STAYING AFLOAT DURING A CRISIS

How Consumers and Brands Are Surviving the ‘No Normal’

By Natalie Lacey, Allyson Leavy and Chris Murphy | October 2020

IPSOS VIEWS

GAME CHANGERS

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FROM DISRUPTION TO DISORDER

As brands entered 2020, they were ready to battle the new challenges presented to them by a world transformed by digitalisation, empowered consumers and unprecedented competition. eCommerce was on the rise, voice shopping promised to change the way consumers shopped, and the Internet of Things foreshadowed a new way of life.

All of these challenges seemed daunting, and yet brands were investing in technology, prioritizing innovation, and embracing their new roles in consumers' lives. Brands had strategies in place and blueprints for the future.

And then coronavirus hit.

Brands facing disruptions were dealing with disorder in a fundamental shift in context. For many, the question changed from "How do we prepare for the future?" to "How do we stay afloat?".

Many of the people those brands serve were (and still are) asking themselves that same question. The distant future is not so much of a preoccupation when focusing on day-to-day survival.

In February, Ipsos began tracking the impact of the pandemic on consumer behaviour, attitudes, and future outlook. By August 2020, our tracker had expanded to cover 16 countries – and added a longitudinal global ethnographic study to inform a balanced understanding of the crisis journey.

This paper draws out insights from our learnings to date and unmasks some implications for brands.

IPSOS ESSENTIALS: LEARNINGS AND IMPLICATIONS FOR BRANDS

For the last six months, Ipsos has been conducting international polling on public attitudes and behaviours through our syndicated study, Ipsos Essentials.

While initially focused on how people were responding to the pandemic, Ipsos Essentials is now tracking the broader view, including financial implications, the reopening of the economy, consumer purchase intent, and the long-term implications for brands and organizations.

THE 'NO NORMAL'

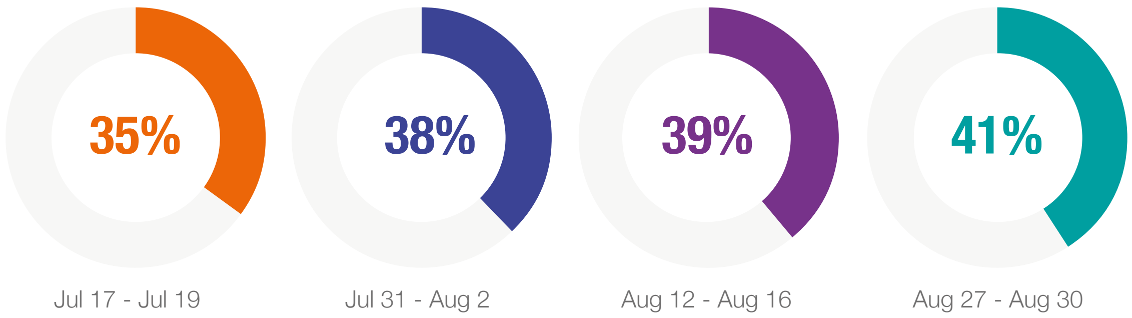
The view to 'normal' continues to retreat into the distance. For months, we have asked people how long they think it will take before things feel like they are getting back to normal.

As we have emerged from our homes and gained a realistic view of re-engagement, it is dawning on us that we are making up new rules of engagement as we go. The percentage of people who feel a return to our normal life is over a year away is creeping higher and higher (see Figure 1).

In March, almost two-thirds globally thought that the turmoil of COVID-19 would all be behind us by June 2020. The goalposts have shifted several times since. The world now waits in anticipation of an effective vaccine to truly turn the tide.

Figure 1 The return to normal

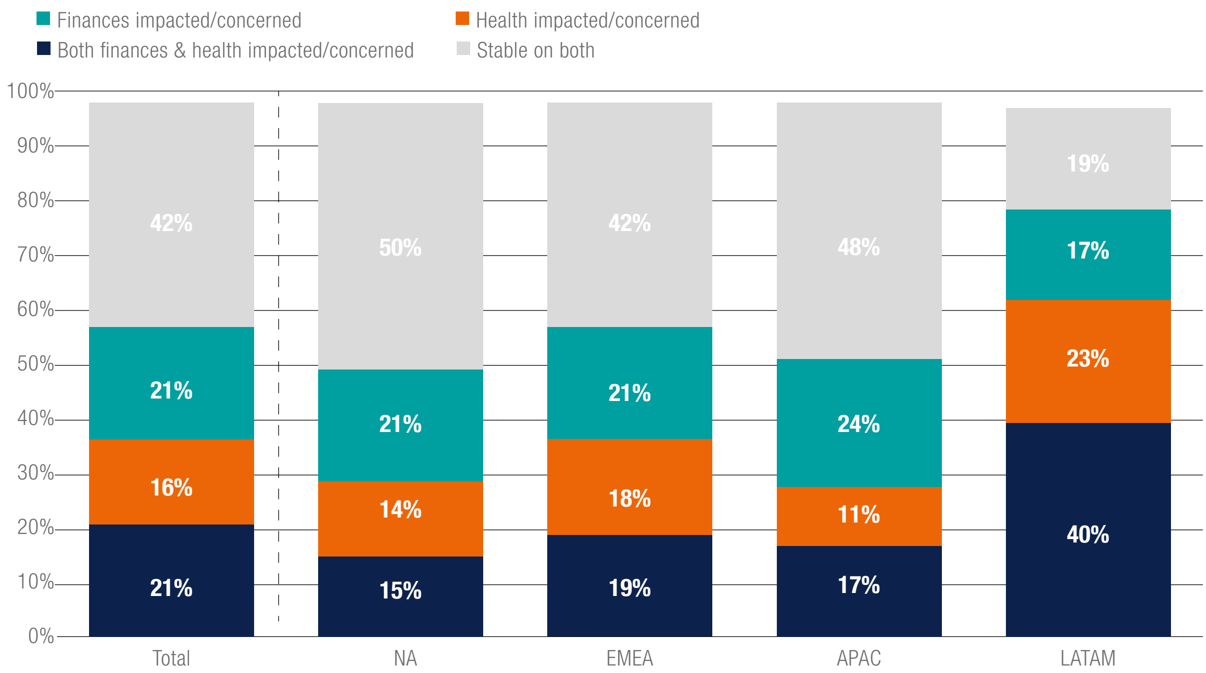
Q: How long do you think it will take before things feel like they are getting back to normal?
% who say the return to normal will take one year or more



