

# AFFLUENT CONSUMERS DURING COVID: HOW BRANDS CAN FULFILL THEIR PENT-UP DEMAND

**Ipsos Affluent Intelligence**

**CLOSED**  
DUE TO  
**CORONAVIRUS**

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# Affluent consumers are more “crisis-proof” than the general population

They're **more insulated** from economic downturns  
and are **faster to rebound** than the general  
population

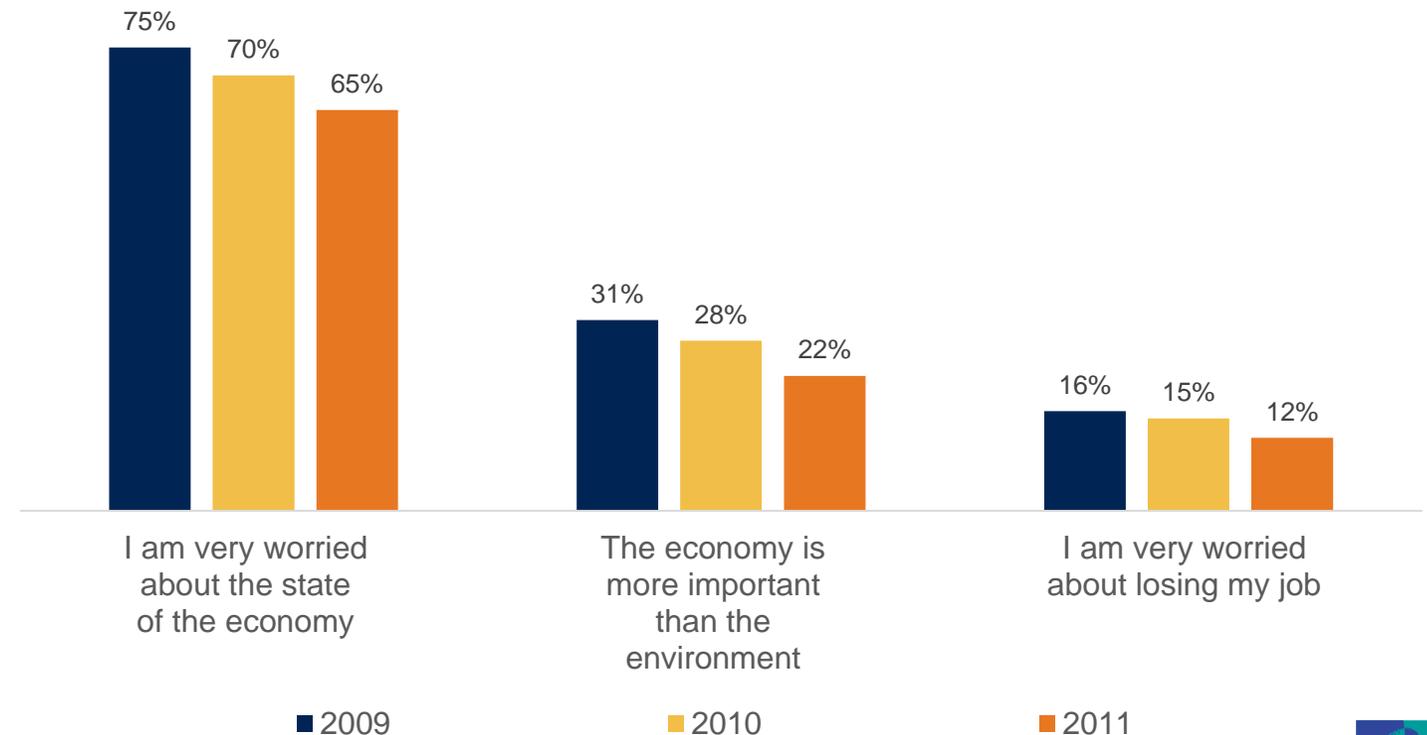




## Yet affluent consumers experience economic anxieties just as everyone else does

*And they can last for years, post-crisis, as they did post the Great Recession*

Affluent Top-2 Box Agreement on Key Attributes  
2009 to 2011

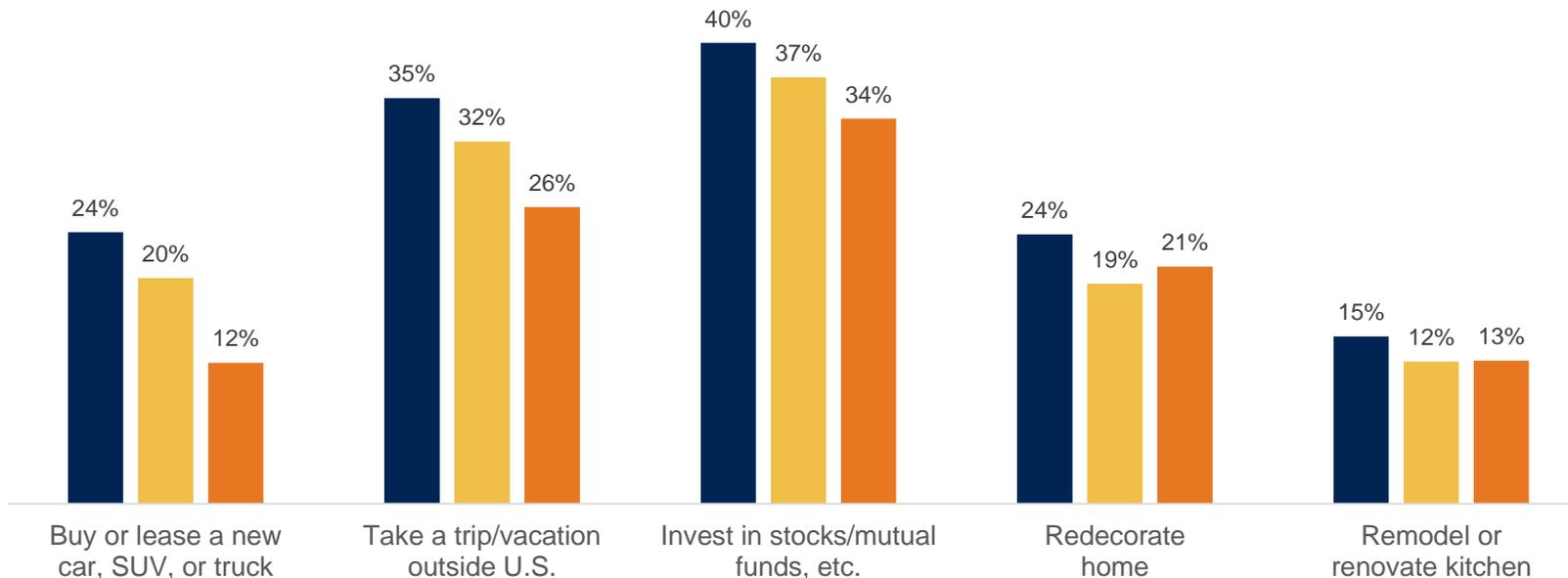


Source: Q2 2009 – Q2 2011 Ipsos Affluent Survey

# Affluent intent to purchase in many industries took several years to come back, post-Great Recession

*Economic reverberations on Affluent caused some categories, from auto to travel to home, to suffer diminished demand for several years post-recession*

