, is shown in profile, looking down. She is at a protest, as evidenced by the cardboard signs in the background. One sign features a raised fist icon, and another partially visible sign says "NO PEAC". The background is slightly blurred, showing other people and signs.

COVID-19 CONSUMER PULSE #5 & 6

Facing The Future &
Learning From The Past

JUNE 2020

Kelton

This report is the fifth in our **COVID-19 Consumer Pulse** series, featuring data from the fifth and sixth waves of our ongoing study. We launched this project at the start of the coronavirus outbreak to empower smart organizational decision making and deep understanding through data.

In addition to the latest updates on sentiment metrics we've been tracking since mid-March, we'll also share some learnings around **issues of racial equality and the Black Lives Matter Movement**. We'll assess the multiple crises our country faces, review which brand tonalities have worked in the past to guide effective responses today, and dive deep into the experience consumers are having as they return to in-store shopping.

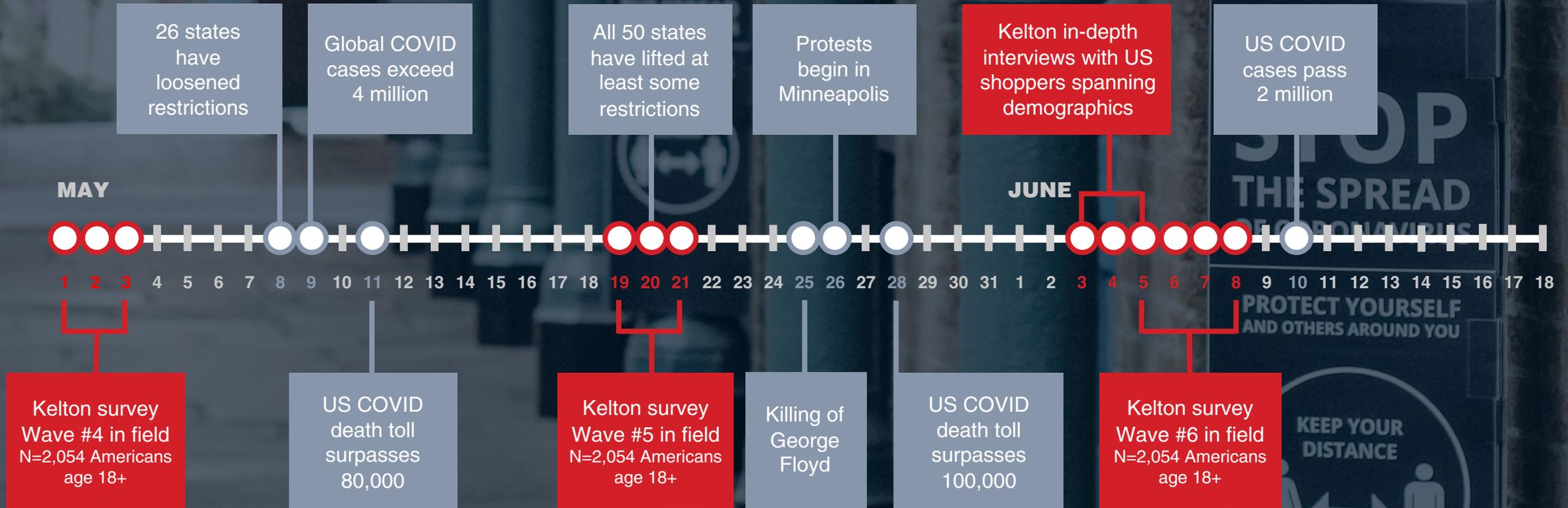


THE NEED TO KNOWS:

- Consumer attitudes continue to become more positive and fears are declining, though a strong sense of caution remains.
- Racial issues have quickly overtaken public health and the economy as the country's main crisis, and young Americans are most likely to have taken action.
- Analysis reveals three crisis-tested tonalities brands can employ to effectively communicate during the pandemic: humanizing the brand, rebuilding trust and showcasing authority.
- Anxiety-filled missions are the new reality of in-store shopping, while the excitement of discovery & impulse shopping is a victim of COVID-19. Consumers are trying to manage their forays into stores through intentional planning and minimization tactics.



TIMING AND CONTEXT



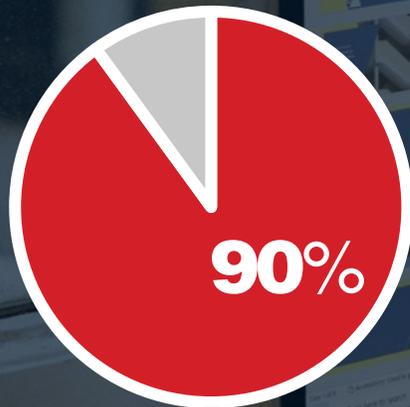


EVOLVING CONSUMER ATTITUDES

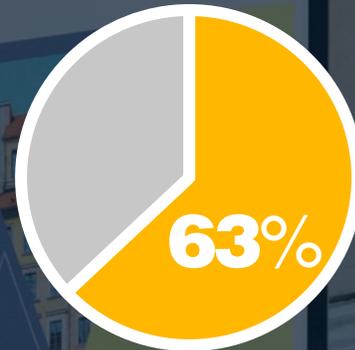
ECONOMIC FEARS ARE SLOWLY RECEDING/DECREASING

The continuing decline of those who think the US economy is on the wrong track correlates with positive signals and media reports, as well as the continuing stock market rebound (despite a shaky long-term economic outlook).