Source: Ipsos Essentials Global Syndicated Tracker. Fieldwork August 27 – 30, 2020. 14,500 respondents aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom

Nearly six months into the pandemic, over half (58%) of citizens globally are directly impacted by or concerned with the health and/or financial ramifications of the pandemic (see Figure 2). This summer, Latin America was especially feeling the pain, due in part to the relatively late arrival of the virus and its lasting impact. But the virus has shown us so far that its course is difficult to predict, with lulls and new outbreaks occurring in waves. Brief re-openings are followed by new restrictions and lockdowns.

Figure 2 The financial and health impact of the pandemic by region



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"While many of us initially viewed the crisis recovery process as linear, it is becoming apparent that, for so many of us, it will be a story of advance and retreat."

PARADISE POSTPONED

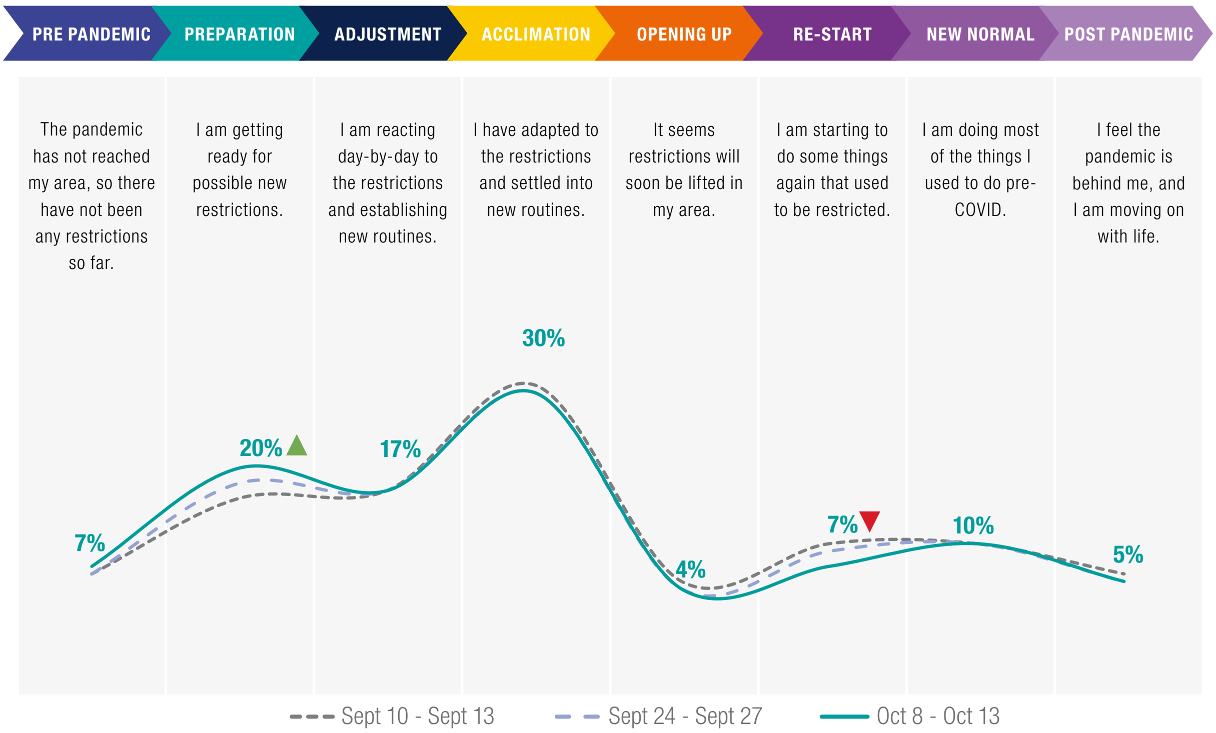
Our ongoing survey asks people to select which of eight groupings best describes their emotional state at a given point in their crisis journey (see Figure 3). From early September to early October, we saw movement back toward the ‘Preparation’ phase and away from the ‘Re-Start’ phase.

While many of us initially viewed the crisis recovery process as linear, it is becoming apparent that, for so many of us, it will be a story of advance and retreat. As time goes on, this pattern of distribution of phases is not changing.

Figure 3 A non-linear crisis journey

Q: There are often several phases or stages that people go through when times are hard. Which one of the following phases do you feel best describes your current situation regarding the COVID-19 pandemic?

Phases: International View



Source: Ipsos Essentials Global Syndicated Tracker. Fieldwork 8 – 13 October, 2020. 14,500 respondents aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom

Understanding this volatility will be critical for brands, as we see emotions and behaviours seem to crest at different flash points on the journey. For example, we have learned that anxiety levels fall when we find a routine, but sometimes it returns when we re-engage.

Fear and hoarding of consumer staples seem to travel together. In the latter phases, there are fewer concerns about health impact, but financial fears linger (see Figure 4).