Future Intentions of Household  
2008 to 2011

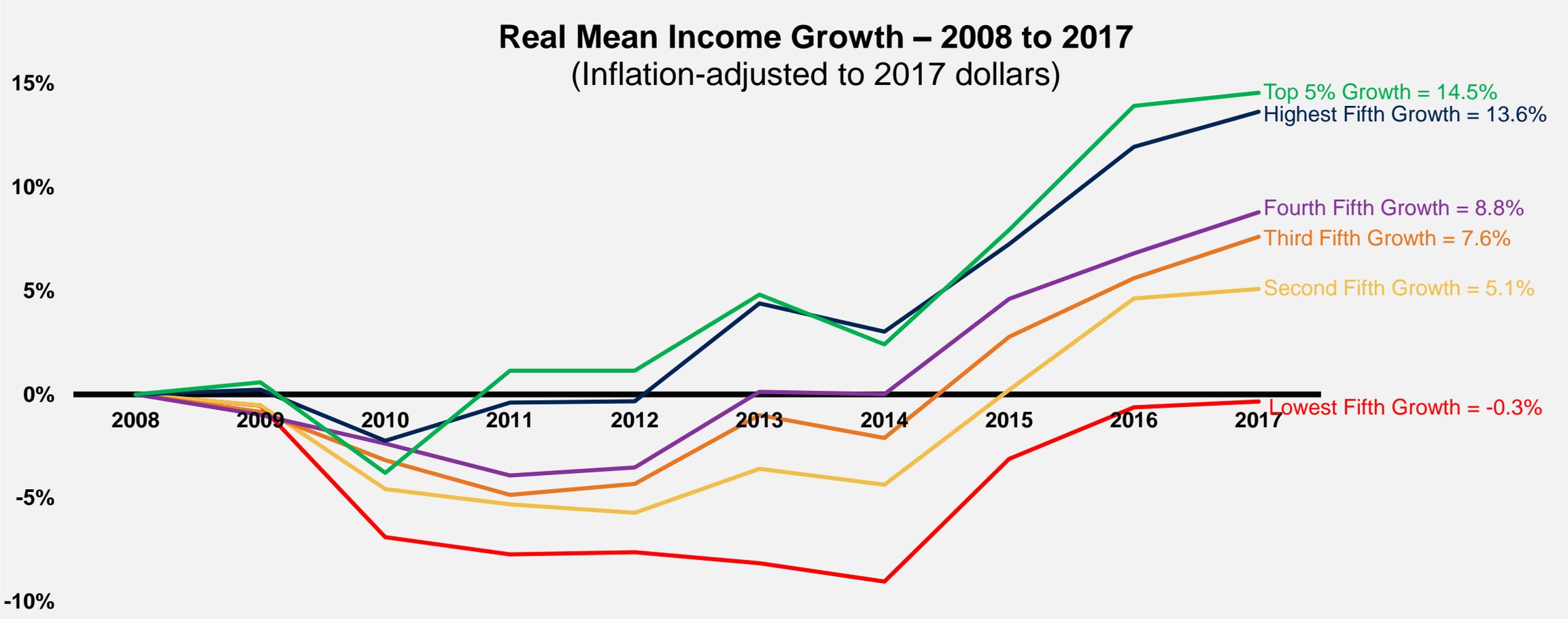


Category expenditure data shows some categories declined more and didn't rebound as quickly as others:

- Home
- Apparel
- Travel

# Affluents are nevertheless better able to weather and bounce back from crises

After an initial hit, affluent consumers bounced back more quickly and have experienced the most growth of entire population since Great Recession

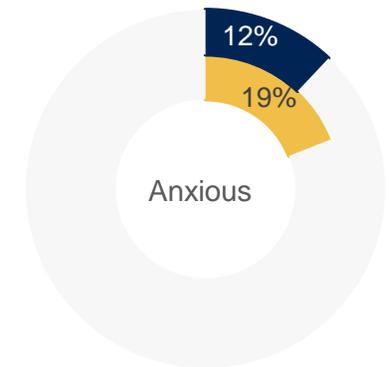
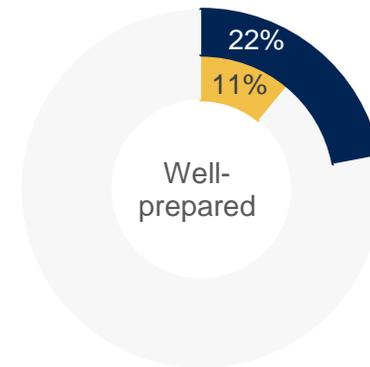
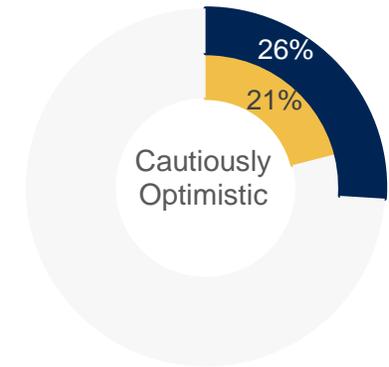
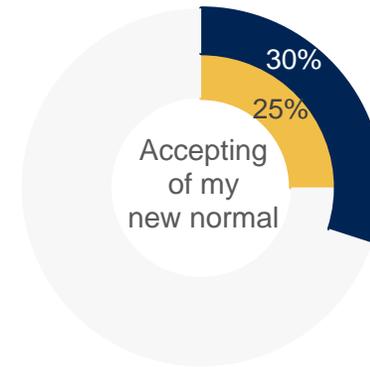
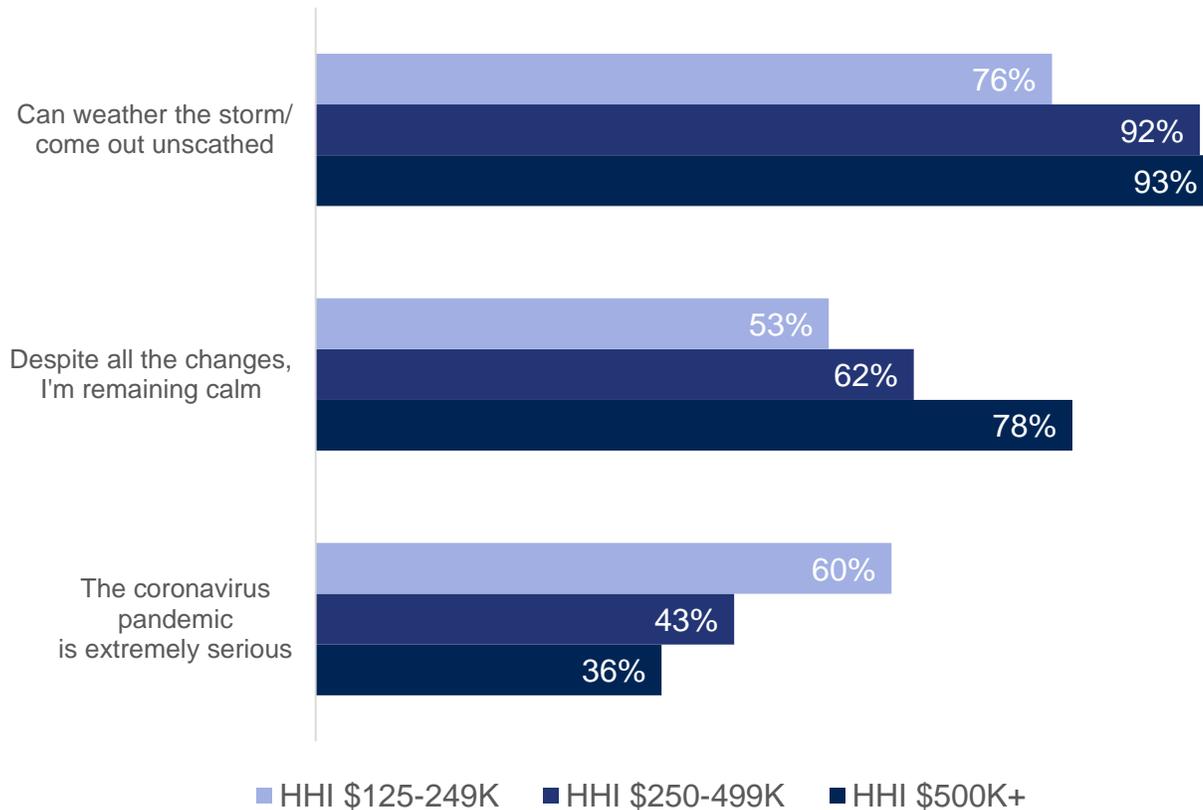


Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements



# During the current COVID-19 crisis, Affluent are staying calm, especially the ultra-affluent

Those with highest incomes/greatest financial strength are feeling overall less anxious, concerned and are prepared to weather the storm. They also show preparation and cautious optimism.

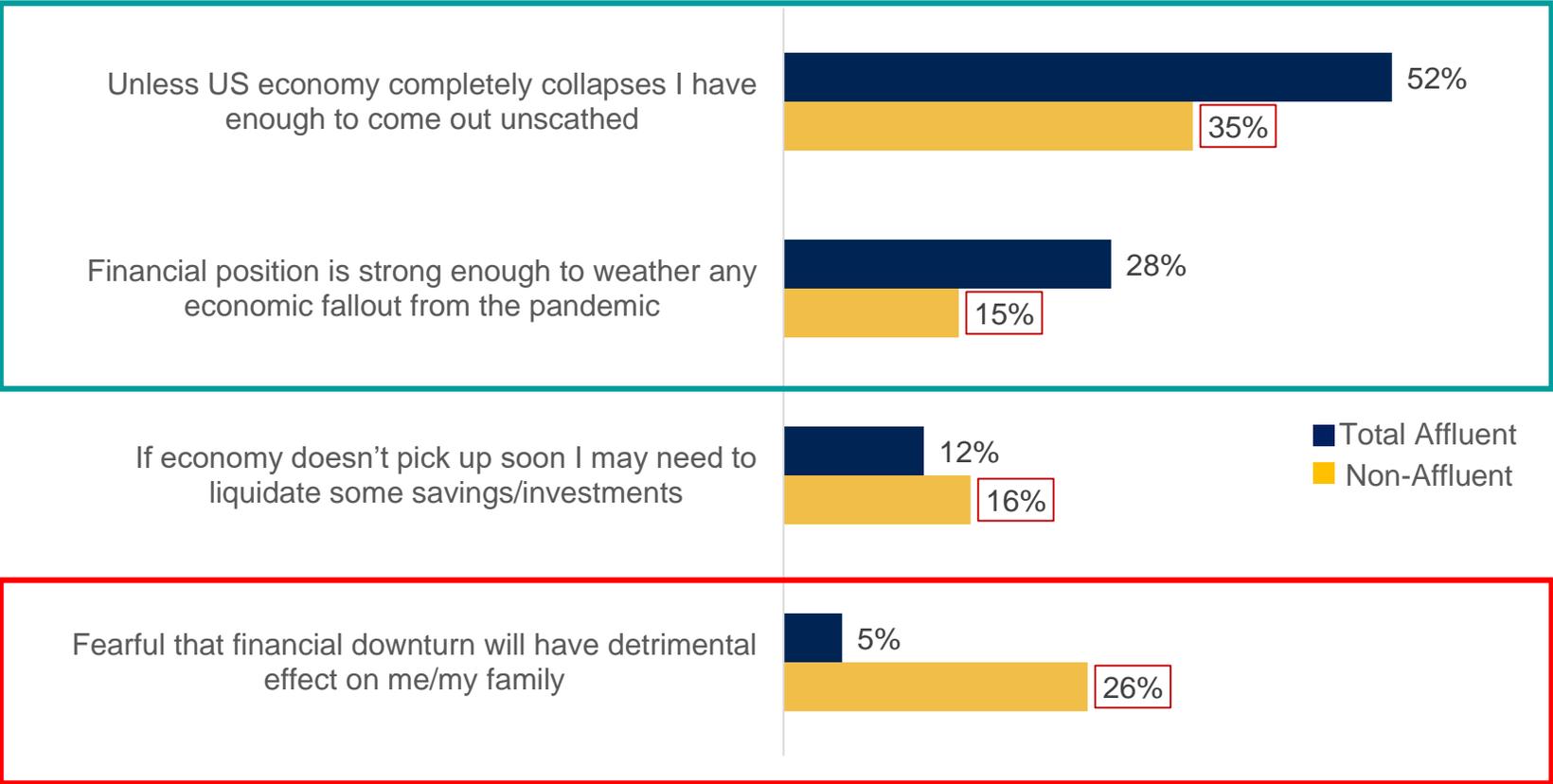


■ Affluent ■ Non-Affluent

# Affluents are strongly positioned to weather the C-19 storm

4 in 5 believe they can weather the pandemic/come out unscathed, compared to just 50% of Non-Affluent. In addition, Non-Affluent 5x more likely to be fearful of a detrimental effect

## Pandemic Financial Preparedness: Affluent vs. Non-Affluent



## **Affluents also more likely to be continuing to spend/invest during the crisis**

Their economic strength and overall confidence has them continuing to engage in the economy more than others. Non-Affluent also much more likely to no longer make those purchases they delayed during the pandemic.

Affluent are...