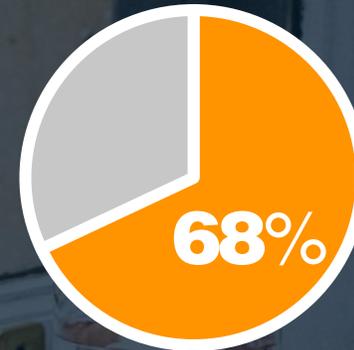
US economy
is on the
wrong track



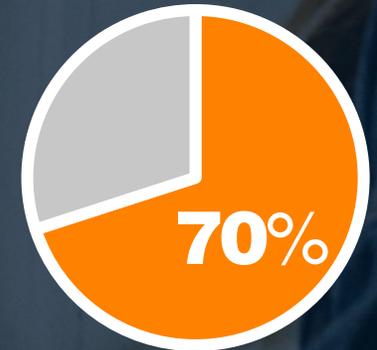
JANUARY 2009



MARCH 20-22, 2020



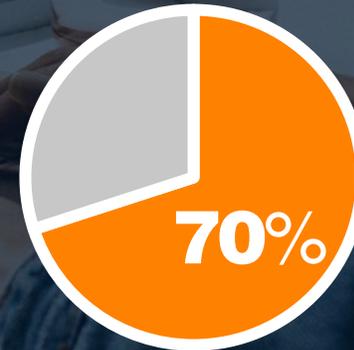
APRIL 3-4, 2020



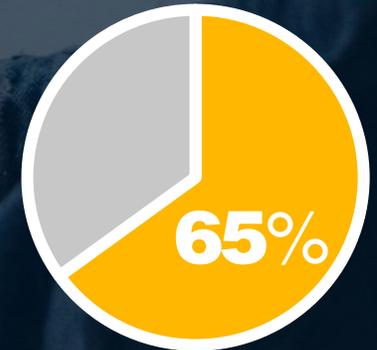
APRIL 17-18, 2020



MAY 1-3, 2020



MAY 19-21, 2020



JUNE 5-8, 2020

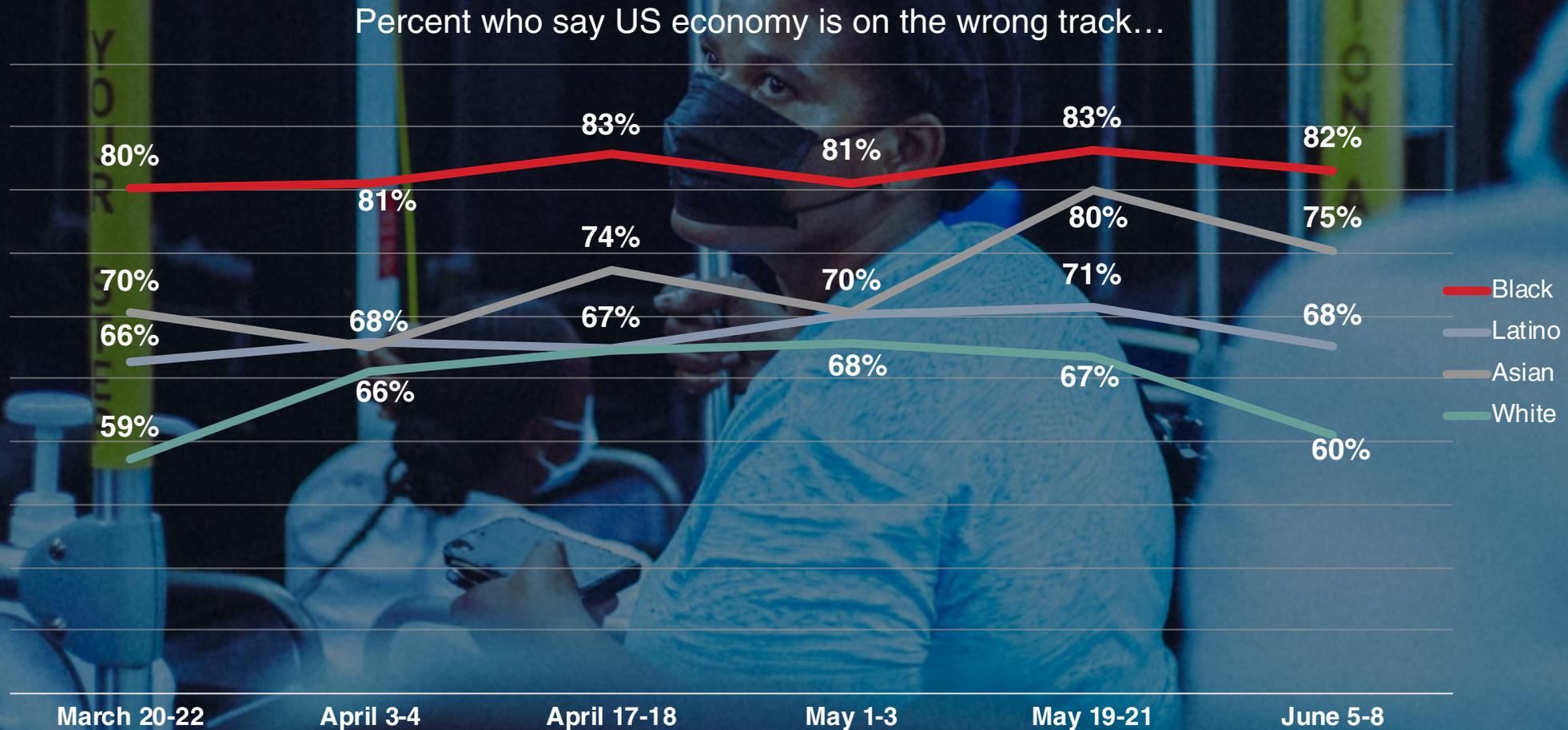
It's worth noting that the percentage of those on a "strict budget" remains high — from **73%** to **74%**.

We believe this means that while consumers are starting to *feel* better, they're still watching spending and being cautious. In other words, their optimistic attitudes aren't yet converting into actions.



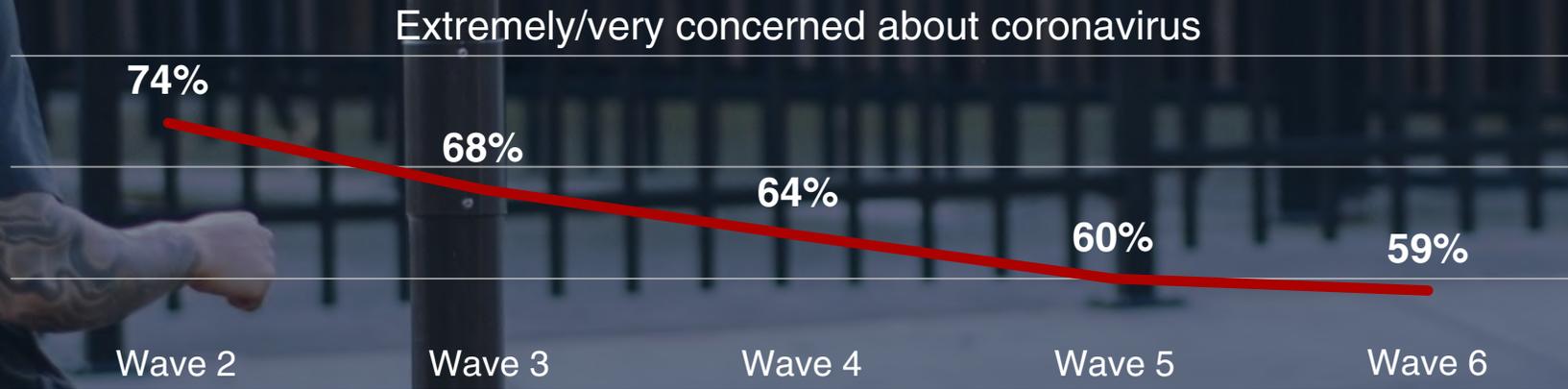
BUT HOPE HAS NEVER BEEN EQUALLY DISTRIBUTED

Perceptions of the economy are hugely dependent on race and ethnicity. In fact, the differences are so stark that they reflect seemingly different realities.



OVERALL FEAR OF CORONAVIRUS EASES...

Overall, we see an ongoing decline in concern about the coronavirus — though the decline has slowed down and wasn't significant between the last 2 waves. [Qualitative interviews](#) provided some useful context here.



“I can’t live the rest of my life in fear of a virus. As weird as it is to say with mandates and everything, we are pretty over it and we get the sense that the general public is pretty over it.”

— Brian, California

“People were scared the first weeks, now people have relaxed, and they got frustrated of staying at home. Frustration has covered up fear of sickness.”

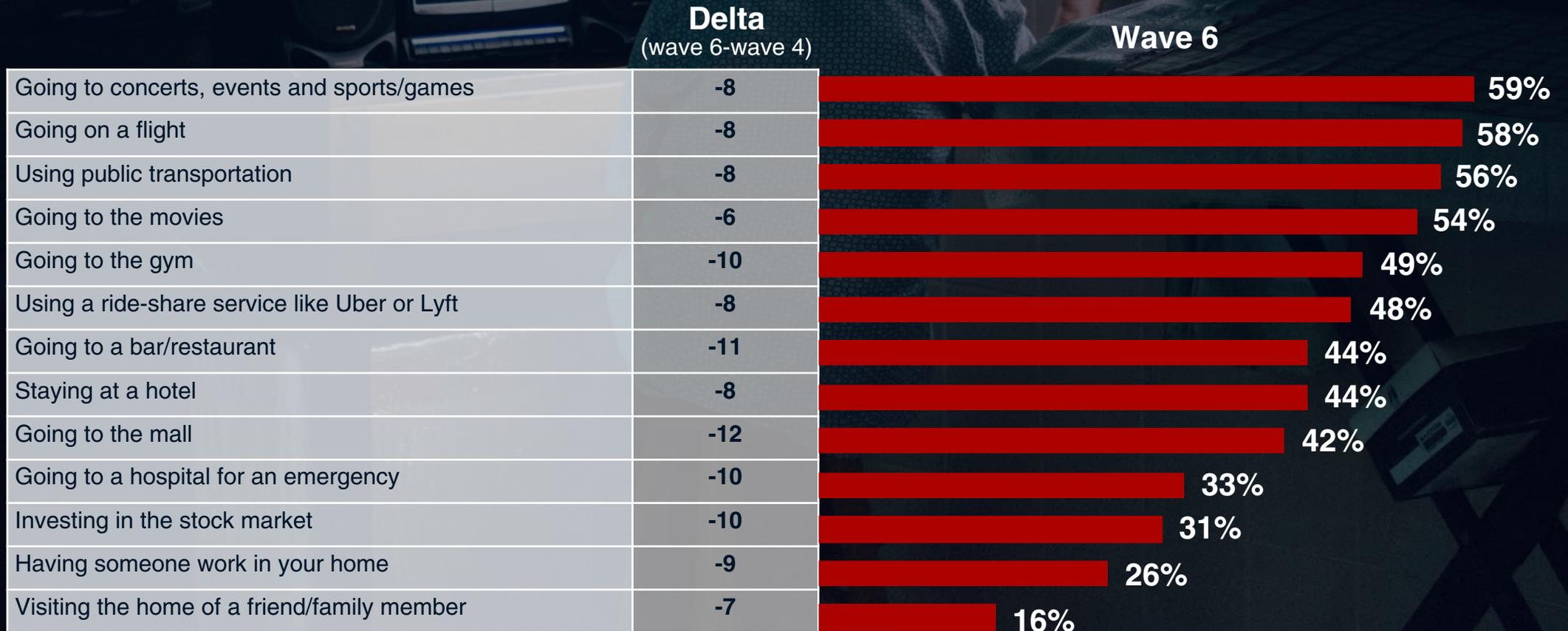
— Lynda, Missouri

“My comfort has increased as the numbers have dropped in Chicago.”

— Sheila, Illinois

...BUT SIGNIFICANT RESIDUAL FEARS REMAIN

The number of Americans feeling “extremely worried” about everyday activities **declined significantly** from late May to early June in 18 out of 22 categories. Despite the drops, however, almost half of Americans are for example still “extremely worried” about going to a restaurant or bar. This means there’s still work ahead for brands to reduce residual fears and get closer to pre-COVID levels of consumer engagement.



DECREASING FEARS DON'T GUARANTEE A QUICK REBOUND

In fact, consumers are very aware of this long road ahead, with a majority feeling an overall weariness about the re-opening.

66%

say life won't completely return to normal until there is a cure or a vaccine

68%

say it will take a long time (if ever) for life to return to normal

56%

say it is too early to reopen the economy in their area

“Until we have more clarity on COVID and there's a vaccine and a way to treat it, we'll never have peace of mind about it.”