Figure 4 Financial and Health Impact

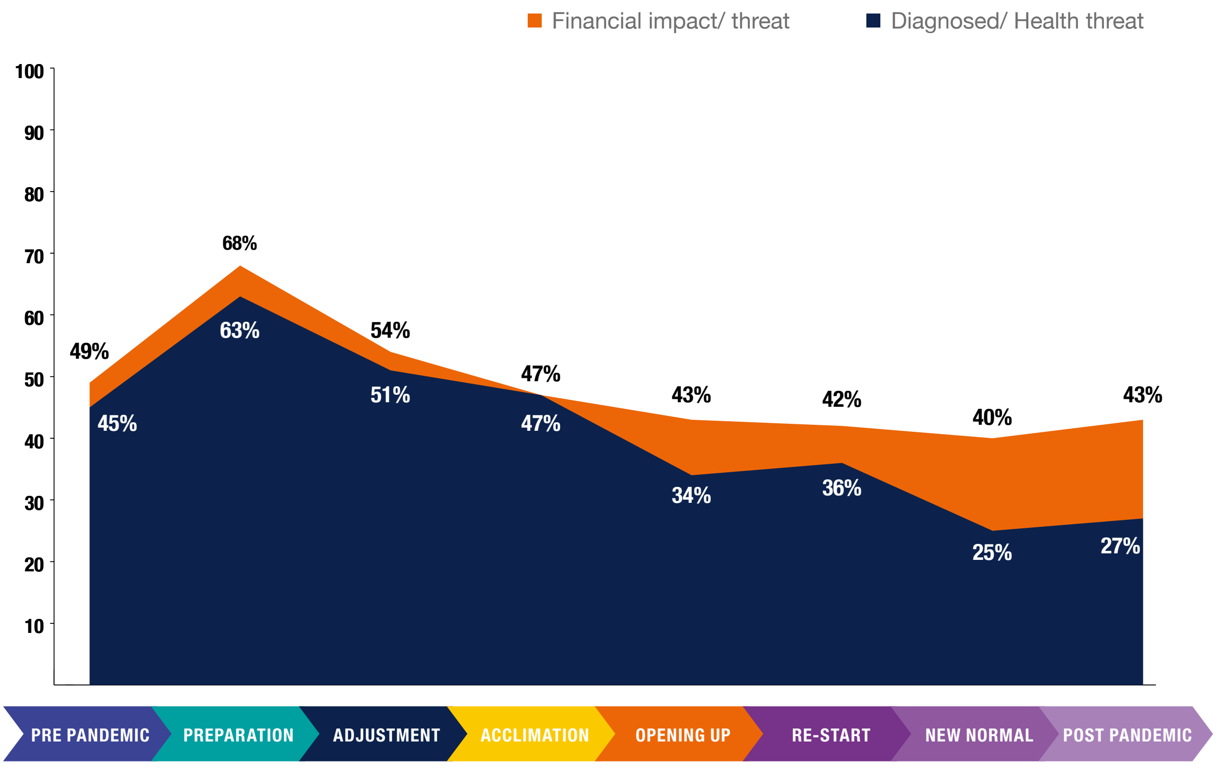


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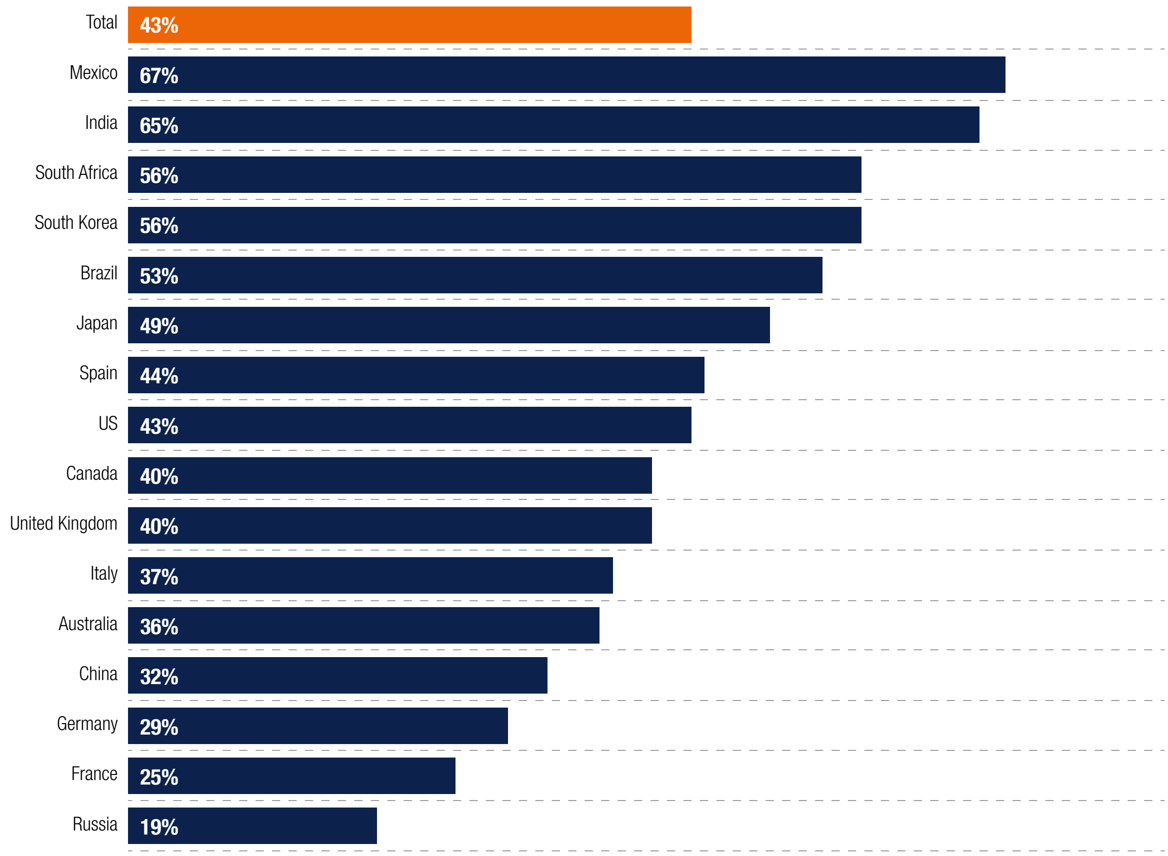
Figure 5 Long-term life changes

Q: Over time people will resume 'regular' activities. Thinking long-term, which of these statements will best apply to you? % who say they will make many changes or completely change as a result of COVID-19



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As people have settled into new routines and engaged in new behaviours, some have started to form new rituals. We anticipate that some of the rituals developed as a result of the pandemic may endure even after it ends. Brands have an opportunity to become part of this experience by helping people to internalize new habits and by cultivating a sense of shared experience.

