AFFLUENTS IN AMERICA: PERSPECTIVE FOR THIS UNUSUAL TIME

An Ipsos Point of View

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GAME CHANGERS

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Resilience, stability, and evolution are the three dominant themes related to the Fall 2020 release of the Ipsos Affluent Study USA. While there are clear differences stemming from life during COVID, we noted Affluents' financial insulation helps them survive and even thrive during these difficult times. Most Affluents have adapted to the new challenges, settled into new routines, and even resumed things that had been restricted during the initial lockdown.

What's clear is that Affluents' core attitudes and values haven't been impacted by the pandemic. In fact, comparing psychographics from pre-COVID interviews to those that took place during COVID show little change except for a few statements related to financial concerns or involvement with technology.

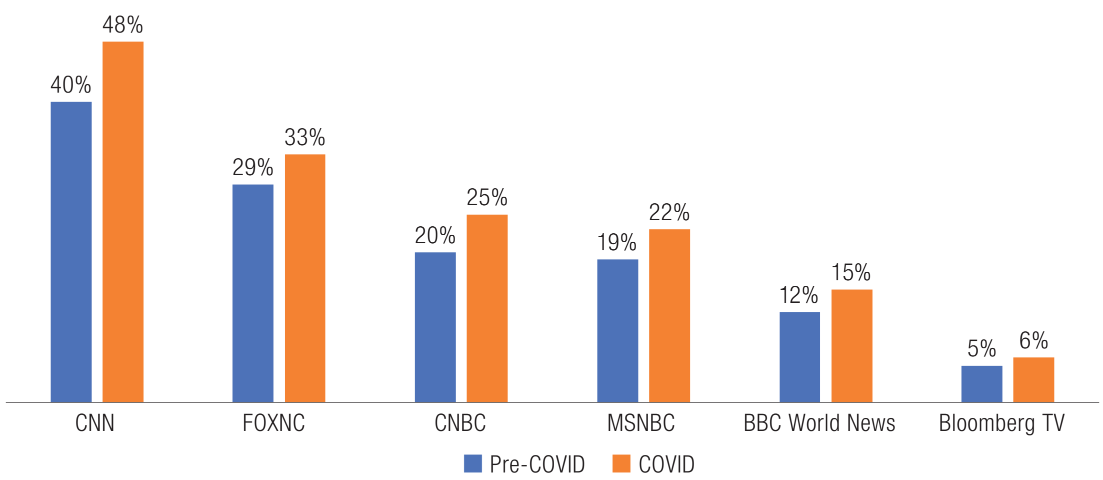
Thanks to our online methodology, fielding for the Fall 2020 study release was uninterrupted by the pandemic. As a result, we are in the enviable position of being able to look at and contrast interviews that took place during COVID with those that were conducted pre-COVID. Subscribers to the study are able to develop insights from either time period, in addition to the full year fielding.

WHAT WE FOUND

During COVID, Affluents were able to stay informed and entertained through their media choices, especially as they pivoted to digital platforms for their favored media brands. Television viewing by Affluents was already saturated in terms of net reach, however the number of hours viewed in the past 7 days jumped 20% during COVID. In addition, social media average weekly hourly usage climbed 10% during COVID. New streaming video on-demand services and the desire for more entertainment content drove SVOD weekly usage up 25% in terms of average 7-day hours.

In March and April, as Affluents' hunger for news about COVID mounted, "news" media brands saw significant growth compared to the previous year. On the television side, all of the news networks saw substantial increase in past 7 day watching.

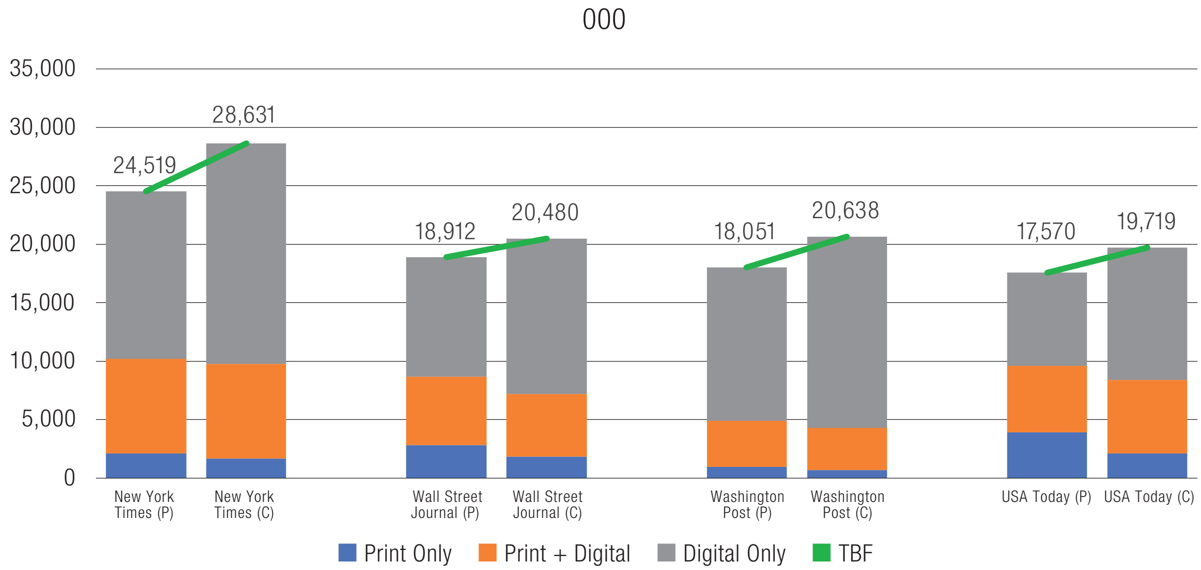
Figure 1 TV News Networks — Watched in Past 7 Days



Source: Ipsos Affluent Survey, Fall 2020

Most publication brands, across genres, enjoyed an overall increase in Total Brand Footprint during COVID thanks to increased exposure to their digital offerings. For the national newspapers the story was particularly strong as Affluents clamored for information on the virus and its impact. Although the newspapers suffered some declines in readership of printed copy issues, their digital assets pushed them to significantly higher overall exposure levels. As a result, the four largest newspapers in our study saw overall increases between 8% and 17% in Total Brand Footprint during COVID.