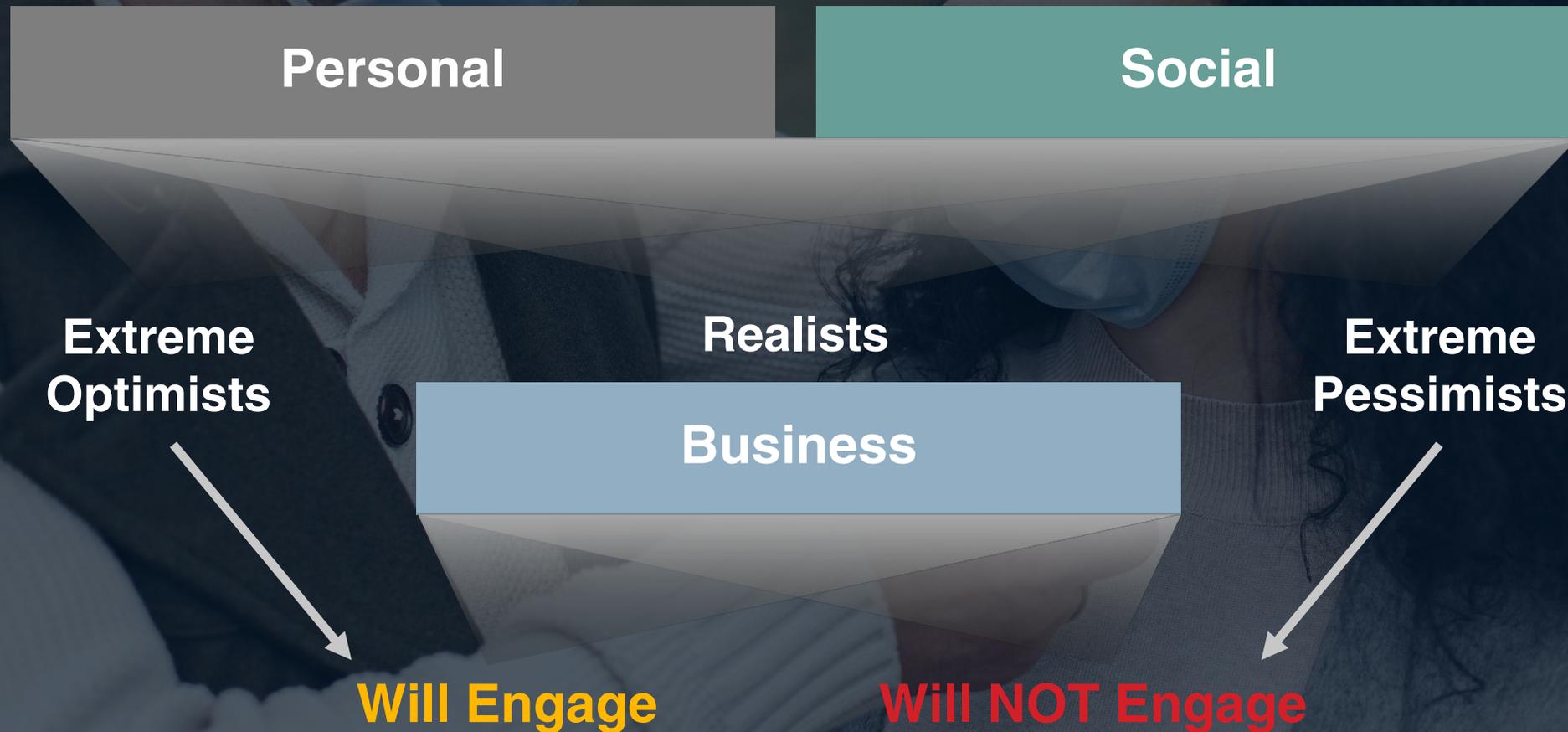
— Jennifer, Georgia

“To feel comfortable I'll need a vaccine and to see the numbers going down”

— Lynda, Missouri

THE KELTON REBOUND FRAMEWORK

In our last report, we shared which components go into consumers' decision to engage — or not engage — in everyday activities again (taking flights, going to restaurants, shopping in store, etc.). With data from our two most recent survey waves, we went about quantifying this framework and looking for meaningful dynamics.



CONSUMERS' SOCIAL BUBBLE IS THE CRUCIAL REBOUND ENGAGEMENT DRIVER

As it turns out, how socially acceptable or unacceptable consumers think it would currently be for people in their community to return to local businesses is the single biggest driver of such behavior. Based on this finding, brands should ask themselves how they can impact and tap into such strong, local community feelings.

Predictive Power (share of explained variance) of **Social Acceptance** based on Regression Analysis on likelihood to...