Many people agree that the virus is reshaping how they live their lives. While the impetus prompting a shift in attitude and behaviour might vary region to region (and person to person), many now acknowledge they will be making substantial long-term changes (see Figure 5).

A CRISIS OF CONTROL

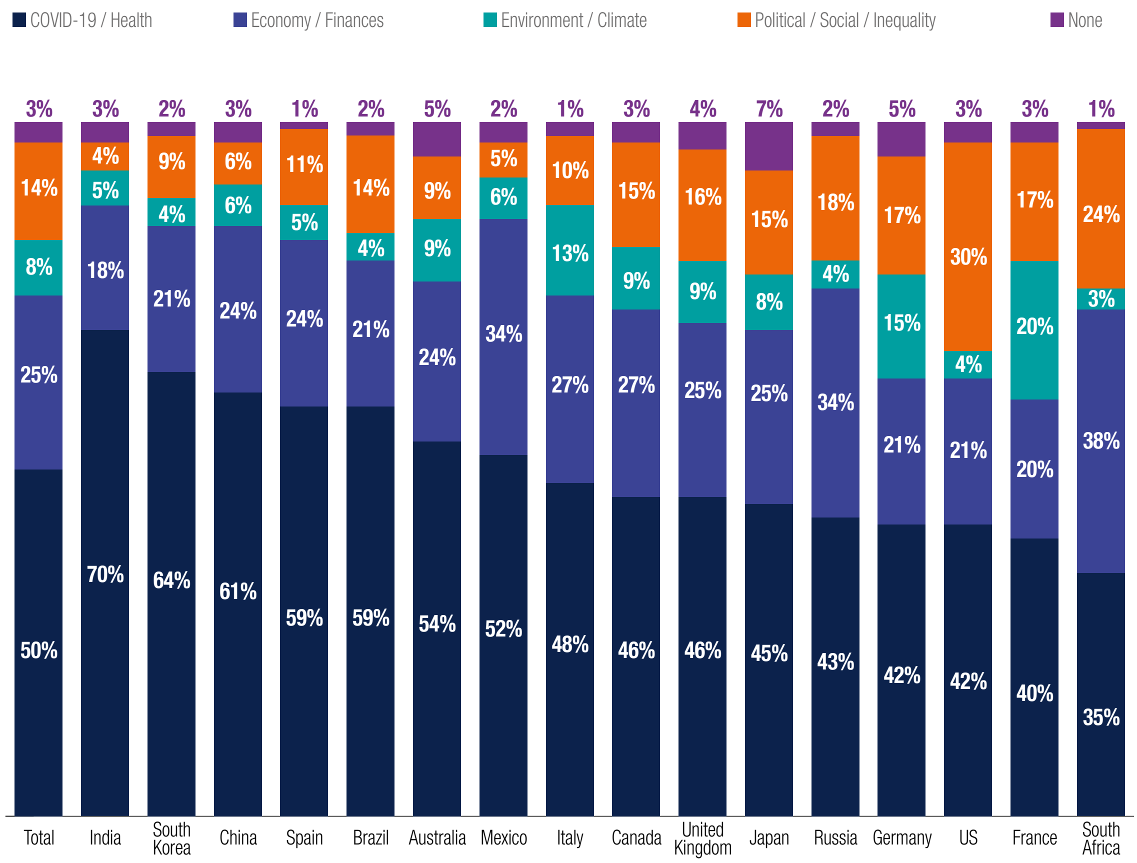
As the health crisis has produced a devastating financial aftershock that will linger well into 2021, we also find ourselves operating amidst a widening socio-political divide in some countries – and all of this is playing out against the backdrop of a long-term environmental crisis (see Figure 6).

Across the 16 countries, the top concerns are COVID-19/ Health and the Economy with Political/Social/Inequality a part of the picture. But, in some countries – in particular, the US and South Africa – we see political and social issues assuming even greater importance.

In many ways, the combination of financial and health worries is manifesting itself as a "control" crisis – where individual lack of empowerment is coupled with perceptions that surrounding institutions are also "out of control". This is a potentially combustible combination, and our data suggests it is taking quite an emotional toll on some people.

Figure 6 A multi-dimensional crisis

Q: Which of these concerns you the most?"