**1.6x**

more likely to say now is a great time to invest/buy stocks than non-affluent.

**1.5x**

more likely to say they're ordering more take-out/delivery than non-affluent.

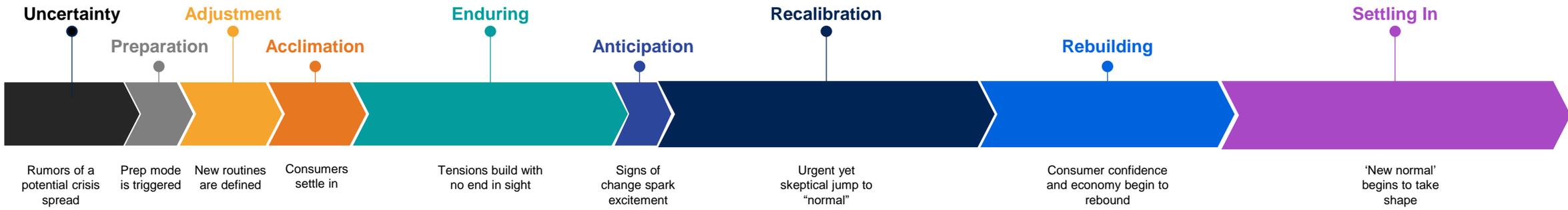
**2.5x**

more likely to say they've bought more alcoholic beverages than non-affluent.



# Affluent consumers have moved into a more progressed stage of the COVID Emotional Journey

*Beyond initial stages of grappling with and settling into new routines and moving on to anticipating what's next*



# Nevertheless, there is not a single, monolithic Affluent set of attitudes

Dualities and contradictions are evident across the affluent audiences and across time. It's important to understand these differences and nuances

**More Aggressive**

investment approach

**+5%**

2Q vs. 1Q 2020

**and**

**More Conservative**

investment approach

**+40%**

2Q vs. 1Q 2020

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**Optimistic**

about US Economy

**37%**

2Q 2020

**and**

**Pessimistic**

about US Economy

**42%**

2Q 2020

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**36% Agree**

**and**

**39% Disagree**

“Think that things will never get back to normal and that our lives are changed forever”

# Implications: Affluents represent a material opportunity target for marketers during and immediately after the coronavirus crisis

However, it's important they truly understand the nuances of the audience and their varied mindsets. Be careful not to communicate to someone seeking financial safety with a message about a risk-laden opportunity, or vice versa.

Brands need to have solutions and engagement opportunities that fit both the anxious and the calm sides of the affluent audience – and ensure they are targeted as best as possible.

It's important to uncover insights into affluent consumers during this phase of their journey. Monitoring customer behaviors during times of upheaval can reveal short term wins (e.g., innovations, messaging) for companies and brands to stay in step with customers. And, it sets the foundation for identifying the emerging behaviors and attitudes that will have lasting impacts.





# **Affluent purchase dynamics evolving through COVID-19 crisis**

# The “Unattainable Effect”

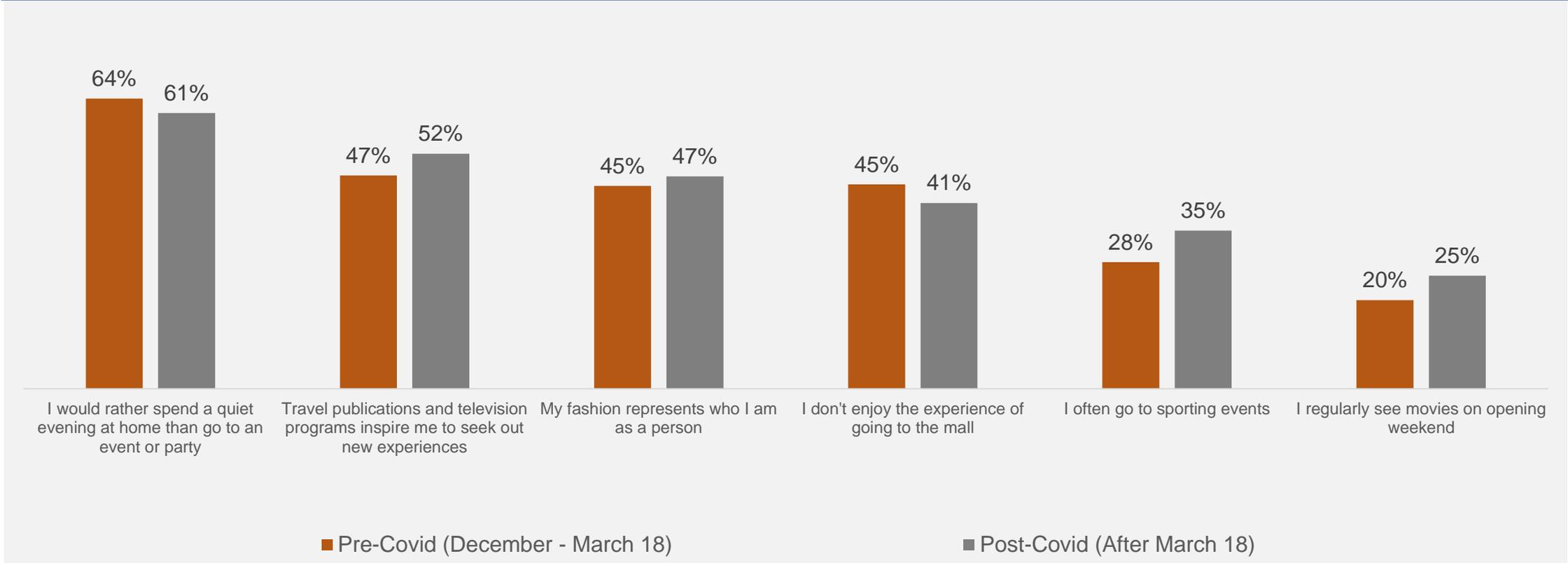
A key difference between the Coronavirus crisis and other financial crises is that the current one is **literally and physically preventing consumers from purchasing or experiencing**. This appears to be driving up both interest and demand among affluent consumers in many categories.