Go to a Restaurant to dine in

45%

Go to the Movies

38%

Shop in-store at a big box retail store

49%

Go to Concerts, Events, and Sports/Games

42%

A CONFLUENCE OF CRISES

I'M SORRY
WE HAVE
FAILED YOU

BLACK
LIVES
MATTER

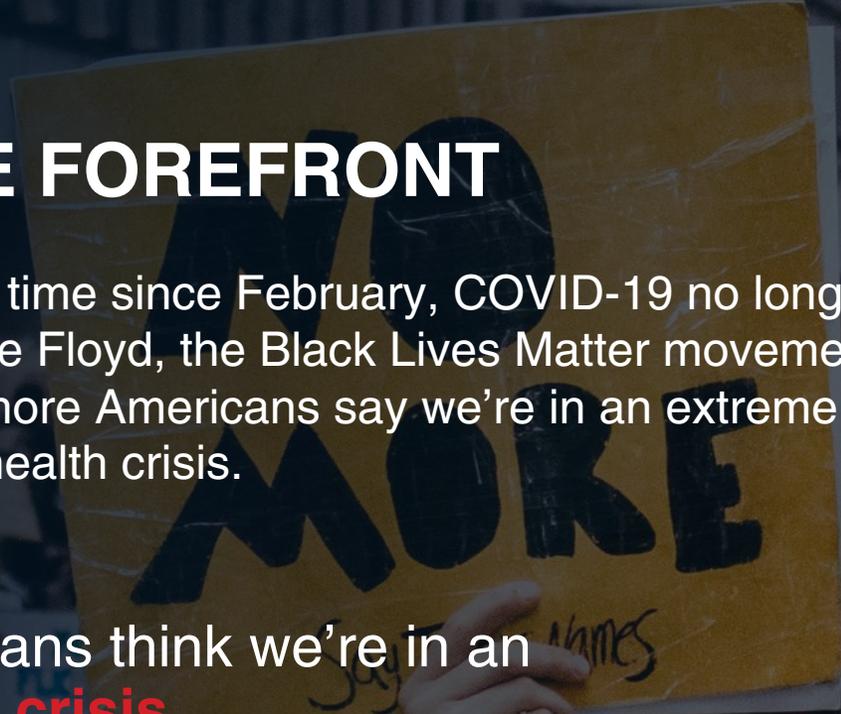
MAKE
RACISTS
AFRAID

SPREAD
LOVE

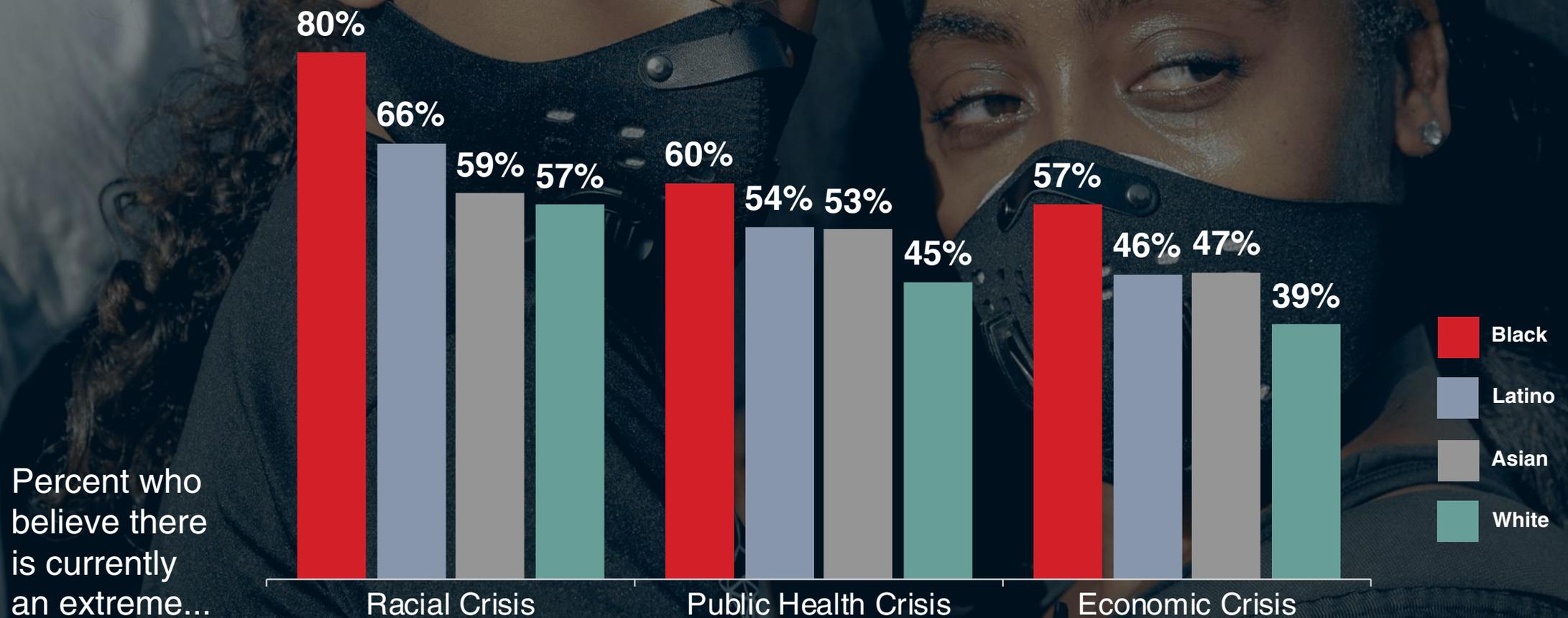
BLM AT THE FOREFRONT

For perhaps the first time since February, COVID-19 no longer has our undivided attention. Sparked by the murder of George Floyd, the Black Lives Matter movement has gained incredible momentum in just a few weeks. In fact, more Americans say we're in an extreme racial crisis than say we're in an extreme economic or public health crisis.

- 61% of Americans think we're in an extreme **racial crisis**
- 49% of Americans think we're in an extreme **public health crisis**
- 43% of Americans think we're in an extreme **economic crisis**



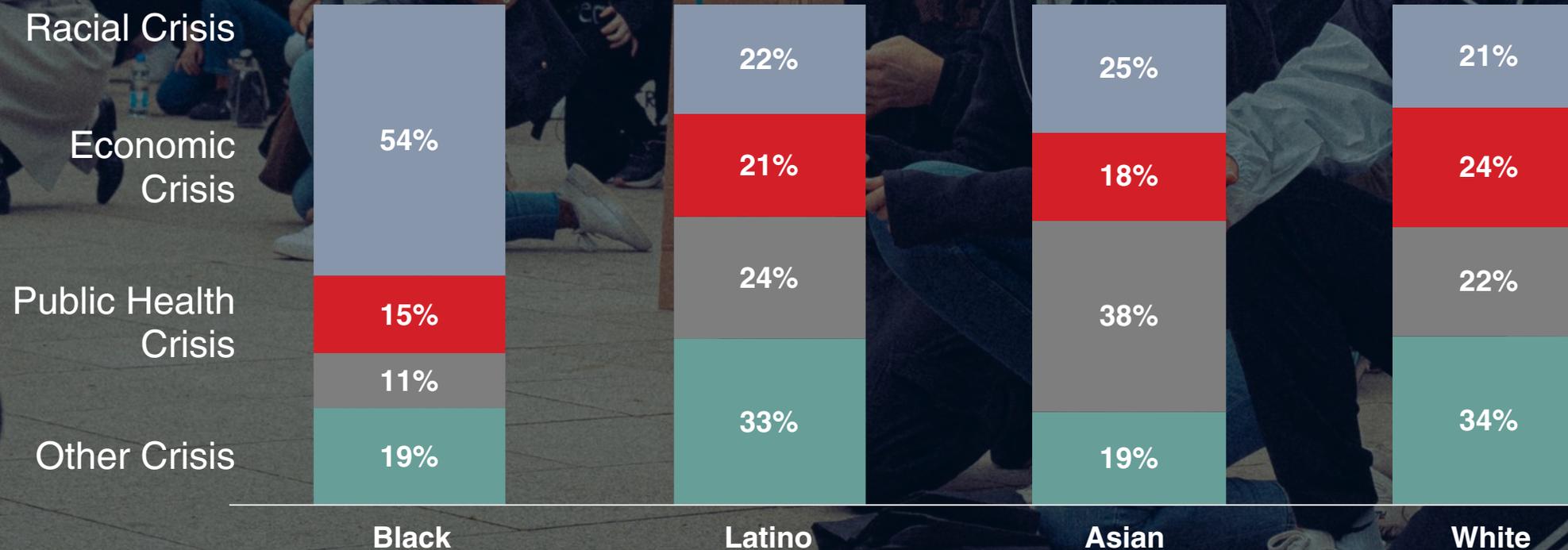
BUT AMERICANS ARE EXPERIENCING THESE CRISES DIFFERENTLY



PRIORITIZATION OF CRISES VARIES TOO

Black Americans see the racial crisis as most concerning by a very significant margin, whereas Asian Americans see the public health crisis as most concerning, and White and Latino Americans are each split among the crises.

Percent who are **most** concerned with each crisis
Among Americans who believe their country is in crisis



A WAVE OF ACTION

In the midst of this historic moment, we've seen a surge of people getting involved in their communities and taking actions to demand change. **44%** of Americans say they've **taken an action** including registering to vote, protesting, contacting public officials, or donating money to non-profits or charities.

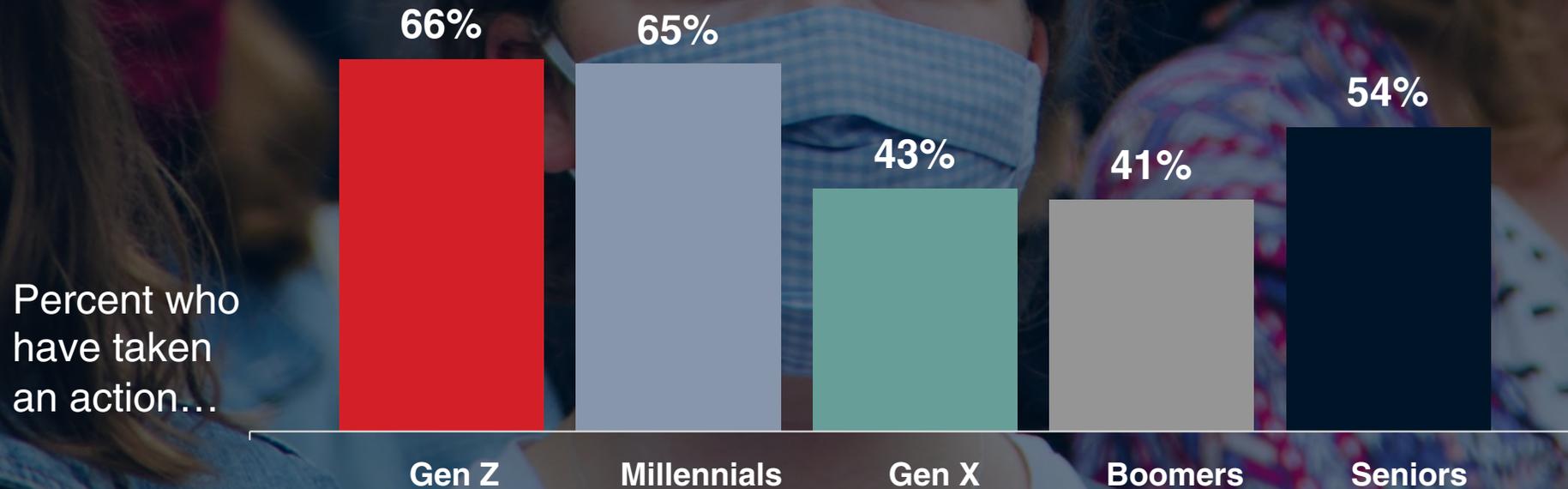
"I've been donating and talking to friends and family more...the notion of defunding the police and what that means is a new notion to me so now is a good time to bring it up with family and friends and figure that out together."

— Sheila, Illinois



YOUNG AMERICANS LEAD THE CHARGE

While younger people in the US have historically been less civically engaged than older people, in the past few weeks we've seen a surge of civic engagement from young people in particular. For example, while only 8% of Americans say they've joined a protest in the past two weeks, 20% of Gen Z and 15% of Millennials have.



A photograph of a man in a red hoodie carrying a young child on his shoulders. They are standing on a sandy beach with the ocean and a forested hill in the background. The man is smiling and looking down at the child. The child is wearing a dark puffer jacket and sneakers. The overall mood is warm and affectionate.

EVOLVING YOUR BRAND TONE

Looking at campaigns of the past to better weather the challenges ahead

We set out to pinpoint the benefits of **striking the right brand tone** in times of crisis to create a set of “levers” for effective communication (knowing that every brand is different). To do this, we took the “outside-in” view, reviewing media coverage of ads that came out following a crisis — from 9/11 to the Parkland shooting and Hurricane Katrina — to see how they impacted brands.