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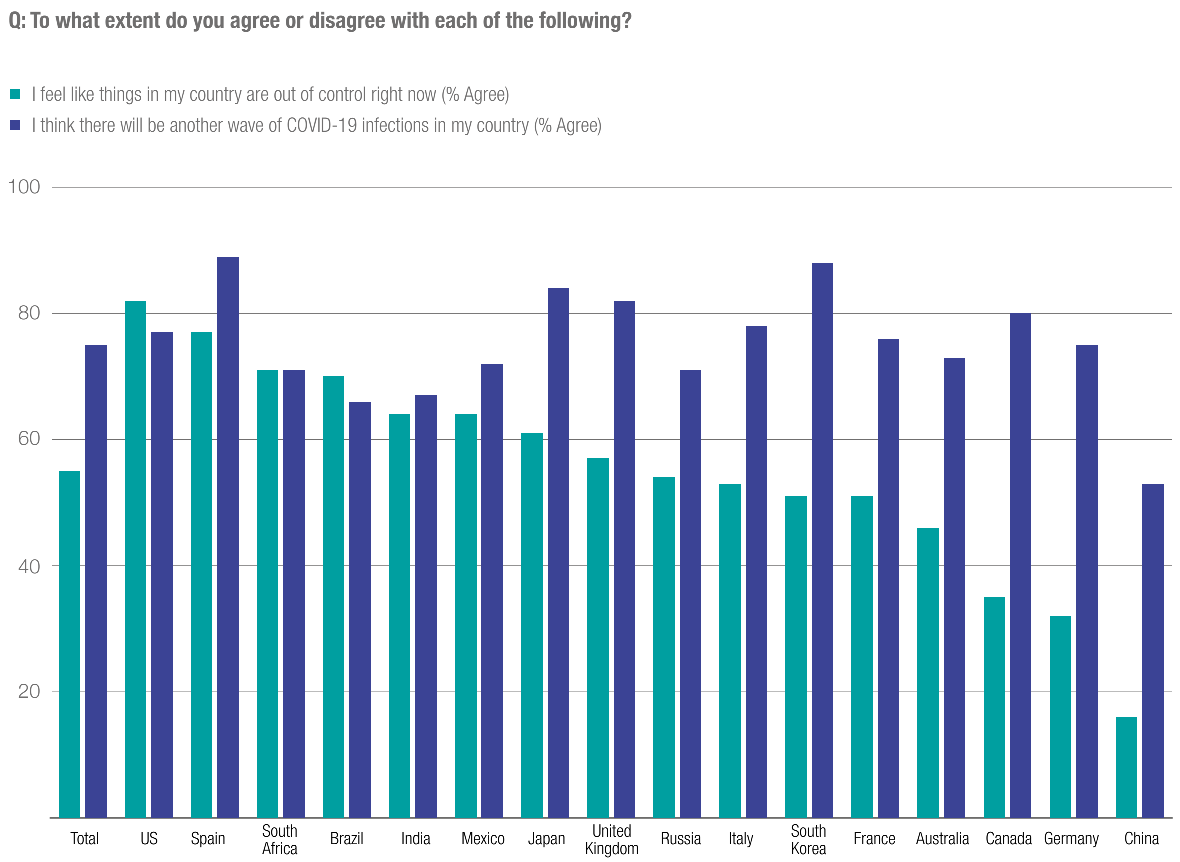
CHAOS AND CONTROL

Widespread fear of a second wave is high almost everywhere. Despite the almost universal agreement that another wave of infections is likely to hit, we still see massive disparities between perceptions of things being under control – and subsequent emotional states – in different countries.

When we ask people if things feel out of control in their country, we see alarming scores in the USA, Spain, South Africa and Brazil, with four in five agreeing. Comparatively, fewer than one in five in China and Germany feel things are out of control (see Figure 7).

When lacking the ability to exert control over the world around them, many people instead seek to influence and shape different aspects of their personal lives. We can gain an idea of how this manifests through Ipsos' Censydiam Motivational Framework (see Figure 8).

Figure 7 Sense of control vs. anticipation of a second wave



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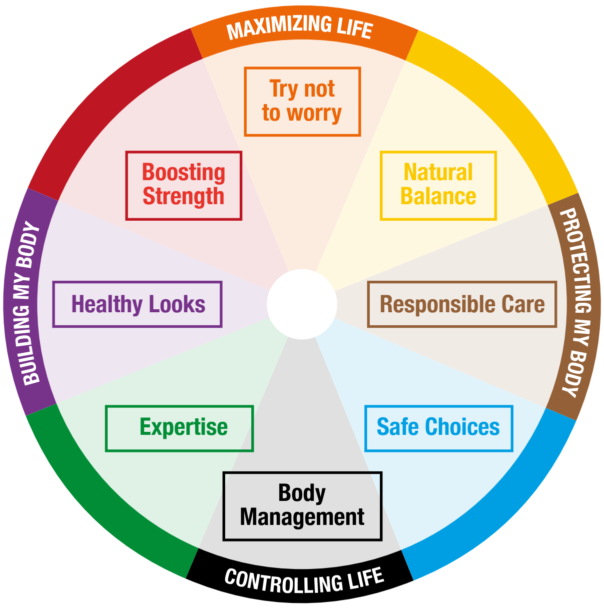
People may try to "maximize life" by boosting their strength, trying not to worry, or achieving a natural balance. Or, they can try to "control life" through expertise, body management or making safe choices.

Using this framework, we can explore the emotional dichotomy between frustration and empowerment. We see that a sense of frustration outweighs that of empowerment in countries such as the US, Spain and South Africa where people report a strong sense of their country being out of control (see Figure 7).

Brands have the means to help people regain control of their lives during the pandemic. For example, brands can provide health and nutrition to help people manage their bodies. This may be through weight loss products, personalized nutrition services, or the inclusion of super ingredients like antioxidants, which can fulfill higher-end needs for control. These benefits can even be tied to a particular occasion to make them more impactful, through offering healthy snacks while people binge watch their favourite shows, for example.

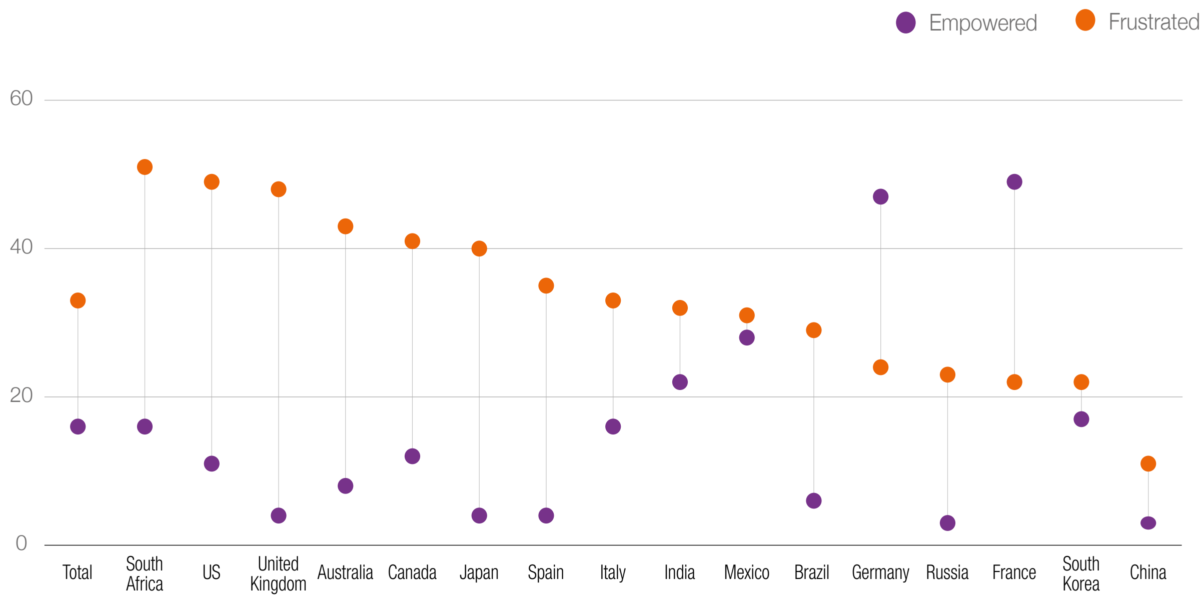
Figure 8 Ways people seek to gain control of their lives