# Affluents showing a growing interest across a variety of “Unattainable” dimensions

Increasing number of affluent consumers saying they enjoy the types of things they can't do right now – with fewer saying they dislike things like parties and malls

Affluent Top-2 Box Agreement on Key Attributes



Source: Ipsos Affluent Survey, December 2019 – April 2020

# For the Affluent, plans for future purchase have increased across a number of categories

*Pent-up demand is forming around things Affluents want to buy but cannot*



**63%**

Plan to or have rescheduled a trip  
VS 39% Non-Affluents



**34%**

Plan to buy/lease a new vehicle  
during/post pandemic\*  
VS 28% Pre-Pandemic



**42%**

Plan to redecorate/remodel/renovate  
home during/post pandemic\*  
VS 36% Pre-Pandemic



**34%**

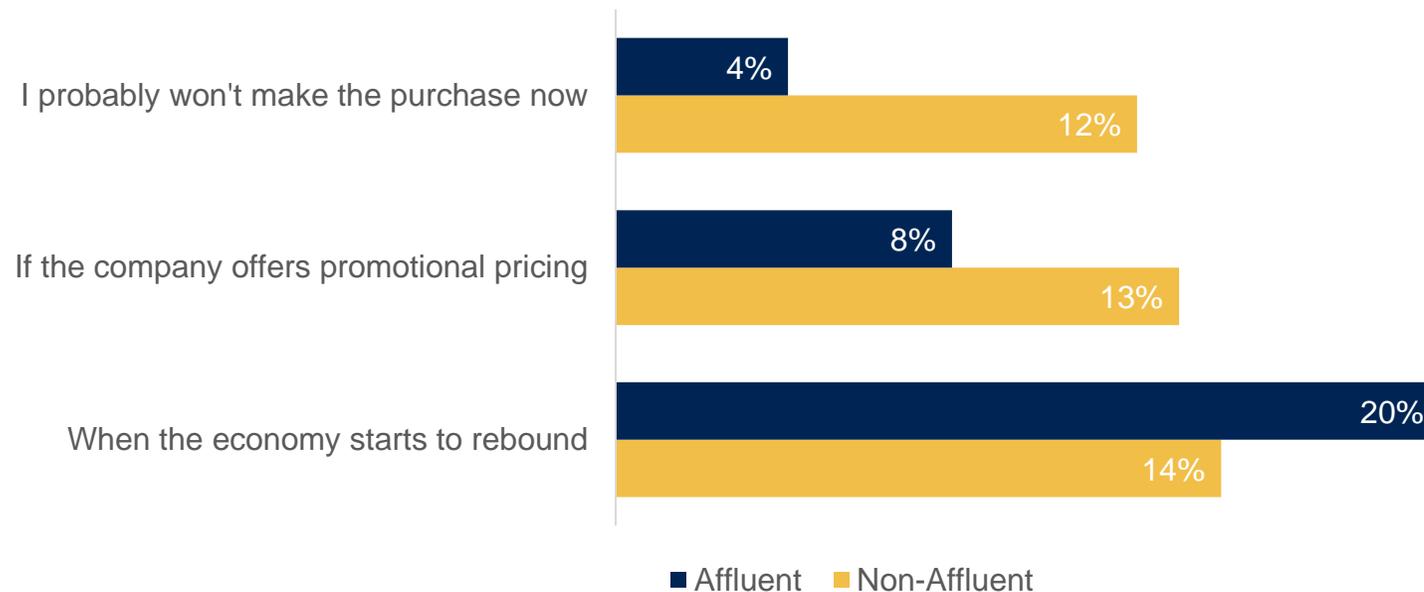
Plan to buy sporting equipment  
during/post pandemic\*  
VS 27% Pre-Pandemic

Source: Ipsos Affluent Survey, December 2019 – April 2020

# While all consumers say they've delayed purchases, Non-Affluent more likely to wait for promotional pricing – or just not make the purchase at all

*Affluent awaiting signals for start of economic rebound to make delayed purchases*

*What do you think will make you comfortable enough to make the major purchases that you've cancelled or delayed?*



# Lower anxiety, plus anticipation and restlessness, are leading Affluent to desire to go shopping again



What do you miss most?

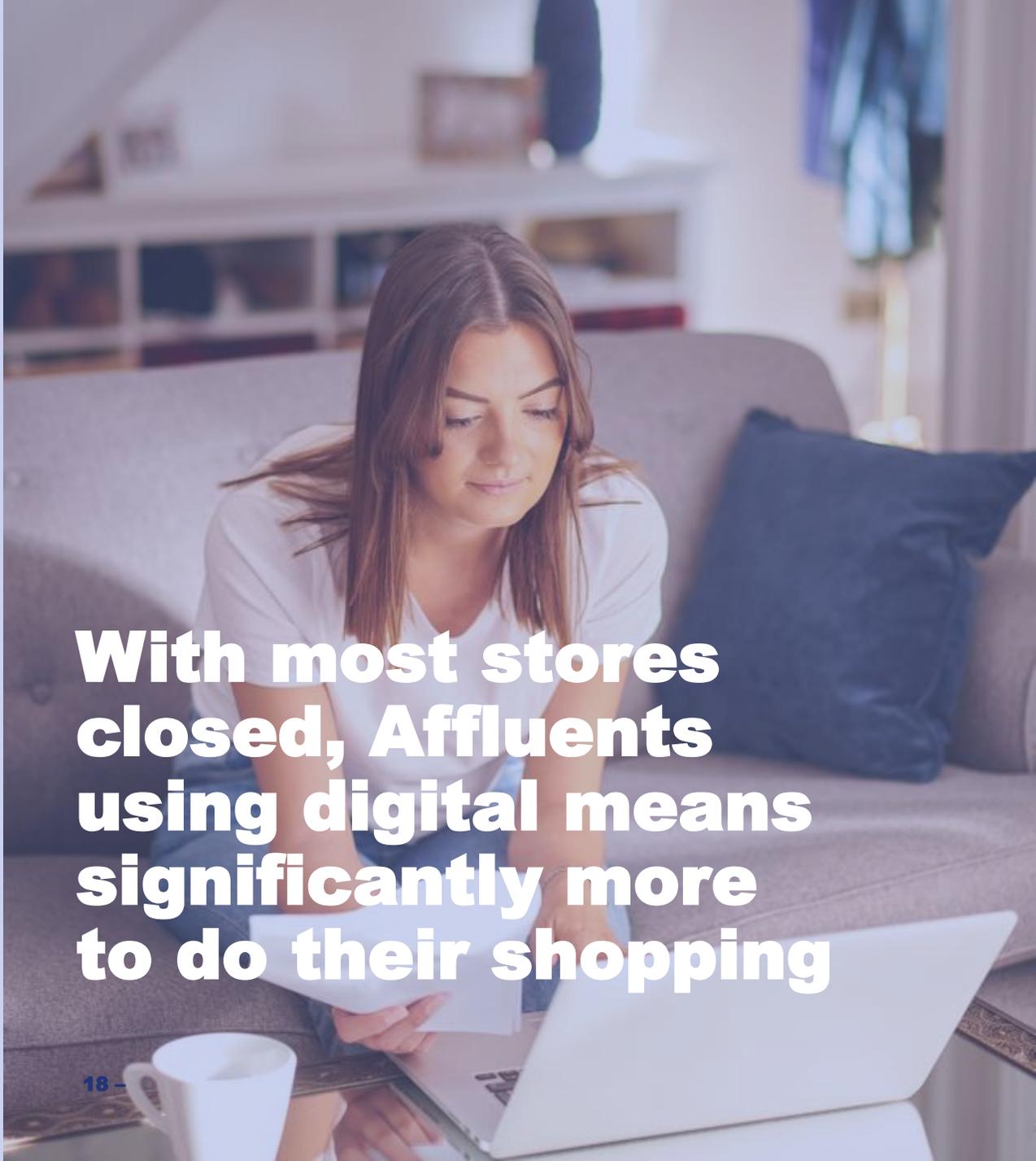
**“Going out, eating, shopping...”**

*59-year old female*

**43%**

of Affluents feeling claustrophobic and cooped up



A woman with long brown hair is sitting on a grey sofa in a living room. She is wearing a white t-shirt and blue jeans. She is looking down at a white laptop on her lap, which is open. She is also holding a white piece of paper in her left hand. In the foreground, there is a white mug on a small table. The background shows a bookshelf and a coat rack with a blue jacket hanging on it.