Three ways the right tonality can help you communicate effectively in times of crisis:

1. HUMANIZE YOUR BRAND

2. REBUILD TRUST

3. SHOWCASE AUTHORITY

The right tonality can HUMANIZE YOUR BRAND

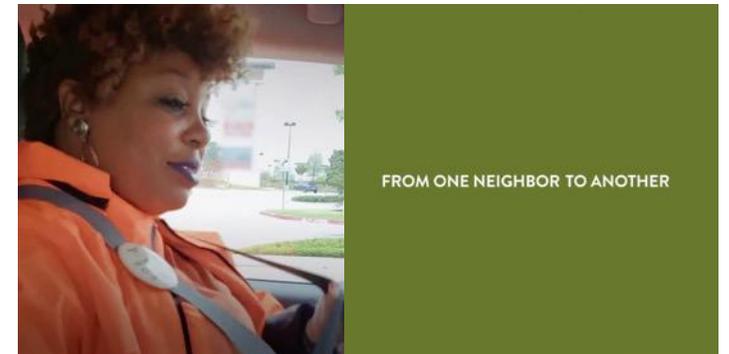
The right communication style can reassure consumers that brands are a part of the community, and understand the hardships in a deep and empathetic way.

- **9/11 and Bark Box**

On the anniversary of 9/11, **BarkBox** created a marketing campaign called “Dog’s Best Day,” focused on telling the story of the last known surviving rescue dog from the 9/11 attacks.

- **COVID and Panera ‘One Neighbor to Another’**

More recently, during the COVID lockdown, **Panera** launched their “From One Neighbor to Another” campaign, highlighting their delivery drivers as key essential workers providing food for those who can’t leave their homes.



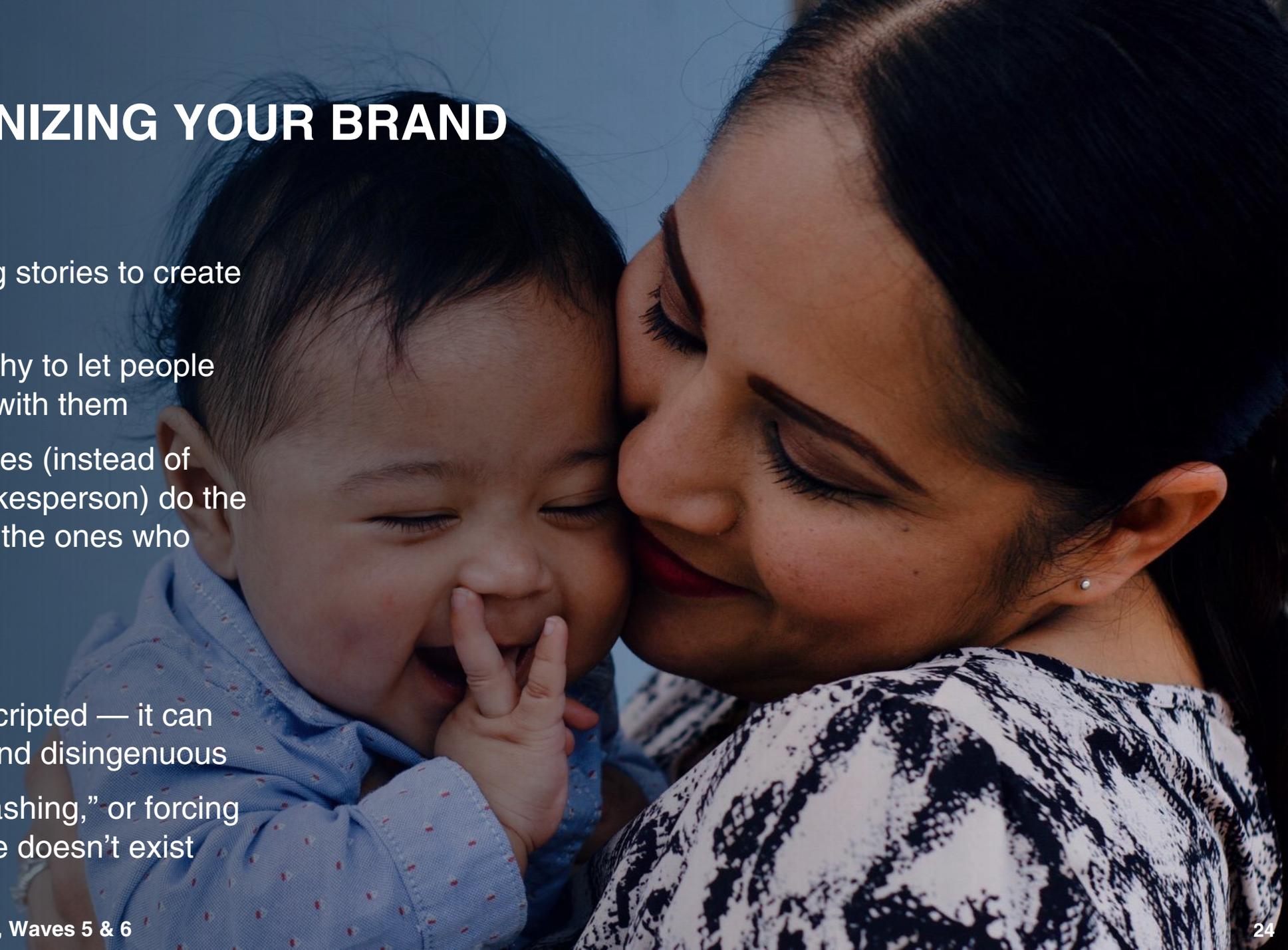
How: HUMANIZING YOUR BRAND

IMPLICATIONS:

- Highlight inspiring stories to create understanding
- Showcase empathy to let people know you're in it with them
- Let your employees (instead of your CEO or spokesperson) do the talking — they're the ones who drive your brand

WATCHOUTS:

- Don't be overly scripted — it can feel inauthentic and disingenuous
- Avoid “human-washing,” or forcing a story where one doesn't exist



The right tonality can REBUILD TRUST

When the basic feeling of safety is shattered, brands can step in to assure consumers that things will be ok.

- **Hurricane Katrina and Windsor Court Hotel**

Post-Katrina, **The Windsor Court Hotel** put out ads to bring people back to downtown New Orleans — despite hesitation from the general public — by putting it in a more proactive, socially-responsible tonality.

- **COVID and Delta CareStandard**

More recently, **Delta** released their CareStandard campaign to address changes being made to make travel safer, taking passengers through the new safety procedures put in place to protect them.



How: REBUILD TRUST

IMPLICATIONS:

- Lead by example — messaging must come paired with action
- Focus on the collective in the language you use

WATCHOUTS:

- Don't undermine the seriousness of the situation
- Avoid hypocrisy, denial, and empty words



The right tonality can SHOWCASE AUTHORITY

When trusted brands weigh in with decisive words and values-based action, consumers take note.

- **Parkland Shooting and Dicks Sporting Goods**
Post-Parkland shooting, the first company to restrict sales was **Dick's Sporting Goods**, which not only raised the minimum age for purchasing guns to 21, but announced an immediate halt to the sale of all assault-style rifles, including at its Field & Stream stores.
- **George Floyd Protests and Ben & Jerry's**
In response to the murder of George Floyd, the famously outspoken owners of **Ben and Jerry's** wasted no time issuing a strong statement of outrage, calling for politicians at different levels to enact reform.



How: SHOWCASE AUTHORITY

IMPLICATIONS:

- Speak with gravitas — now's the time for powerful statements
- Be clear and consistent — it's *not* the time to play both sides of an argument
- Lead where it's appropriate — not every brand has a major role to play

WATCHOUTS:

- No participation trophies — don't be the last brand to adopt a stance
- Be prepared for backlash — many of our crises are easily politicized



PAUSE & REFLECT

These are three powerful levers for your business —
which feel right for your brand?

How are **consumers reacting** to your current crisis messaging? Which benefits does your current strategy focus on?

How much **permission do consumers give you** to lead the conversation in times of crisis, vs. showing solidarity?