Source: Ipsos Censydiam Motivational Framework

Figure 9 Empowered vs. frustrated

Q: Which of these words describe your state of mind right now?



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THE TENSIONS OF RE-ENTRY

After weeks or months of lockdowns, and with the number of COVID-19 cases and the death toll still rising, a certain level of anxiety is attached to the prospect of re-entering society. The return to “normal” activities comes with new routines related to protection and prevention.

At the end of August, we found that 82% of citizens globally support the mandatory use of face masks in any indoor space. We hope for a vaccine as a saviour and see significant support for mandatory vaccinations – with seven in 10 agreeing.

THE CENTRAL DILEMMA

At Ipsos, one way that we have framed the issue of re-entry is using a simple formula of ‘Desire’ minus ‘Risk’ over ‘Time’.

This means that, essentially, people are making a trade-off between how much they wish to return to normal and the perceived risk of doing so, and we are seeing this trade-off evolve over time (see Figure 10). This has been the underlying survival conflict of lockdown and re-emergence – balancing the need to re-engage to make a living versus the need to disengage to protect one’s health and stay alive.

While more people favor an economic restart, the worries associated with doing so have not subsided over time. Most people (57%) say that resuming normal activities makes them anxious, but nearly two-thirds (65%) believe that business should be allowed to pick up again, highlighting the internal dilemma described above.

This tension between perceived risk and the desire to get back to everyday life creates complications for behaviours that were commonplace in our pre-COVID world because most see these activities as carrying some risk. We examine these tensions in two spheres: shopping and travel.

Figure 10 Perceived risk of various activities

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

Source: Ipsos Essentials Global Syndicated Tracker. Fieldwork August 27 – 30, 2020. 14,500 respondents aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom

SHOPPING TENSIONS

There is some good news for shopping as people are feeling more comfortable visiting stores: nearly seven in 10 globally are attending grocery stores and over half are shopping at stand-alone retail stores. Still, when it comes to shopping, some have come to expect customer service to involve some element of coronavirus mitigation; people appreciate retailers that focus on collective safety and encourage the use of personal protective equipment (PPE).

While day-to-day shopping behaviours have remained a part of people's lives, this is not so much the case when it comes to less essential activities – only 43% say they are returning to shopping at indoor malls.

TRAVEL TENSIONS

People are expressing a growing desire for a break from a constant sense of crisis, as expressed by the desire to disconnect and insulate themselves and their immediate circle from the overwhelming events.

Travel is the classic way to disconnect and get away from it all. While one in three (36%) across our 16 countries still considered taking a vacation a high-risk activity at the end of August, as times passes, there is evidence of an emerging willingness to travel. But this isn't without challenges as even modest trips can cause guilt trips – as those in the UK, France and the US have told us, for example. And rising number of cases in many countries have reignited discussions of restrictions on travel and movement.

One of the key challenges for retailers, those working in the travel/tourism industry, and other service providers is to offer customers the assurance that all measures possible are being taken to allow them to feel comfortable returning to stores, engaging in travel and entering restaurants and places of entertainment.

People will now want to know what to expect – what will happen to them (or around them) as they embark on these kinds of everyday tasks. They want to understand not only what companies are doing to keep them safe but also what is the shared expectations of people around them.

Apps, websites with store information, in-store signage, and well-communicated safety procedures will all be instrumental in helping to get past our anxiety barriers. This is critical to the success of reopening the economy.

> **I feel like I've officially overstayed my welcome in my own house. I just need to leave, I need to escape the drudgery.**
>
> **Pinny, UK**

> **We thought we might rent a boathouse but quickly came back to reality. We tried to find a compromise not knowing how things are going to go for us professionally. We'll travel by car - it's simpler and gives us more freedom.**
>
> **Muriel, France**

> **I got a message saying: 'Aren't you supposed to be in quarantine? Vanessa is posting pictures with all her relatives.' What do I say?**
>
> **Mark, USA**

Source: Ipsos ECE (Ethnography Centre Of Excellence)

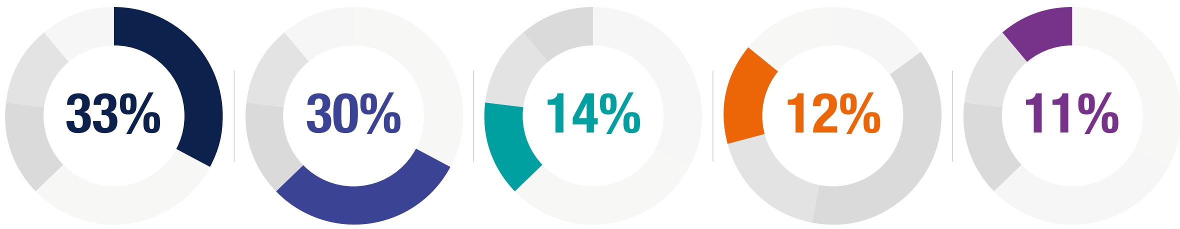
DIFFERENT OUTLOOKS

To better understand how citizens with different priorities approach the crisis and how this might affect their routines and behaviours, we have grouped outlooks into five segments that range from those most keen to get back to it to others who are highly concerned about their health and seeking maximum protection (see Figure 11).