**With most stores closed, Affluents using digital means significantly more to do their shopping**

**+8%**

increase in Affluent's amount of time using the internet since lockdown

**+19%**

increase in Affluents' 'liking' brands/products since lockdown

**+19%**

increase in Affluents' amount of time using social media since lockdown

# Implications: Brands and marketers need to understand the new dynamics in the paths to purchase for their categories

It is clear that the digital channel's role in discovery, inspiration and research has only been accelerated during a time where brick-and-mortar channels are closed to consumers – thus brands need to provide more digital shopping tools and experiences that parallel that growth and feed consumers suffering from the “Unattainable Effect.”

Data also shows the rising importance of social media for all consumers, especially affluent ones. Brands should find ways to leverage it for engagement, recommendations, and influence.

Remember that many affluent consumers are aching to go back out and shop/visit the mall, as soon as the restrictions are lifted. It's important to leverage an omni-channel approach to transition/link brand relationships from digital to physical channels. In addition, the initial in-store experiences will be critical, as bad ones may accelerate a move away from brick-and-mortar stores.

Finally, brands will need to ensure consumers feel safe visiting their stores upon re-opening them. Sanitization, appropriate distancing and other actions will likely remain important for some time.

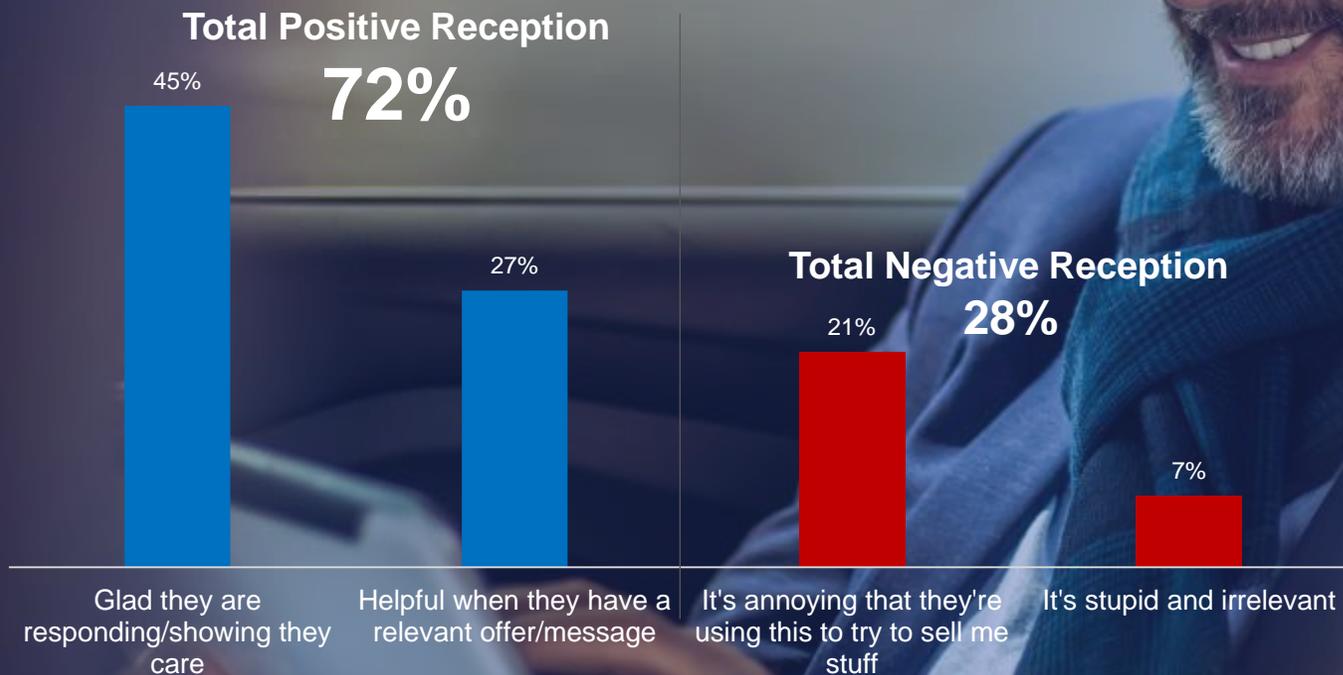