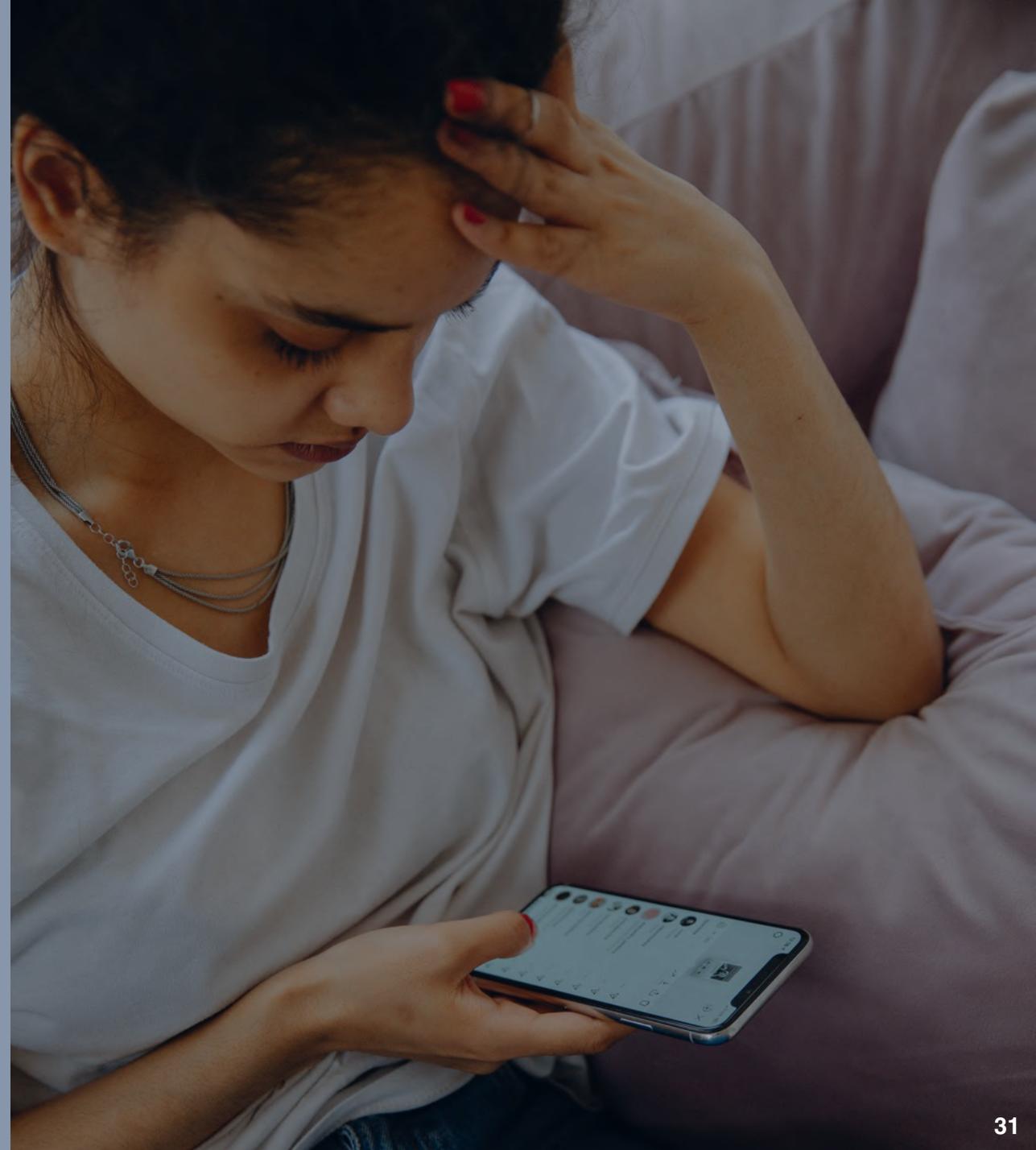
What specific cues are competitors using to **humanize, rebuild trust, and show authority**? How can you adopt a fresh take and avoid cliché?

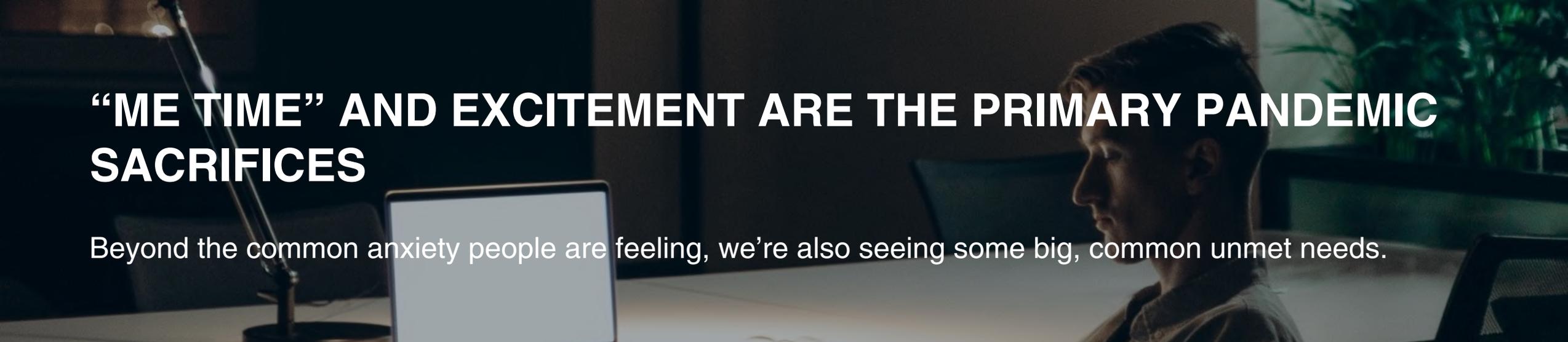
THE NEW SHOPPING EXPERIENCE



WE'RE IN AN AGE OF ANXIETY

- Just as people were beginning to feel more comfortable about the pandemic, **social unrest** was unleashed and triggered people's **underlying anxiety**
- As we spend the next year or more with coronavirus lingering in our psyche, we can expect all other macro events, both large and small, to be met with **heightened reactions** and spikes in uncertainty and anxiety





“ME TIME” AND EXCITEMENT ARE THE PRIMARY PANDEMIC SACRIFICES

Beyond the common anxiety people are feeling, we’re also seeing some big, common unmet needs.

Lack of “me time”: with other people around the clock

“I only go to the store now when my husband can be with the kids. The whole experience of being in my car by myself is heavenly.”

— Melanie, Pennsylvania

Endless monotony: days blend into a mass of sameness

“Life is boring. It’s like Groundhog Day. We have the same 3-4 people we interact with. How many times can you have the same conversations?”

— Brian, California

SHOPPING OCCASIONS AND EMOTIONS HAVE COALESCED INTO ONE: ANXIETY-FILLED MISSIONS

Pre-Pandemic Shopping

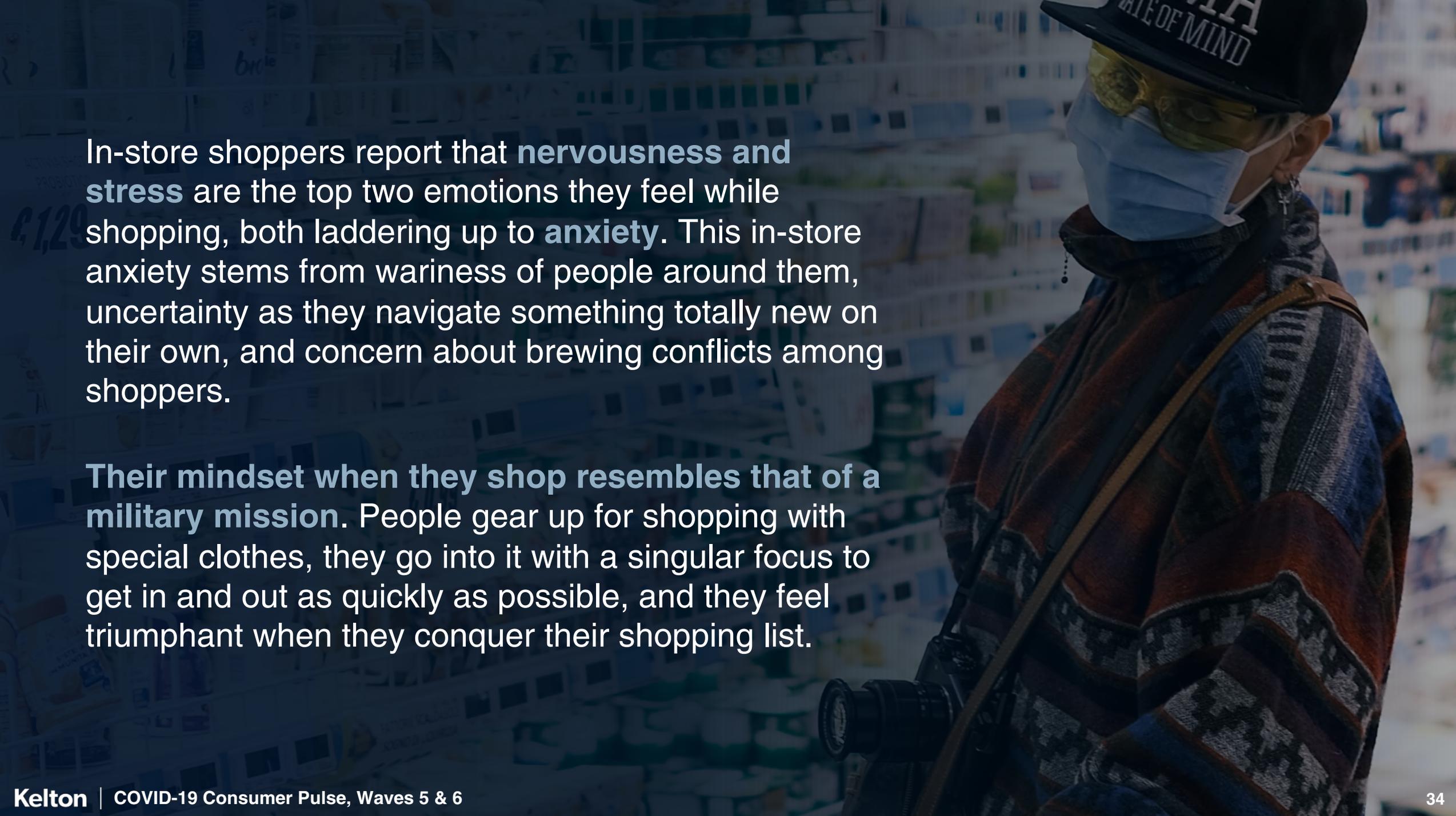
Pandemic Shopping

In & Out
In Control
Weekly Stock Up
Confused
Excited
Social Outing
Energized
Happy
Discovery
Tired
Stressed

Anxiety-filled Missions

■ Occasions ■ Emotions





In-store shoppers report that **nervousness and stress** are the top two emotions they feel while shopping, both ladder up to **anxiety**. This in-store anxiety stems from wariness of people around them, uncertainty as they navigate something totally new on their own, and concern about brewing conflicts among shoppers.