There is some tension between the approach of the two largest segments, "We Can Work It Out" and "Get Back". Both groups are eager to return to normalcy, but the former is likely to do so with a more pragmatic and measured approach while the other has less patience for restrictions.

While the "Get Up, Stand Up" segment is modestly sized internationally, these socially conscious individuals who regard the political/social climate and inequality as top concerns during the pandemic represent 27% of American citizens. The more environmentally conscious "Green Day" segment is more prominent in France and Germany (see Figure 12).

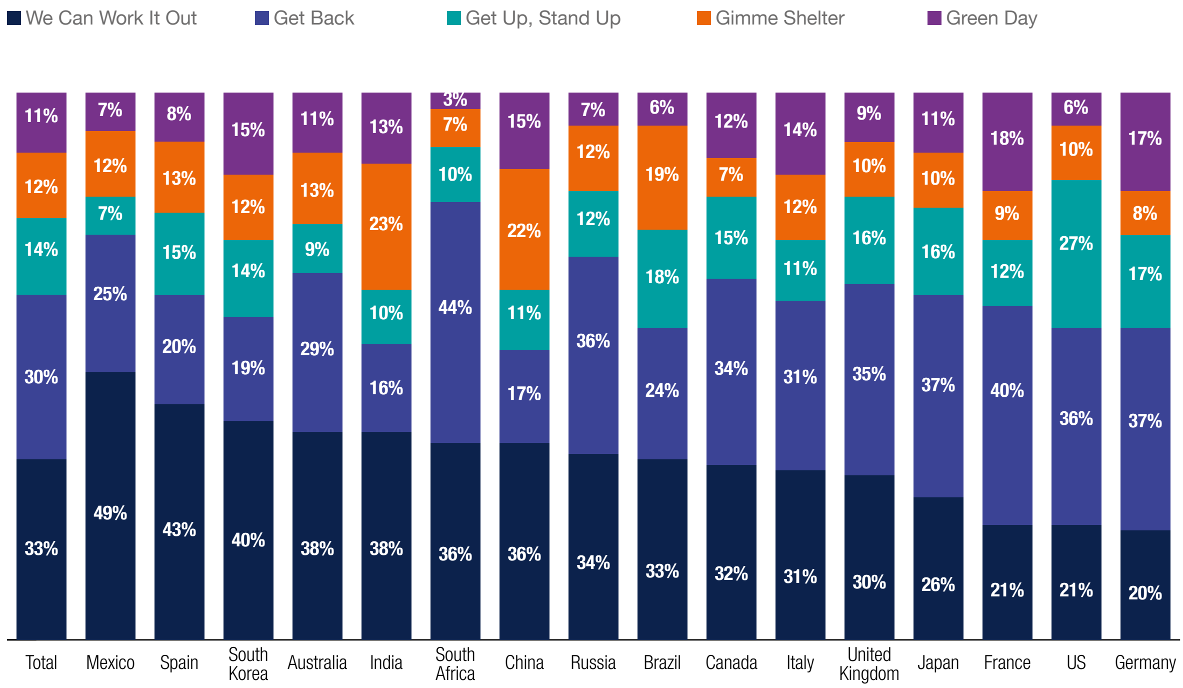
Figure 11 Segmentation of public priorities and outlooks



We Can Work It Out	Get Back	Get Up, Stand Up	Gimme Shelter	Green Day
Biggest concern is COVID-19/health, but they are pragmatic – the economy and financial concerns are also top of mind. The personal financial impact is mounting so many are advocates for restarting the economy and getting back to work.	COVID-19/health is not a top concern. The focus is on a variety of other socio-economic and political issues. Least supportive of restrictions and monitoring. Looking to restart the economy and for life to get back to normal.	The political climate, social unrest and inequality are their top concerns following the COVID-19 pandemic. They are most likely to feel that the country is out of control and to be critical of the government.	The number one concern is COVID-19/health. Elevated concerns about being personally diagnosed. Support restrictions and monitoring. Anxious about re-opening. The expectation that life will dramatically change even after the pandemic.	Top concern is still COVID-19 but also highly concerned with the environment and climate change. This group has the lowest personal financial concerns and are least likely to feel like things are out of control.

Source: Ipsos Essentials Global Syndicated Tracker. Fieldwork August 27 – 30, 2020. 14,500 respondents aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom

Figure 12 Segmentation of public priorities and outlooks across countries



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THE ROLE OF BRANDS IN THE CRISIS