# An invitation for brands

With a caveat

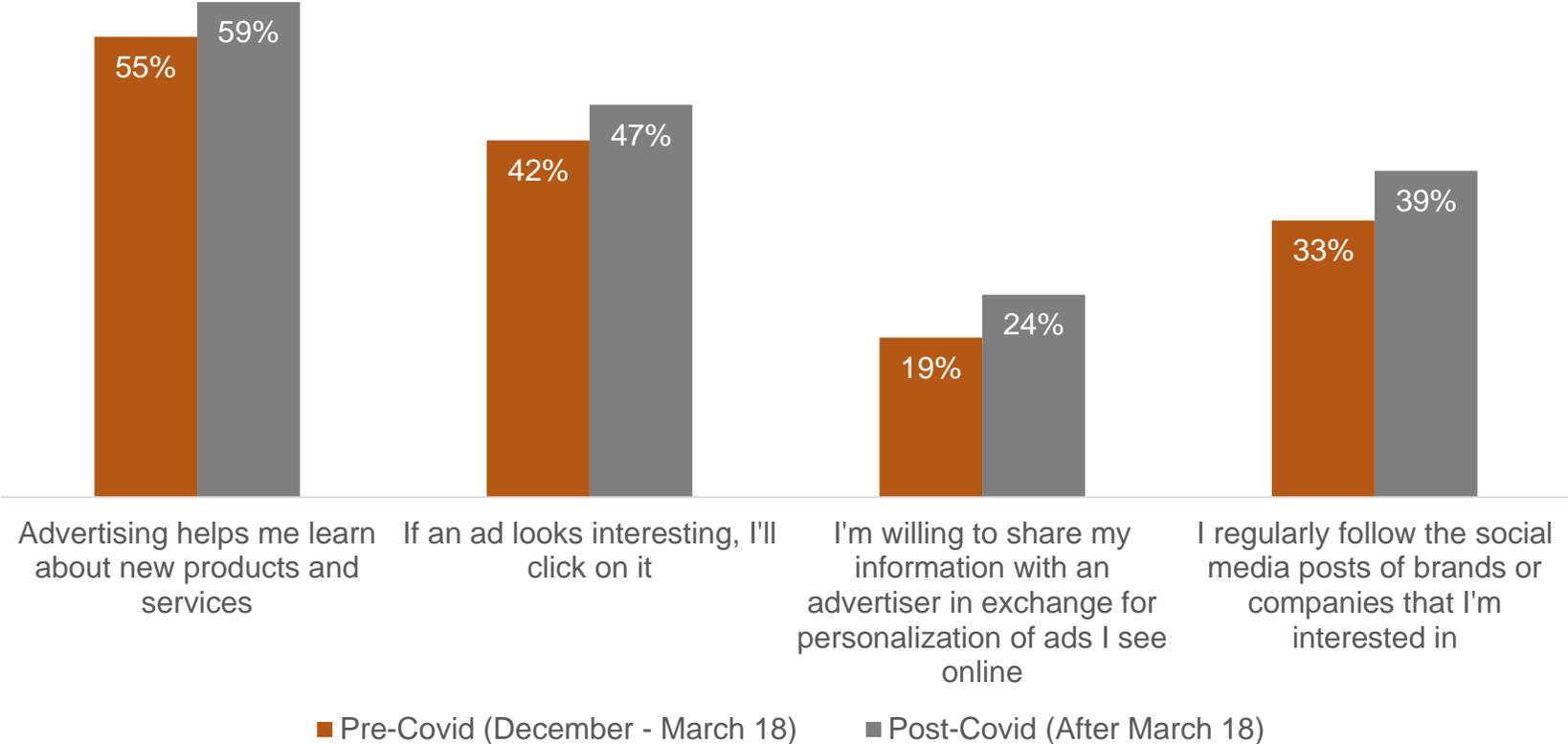
# Affluents are overwhelmingly receptive to brand communication during COVID-19

In the absence of normal shopping channels, affluent consumers are more receptive to brands than they were before



# They're not just open to COVID-related messaging, they're more willing to engage with brands in general

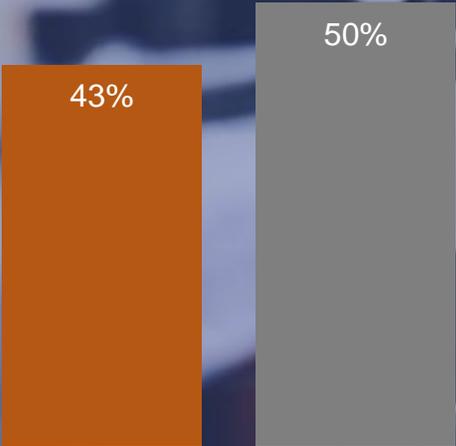
*Even openness to sharing their data and receiving personalized messaging is significantly increased – another manifestation of the desire for useful shopping and buying information*



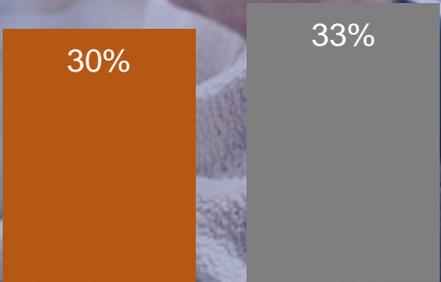
# But Affluents are also exhibiting higher level of scrutiny for corporate responsibility

The quid pro quo they expect is that brands behave more responsibly

A company's commitment to social/corporate responsibility is important to me when I buy products/services

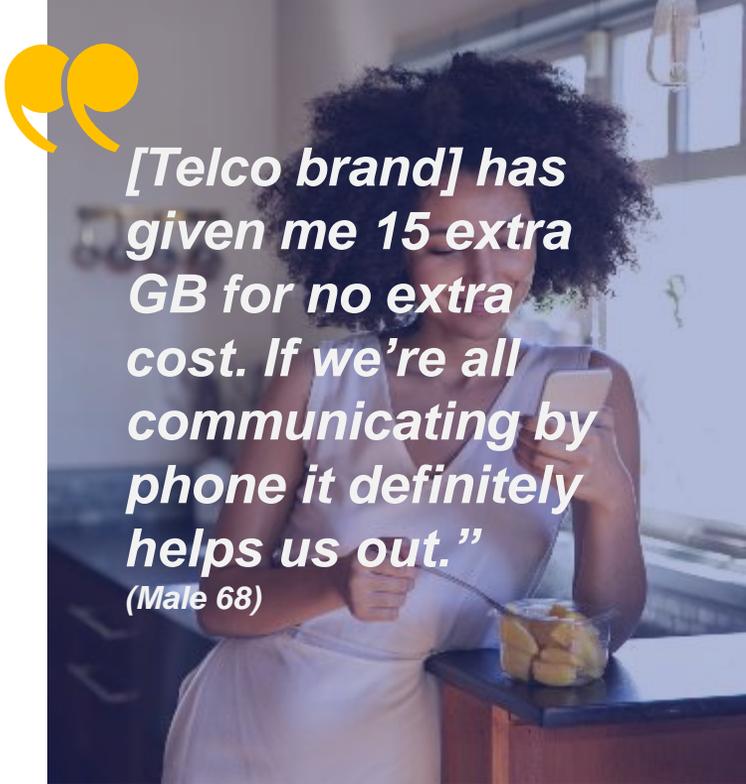
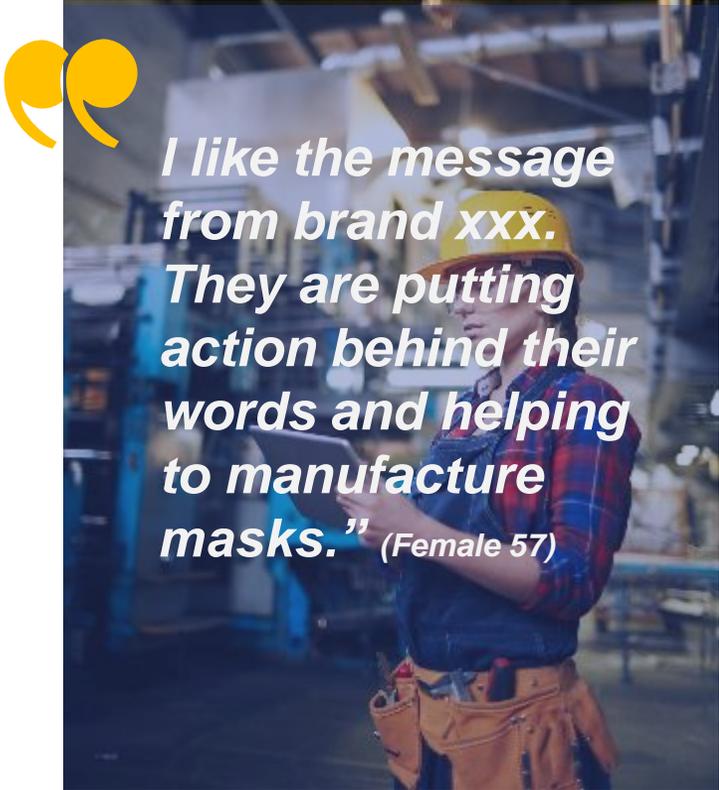


I regularly make the effort to investigate a company's environmental and social responsibility record



# In first phase of COVID-19 marketing, Affluents happy to hear about brands' cause-marketing and crisis contributions

## Types of Message Affluents Prefer



A woman with long brown hair, wearing a green long-sleeved shirt, is sitting at a table in a cafe. She is looking at a laptop screen and holding a credit card in her right hand. A black coffee cup is on the table in front of her. The background shows a blurred cafe interior with wooden beams and hanging lights.