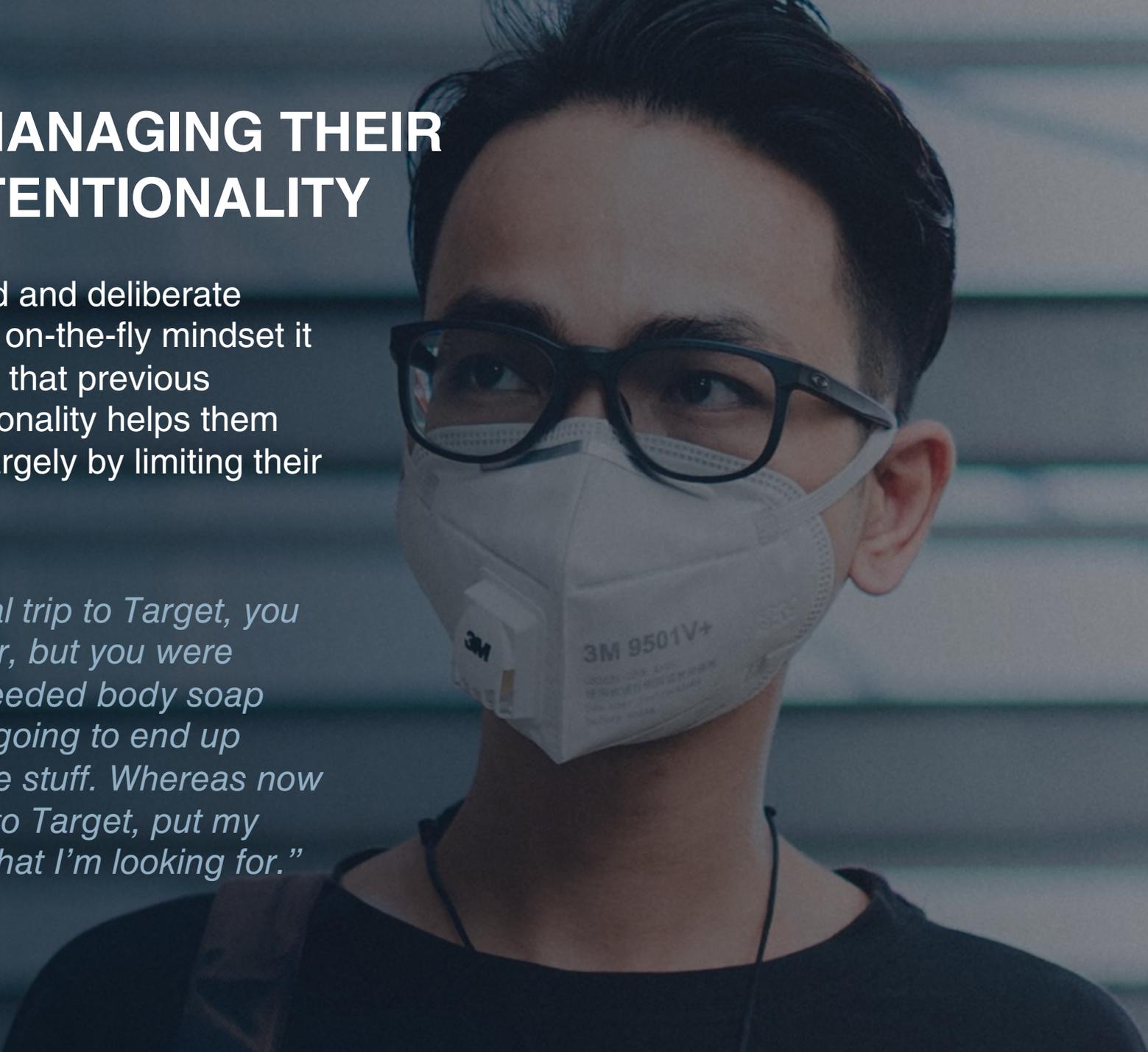
Their mindset when they shop resembles that of a military mission. People gear up for shopping with special clothes, they go into it with a singular focus to get in and out as quickly as possible, and they feel triumphant when they conquer their shopping list.

SHOPPERS ARE MANAGING THEIR ANXIETY WITH INTENTIONALITY

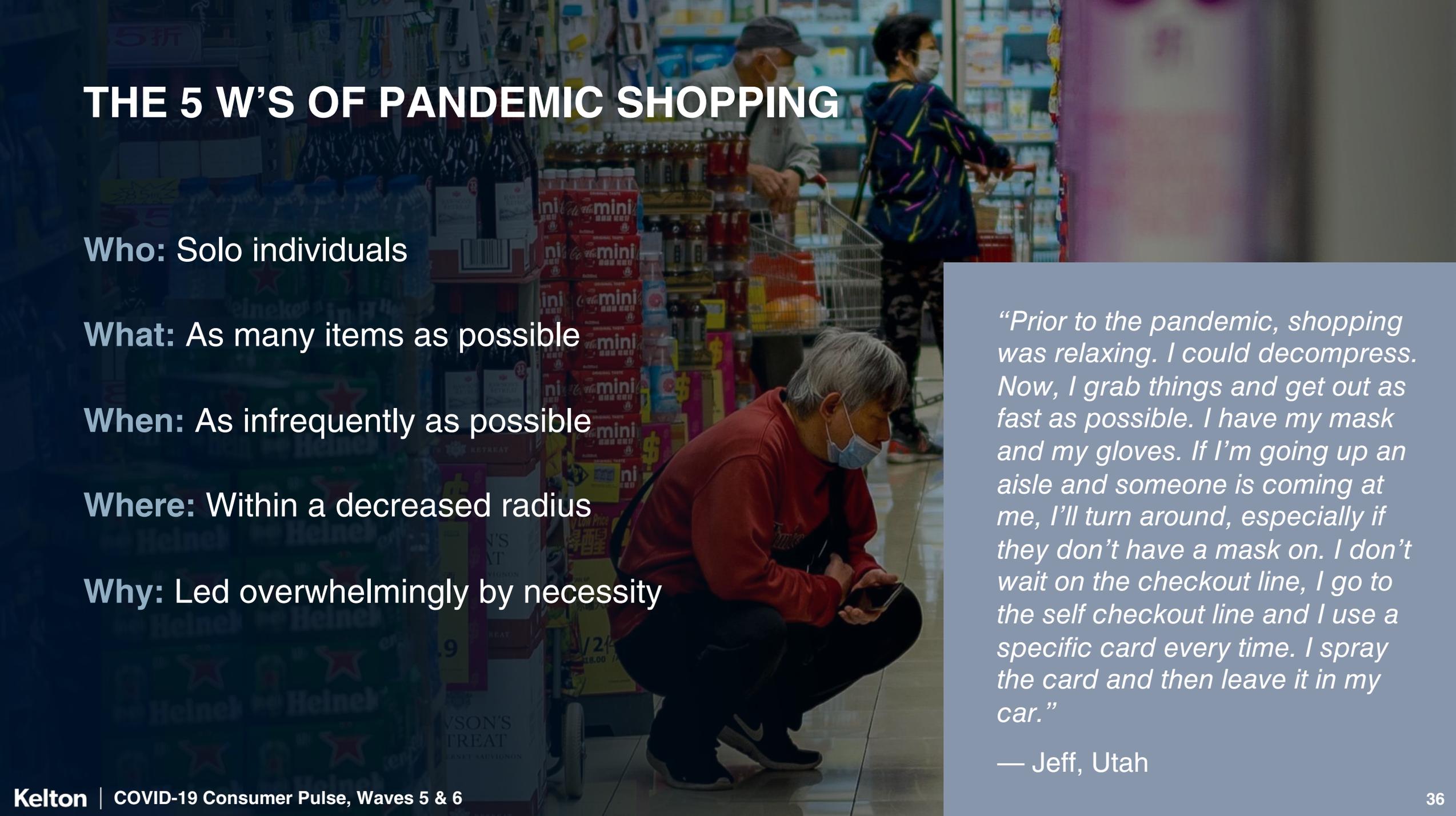
Shopping is now a very planned and deliberate event — it lacks the fluidity and on-the-fly mindset it once had. While shoppers miss that previous spontaneity and fun, this intentionality helps them manage their anxiety in-store largely by limiting their risk of exposure to coronavirus.