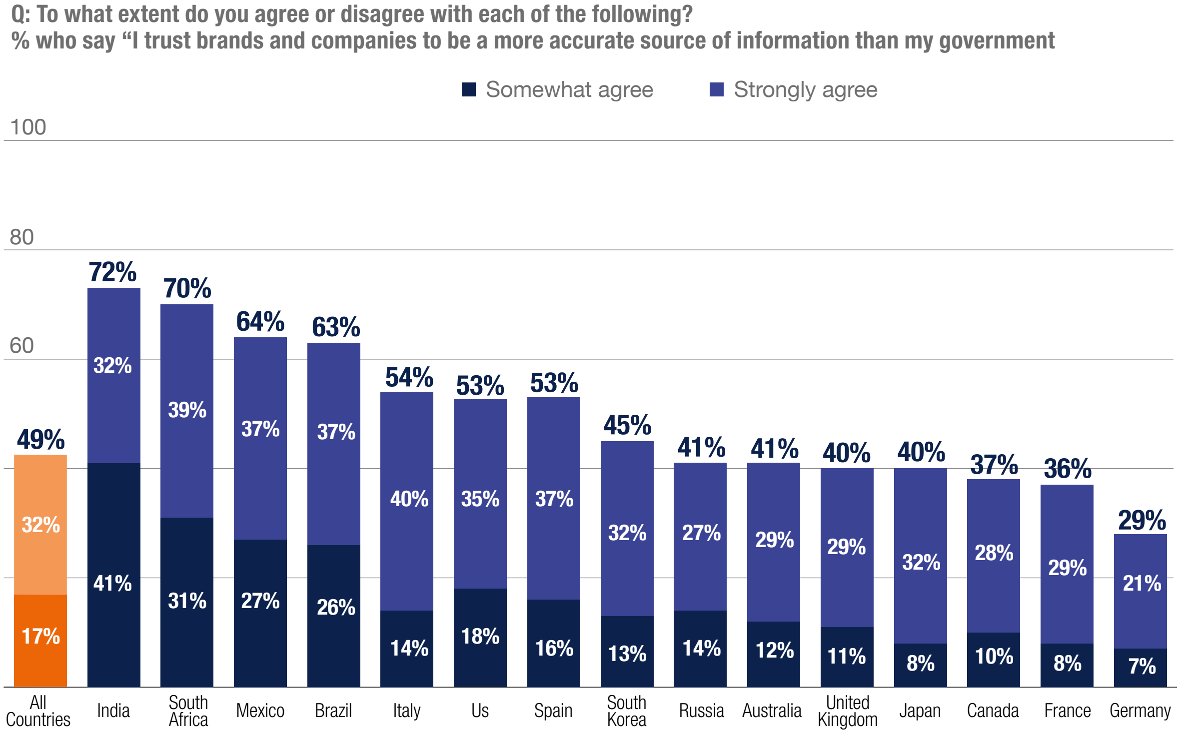
Our tracking has shown that views on business hold steady while trust in governments is in decline, particularly in those nations hardest hit by the virus. Furthermore, one in two citizens globally believe brands are a more accurate source of information than governments (see Figure 13).

This translates to a desire for brand engagement which is not only a case of brand acceptance. People are actively seeking information and perspectives from brands. Seven in 10 explicitly want to hear from brands about how they can help during this time, but they also want brands to deliver on their promises – it is not sufficient to just express support.

Brands have entered a space where consumers are not satisfied with just hearing from brands but have high expectations for how brands are actually furthering their public positions.

The response from the public is clear: consumers expect brands to rise to the occasion and articulate a point of view. Beyond this, they expect meaningful action. The types of action they expect from brands include education, participation in the political process and reflecting their expectations in their own companies.

Figure 13 Trust in brands vs. the government



Ipsos Essentials Global Syndicated Tracker. Fieldwork September 10 – 13, 2020. 14,500 respondents aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom

As social issues rise in volume of conversation and attention, we reinforce some of the key tenets underlying the public's desire to hear from brands:

- **Messaging Alone Doesn't Work:** It is not enough for brands to acknowledge a problem, and 'stand in solidarity.' This response will place a brand in an undistinguished and increasingly vast sea of sameness.
- **Authenticity is a Necessity:** The most effective responses are authentic to a brand. While brands that have previously taken action to support an issue are credible, new brands must first demonstrate their commitment.
- **Truth and Positive Impact Are Key:** Brands must first do, then say. Particularly when it comes to racial injustice, brands must define how they are helping society or reforming themselves, including admitting past faults and publicly taking corrective actions.
- **Actions Must be Maintained:** Actions will be continuously monitored, and brands will be called out if they stray from the path they have promised. And for the first time, consumers are also using their wallets to do the talking. The say-do gap is lessening.

Figure 14 Meaningful actions consumers want from brands

60%

Completely/ somewhat agree
Educate the community on systemic racism

58%

Completely/ somewhat agree
Making a statement against racism and showing what they have done to increase diversity in their companies

55%

Completely/ somewhat agree
Calling on political figures to enact change

53%

Completely/ somewhat agree
Making donations/ contributions to organizations fighting racism

52%

Completely/ somewhat agree
Making pledges about diversity within their own companies

Source: Ipsos in the US. The data was collected on 9th and 20th June 2020 among a gen pop sample. N=1500.

HOW TO ACT IN 'THE NO NORMAL'

At the start of 2020, brands were prepared to adapt to the disruptions brought on by technology, consumer empowerment and a new breed of competition. However, they were soon faced with a world turned upside down by the coronavirus pandemic. Brands now find themselves trying to stay afloat in a storm that is unrelenting – with a shoreline that seems further and further away.

While the possibility of a vaccine offers hope, it remains to be seen whether this will actually become the panacea for a full return to our normal lives. There are a myriad of questions associated with the distribution and willingness to take a vaccine.

For now, the moment is ripe for brands to help consumers establish new rituals and habits to cope with the stress of the situation and to develop solutions to help them adapt to their new lifestyles. Specifically, brands can help consumers:

- Regain control of their lives, for example, by fulfilling their needs to stay healthy, fit and calm.
- Navigate the obstacles and constraints of social distancing, for example, by bringing restaurant and entertainment experiences into the home.
- Manage financial setbacks, for example, by offering affordable indulgences or developing new value propositions.

Brands should also recognize that our circumstances have created new opportunities for leadership. While the day-to-day may seem so unstable as to make survival seem like the only real goal we need to strive for, there are unique opportunities in the current moment for brands to better connect with the public. Those who take the long view now will be well-situated in the long-term.

While brands need to operate with intelligence, a strong moral compass, and sensitivity, they are also critical to the economic circumstances of consumers. As such, brand leaders must keep their fingers on the conflicted consumer pulse in this time of profound change. It has never been more important to stay connected to consumers' fluctuating emotions, shifting priorities, and behavioural adjustments.

In the end, brands are in much the same position as consumers. Like the people to whom they must appeal, brands need to find their place in our rapidly evolving world. They must be armed and ready to recalibrate at a moment's notice.

Visit our website: https://www.ipsos.digital/essentials

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