**But that is likely to evolve as affluent consumers move to the next phase of the COVID journey – and begin to follow through on their purchase intentions**

**Likely to lead to desire for more purchasing-related messaging**

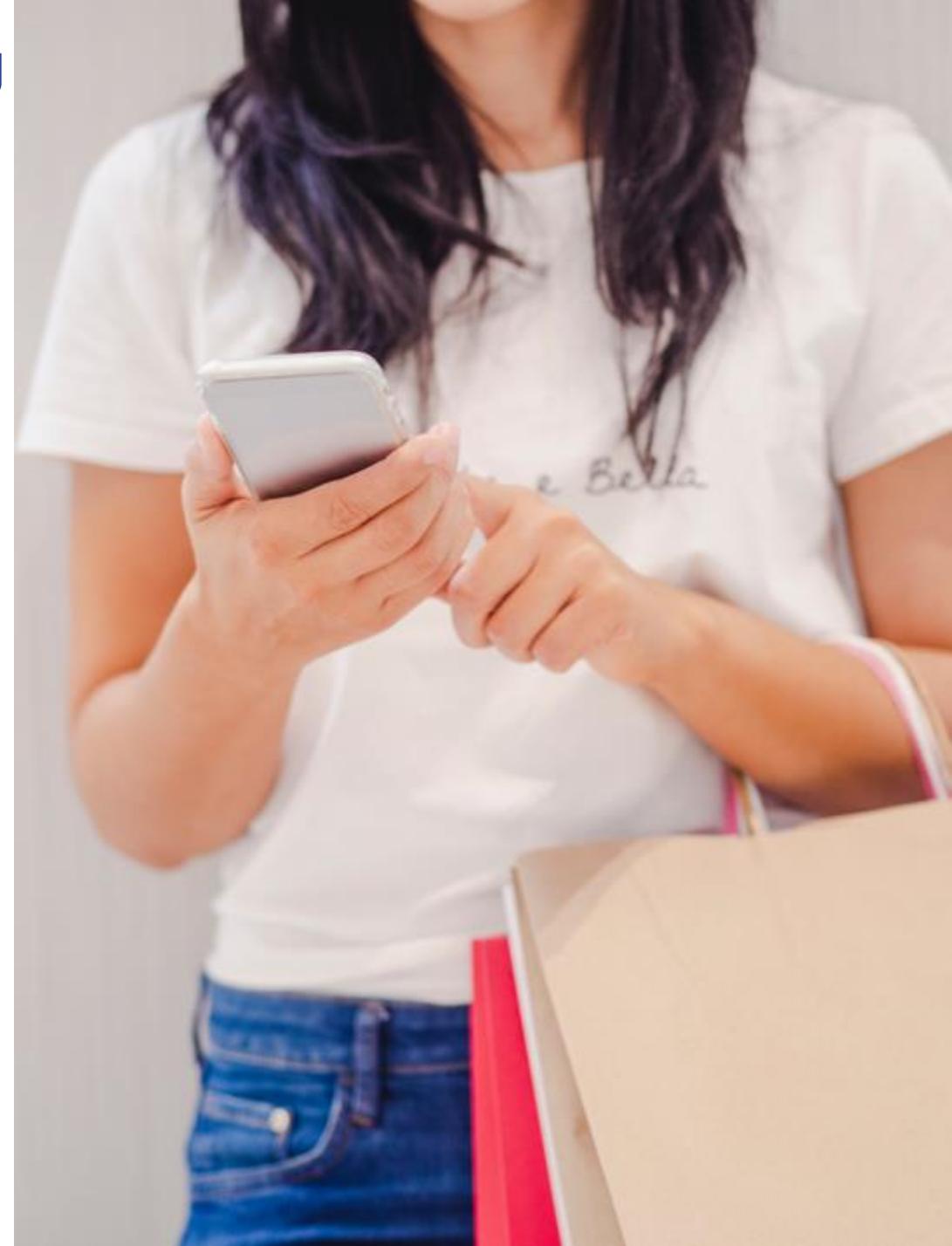
# Implications: Brands have an opening to engage with affluent consumers more closely, during and after the lockdown

While some consumers may view product-focused advertising during the crisis as “tone-deaf”, there are many others who are hungry for product benefit/information that adds value to their buying motives.

At the beginning of the crisis, a unified message of “we’re all in this together” may have fit the bill for brand engagement. But Brands need to pivot and start to deliver content and engagements that coordinate with the multiple stages of a consumer’s purchase journey

Consumers are currently giving Brands the opportunity to better personalize their messaging. They should leverage digital content to match the signals consumers provide as to their purchase stages.

Finally, affluent consumers are 40% less likely to say promotional pricing would get them to make a purchase. So, while there is a need for immediacy once restrictions are lifted, brands targeting affluent consumers should be less focused on deals and offers – and more focused on being helpful and adding value.



# Ipsos Audience Intelligence



## Ipsos Affluent Survey

The longest running, most widely used, largest scaled study of Affluents anywhere in the world (Affluents = Adults 18+, HHI \$125k+). We help hundreds of media brands/companies, advertising agencies and brand marketers define, understand, activate against and monetize their audiences.

Sources



## Ipsos Kids and Family

A syndicated study that taps into the stand-alone youth (kids 6-17) and combined family media experience (parent's co-entertainment with child 0-17) of today's American family for an unprecedented look at the genesis, development and intersection of media and technology and how it manifests within families.



## TV Dailies

Recognized as the industry standard for tracking new and returning series in the US, TV Dailies has been conducting interviews every day for 15 years, providing insights into title level awareness, intent to view, network/service attribution and more, for over 10,000 seasons of content from 140 different media networks or services since its inception.



## (New) Streaming 360

New multi-client research product that helps clients refine platform positioning, enhance marketing strategy, and improve audience targeting and acquisition. It also delivers robust metric tracking of the ever-evolving streaming landscape. The cornerstones are customizable advanced analytics and insight delivery through powerful, predictive models and online tools.

# THANK YOU.

For more information, please contact:

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