“It used to be that with a normal trip to Target, you knew what you were looking for, but you were going to look at everything. I needed body soap and deodorant, but I was also going to end up looking at electronics and home stuff. Whereas now I’m straightforward. I show up to Target, put my mask on, and I know exactly what I’m looking for.”

— Miles, Nebraska



THE 5 W'S OF PANDEMIC SHOPPING



Who: Solo individuals

What: As many items as possible

When: As infrequently as possible

Where: Within a decreased radius

Why: Led overwhelmingly by necessity

“Prior to the pandemic, shopping was relaxing. I could decompress. Now, I grab things and get out as fast as possible. I have my mask and my gloves. If I’m going up an aisle and someone is coming at me, I’ll turn around, especially if they don’t have a mask on. I don’t wait on the checkout line, I go to the self checkout line and I use a specific card every time. I spray the card and then leave it in my car.”

— Jeff, Utah

EXTREME PRESSURE TO MINIMIZE TIME IN-STORE HAS CREATED FUNDAMENTAL CHANGES TO HOW PEOPLE SHOP

- Increased Time & Mindshare in Preparation Mode: **preparation has shifted from ad hoc to essential**
- Scarcity Mindset in Store: **bigger carts due to bulk buying and stocking up**
- “Blinders” While Shopping: **Less browsing, less going outside the aisle of what’s needed**
- Point of Purchase Pressure: **Less lingering, and minimizing exposure to employees and surfaces at check-out**

TAKE A DEEP BREATH — THERE IS SOME GOOD NEWS

- People are more **forgiving** than usual. They think overall, stores are trying to do their best
- People **appreciate in-store employees** more than ever, and recognize their essential role in the pandemic
- People are making space for stores to take on a **community feel**, even large chain stores

“The stores are doing the best they can to ease people’s anxiety. The unfortunate part to them is it is an added expense that they hadn’t been anticipating.”

— Jeff, Utah

7 in 10 shoppers say they “have been feeling more appreciation for store employees than I used to”

Remember To Stay 2 Carts Ap

WITH LITTLE CONSISTENT GUIDANCE ELSEWHERE, PEOPLE ARE LOOKING TO STORES TO BE AUTHORITY FIGURES

- **Reassure** people that it's not all on them individually to navigate this new world
- **Ease tension** over the unpredictability of other shoppers
- Demonstrate that retailers care about their communities and are putting **people ahead of profits**

“If someone else isn't doing the right thing in a store, you have to distance yourself. You have to look out for yourself.”

— Tom, New York

“I want it to be someone's job to enforce the rules — to keep people distanced, to check temperatures, et cetera.”

— Lynda, Missouri

RETHINKING THE FACE OF RETAIL BRANDS

- Shoppers are minimizing contact with employees, but many have a strong desire to interact again, if they could do so safely
- They miss the guidance and recommendations, and even the social interaction, and have a new appreciation for store employees
- This presents an opportunity to rethink the tonality and structure of in-store employees' interactions with shoppers, and to rethink the treatment of in-store employees

PAUSE & REFLECT

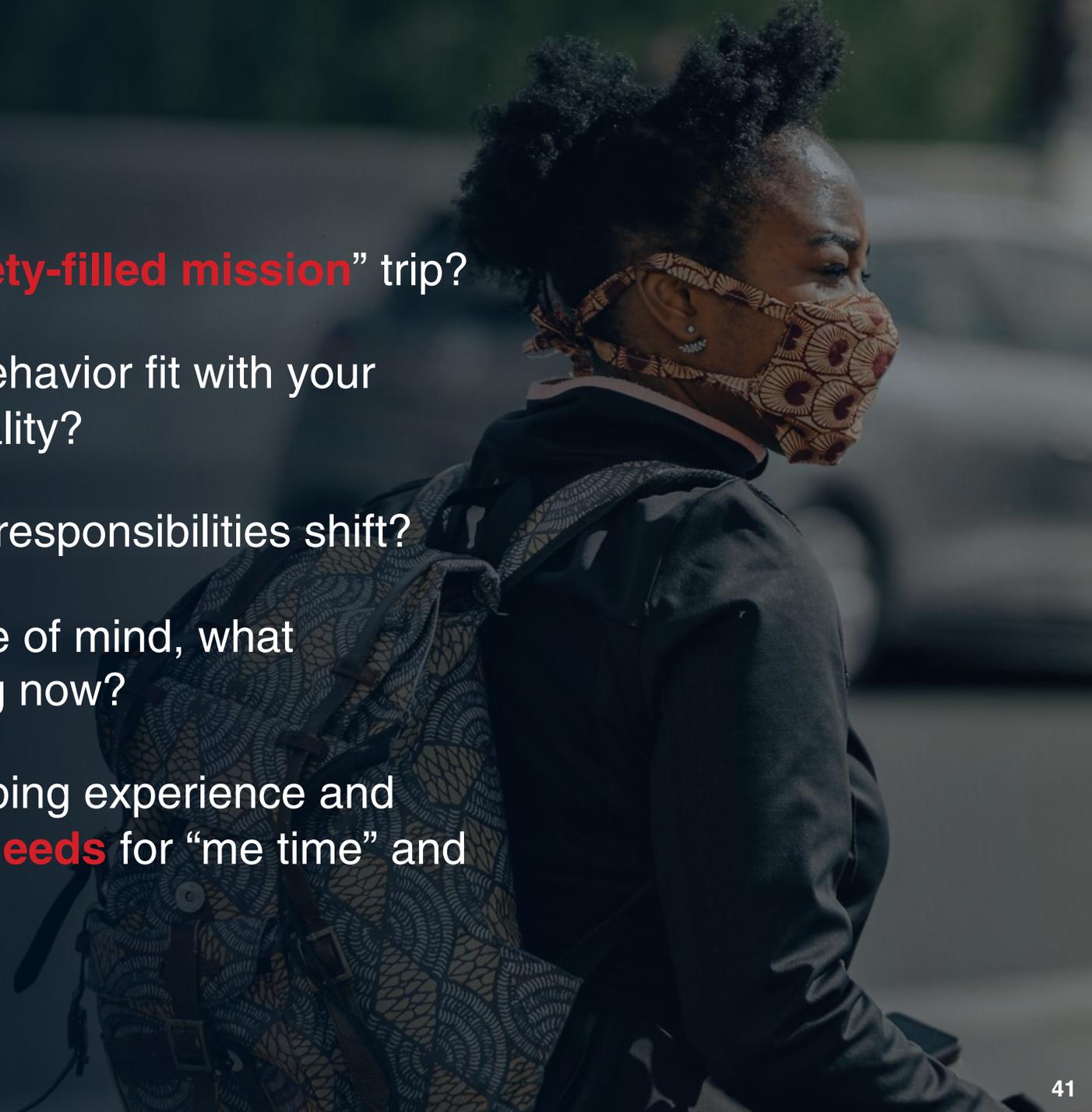
How can you design around the “**anxiety-filled mission**” trip?

How can an **authoritative tone** and behavior fit with your broader brand positioning and personality?

How should “front of house” roles and responsibilities shift?

With shoppers in a more forgiving state of mind, what **innovation initiatives** are you tackling now?

How can you still bring joy to the shopping experience and help **meet shoppers’ mental health needs** for “me time” and “boredom busters”?



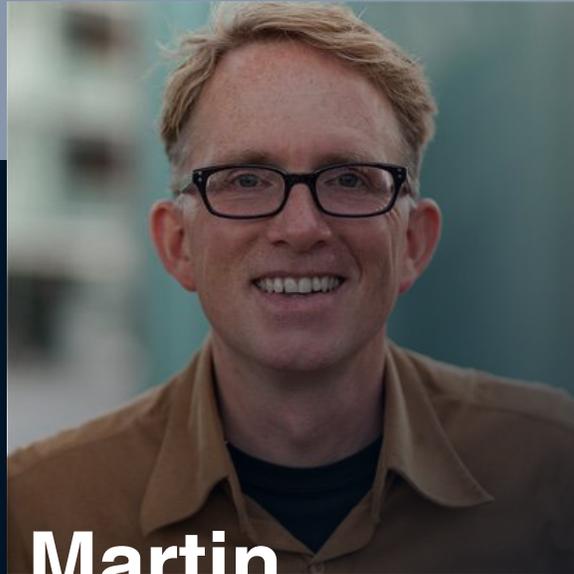
SUMMARY — 3 THINGS TO DO

1. **Get ahead of cultural shifts** — if you were caught on your heels as BLM gained momentum, let that be a lesson, and now scan the culture around you to identify important shifts that you can authentically align with.
2. **Quell shoppers' anxiety**, but don't stop there — differentiate your shopping experience by enabling “me time,” empowering your frontline employees, and providing some excitement in otherwise dreary times.
3. **Be authoritative** — in stores and beyond, consumers are starved for guidance and leadership, and crave decisive words and actions.



Questions about how your brand can strike the right tone?
Looking for strategies to adapt to consumers' new shopping experience?
Drop us a line. We'd love to help.

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