Figure 2 Total Brand Footprint — Past 30 Days



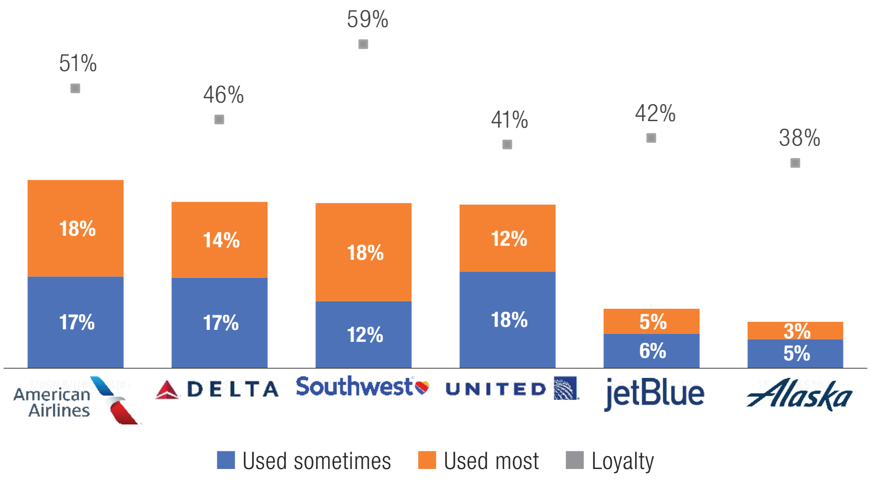
Source: Ipsos Affluent Survey, Fall 2020; (P) = Pre-COVID and (C) = COVID

NEW THIS FALL

There are many new aspects of the Affluent Survey USA to explore in the Fall 2020 release. The addition of 11 new psychographic statements brings our total to 222 variables on which to measure Affluents' mindset. We've introduced detail on radio formats and podcast genres, as well as information on mobile wallet usage, additional sports fan categories (e.g., cycling, martial arts), and brands of smart speakers/hubs owned by the household.

To augment our rich travel information, you can now examine Affluent loyalty to hotel and airline brands. For many years, users have been able to analyze the hotel and airline brands that Affluents used in the past year and, new this fall, you can now distinguish between brands that they use sometimes from those they used the most. Using that data, it's now possible to score airline and hotel loyalty. As an example, more Affluents flew on American Airlines in the past 12 months and 51% of those that did flew American most often. However, the loyalty crown goes to Southwest, where 59% of those flying Southwest used them more than any other airline they flew.

Figure 3 Airline and Hotel Loyalty Data (Now available)



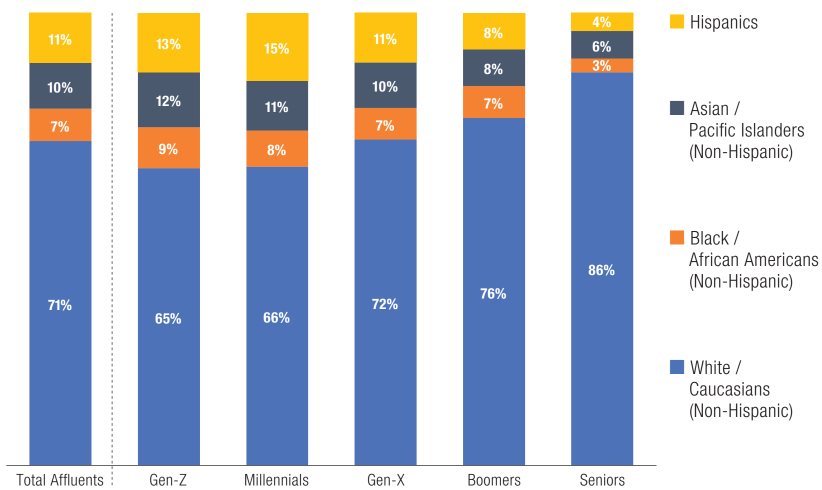
Source: Ipsos Affluent Survey, Fall 2020

LOOKING FORWARD

The biggest question remains "when will things get back to normal." While our crystal ball is still cloudy on that particular point, we do know that as far as the profile of Affluents is concerned, normal is ever changing. The new normal face of Affluents will continue to be more fragmented and multicultural. In the last 6 years, Gen Z Affluents has almost tripled in size, while Boomers and Seniors represent a smaller portion of the population.

Why is that important? Because the younger generations look and think differently. As an example, only 4% of Affluent Seniors are Hispanic compared to 15% of Millennials. Overall, the proportion of non-white Affluents is increasing with each successive generation.

Figure 4 Ethnicities / Race by Generations



Source: Ipsos Affluent Survey, Fall 2020

For marketers, the importance of targeting different portions of the Affluent population has never been more important. A single marketing message for premium and luxury products will simply not resonate with the total universe of the people who control three-quarters of U.S. household net worth. It will require a nuanced approach, knowing how these different groups think and where to find them.

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