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COVID-19

Evolving Consumer Behaviors

Intro

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Thank you for joining us!



Bryan Gold
CEO & Co-founder



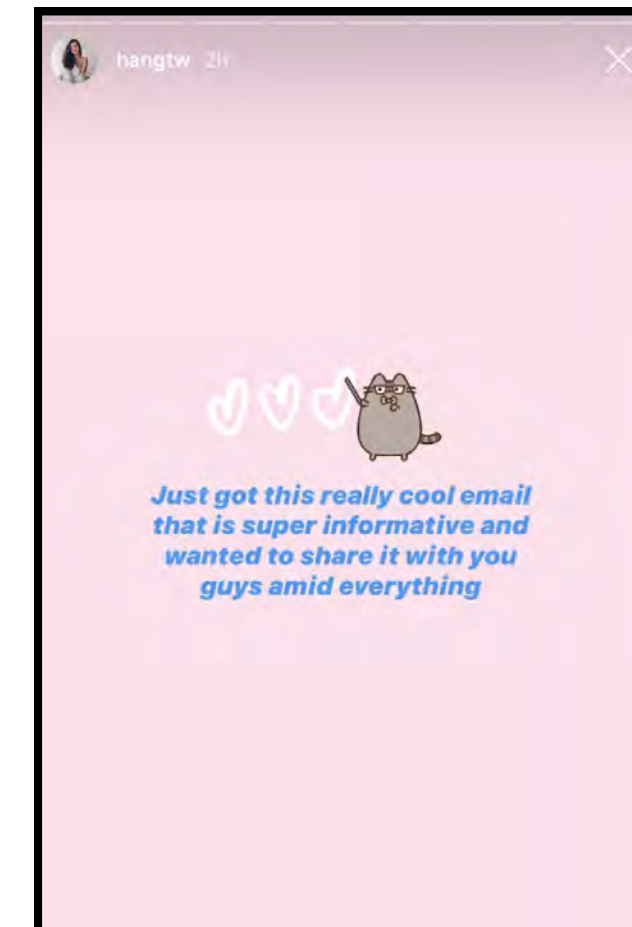
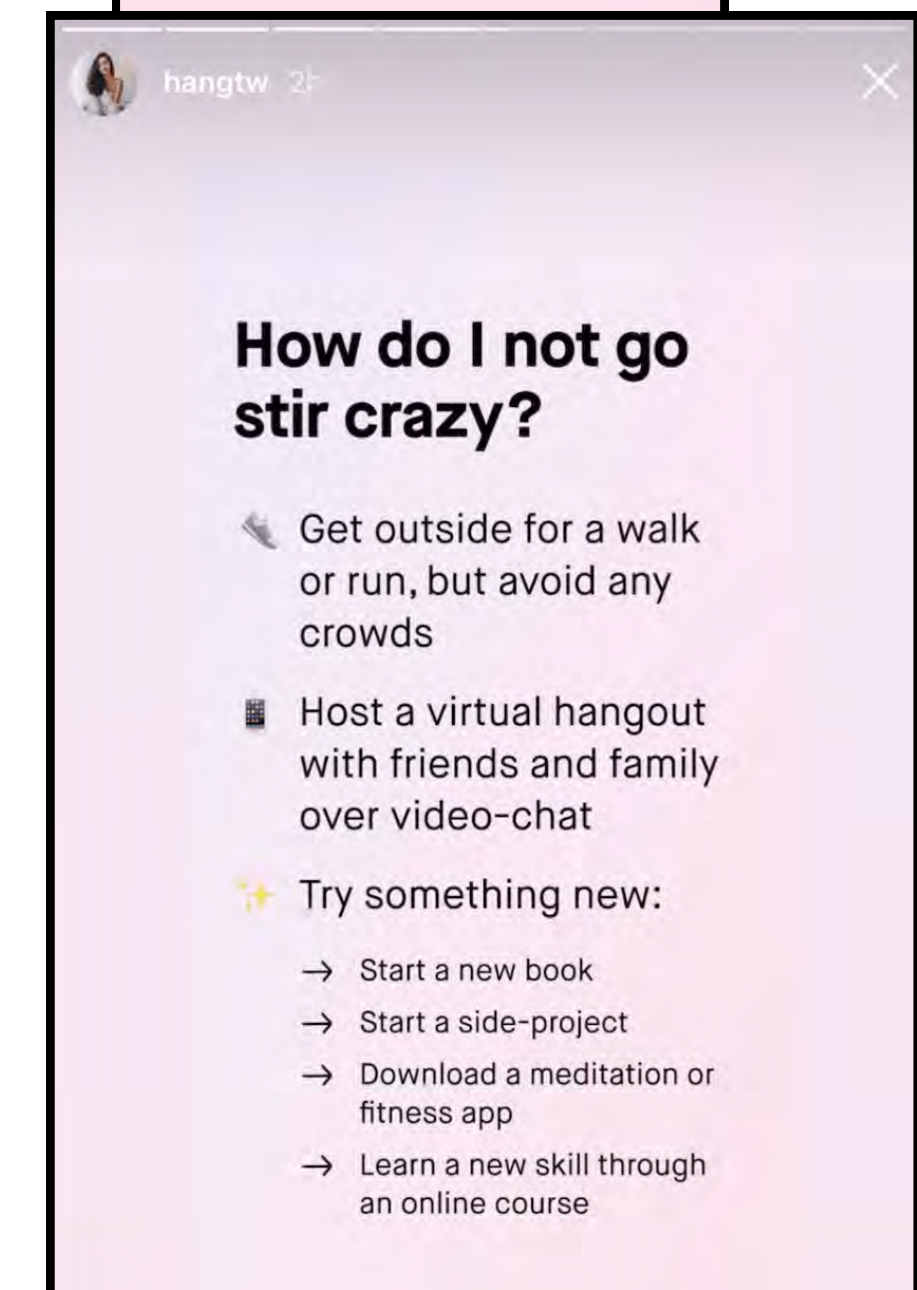
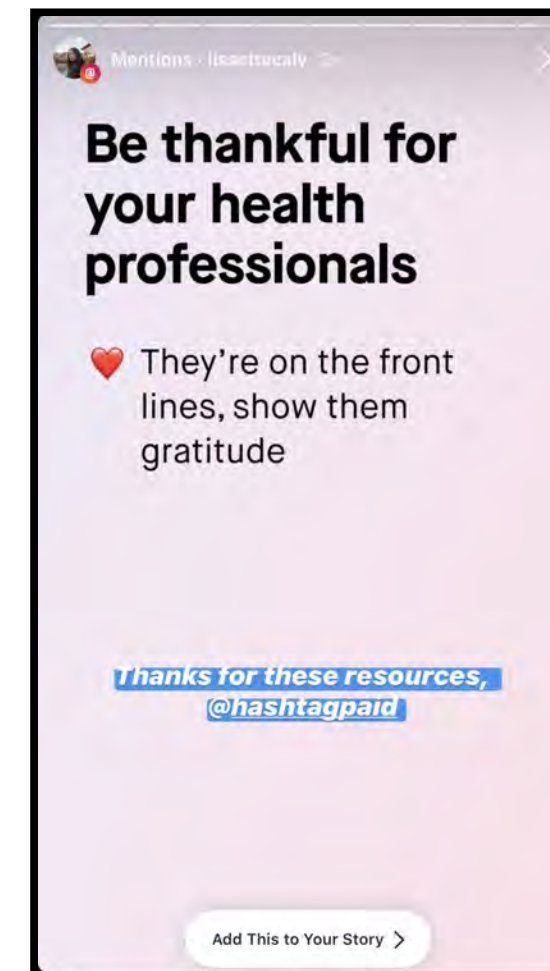
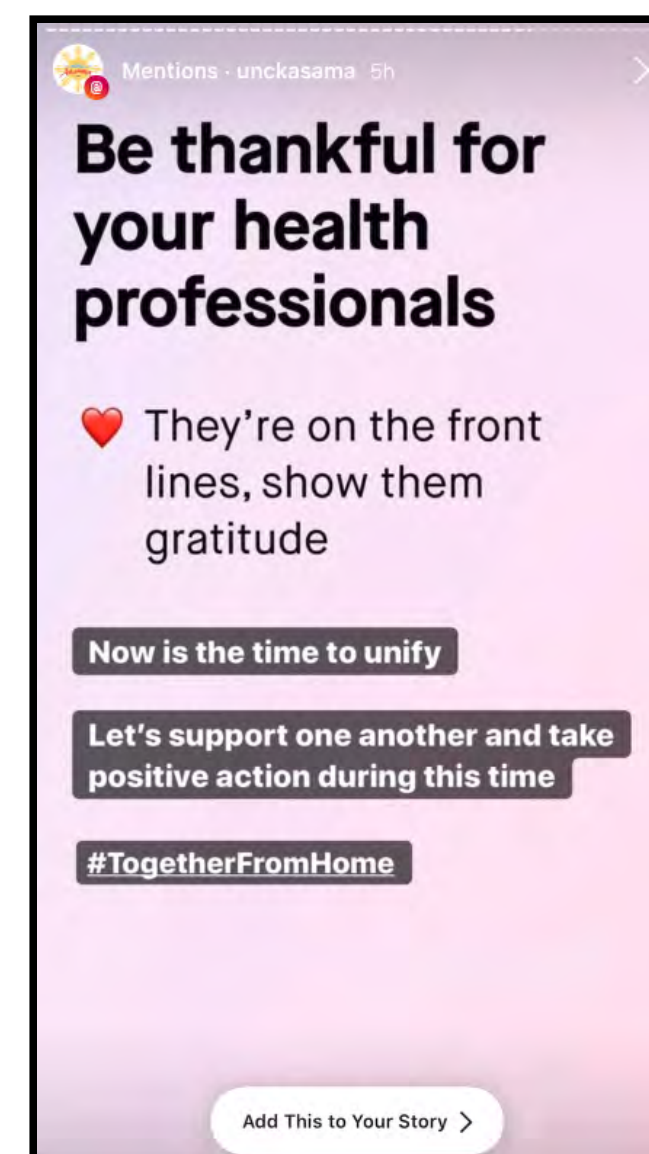
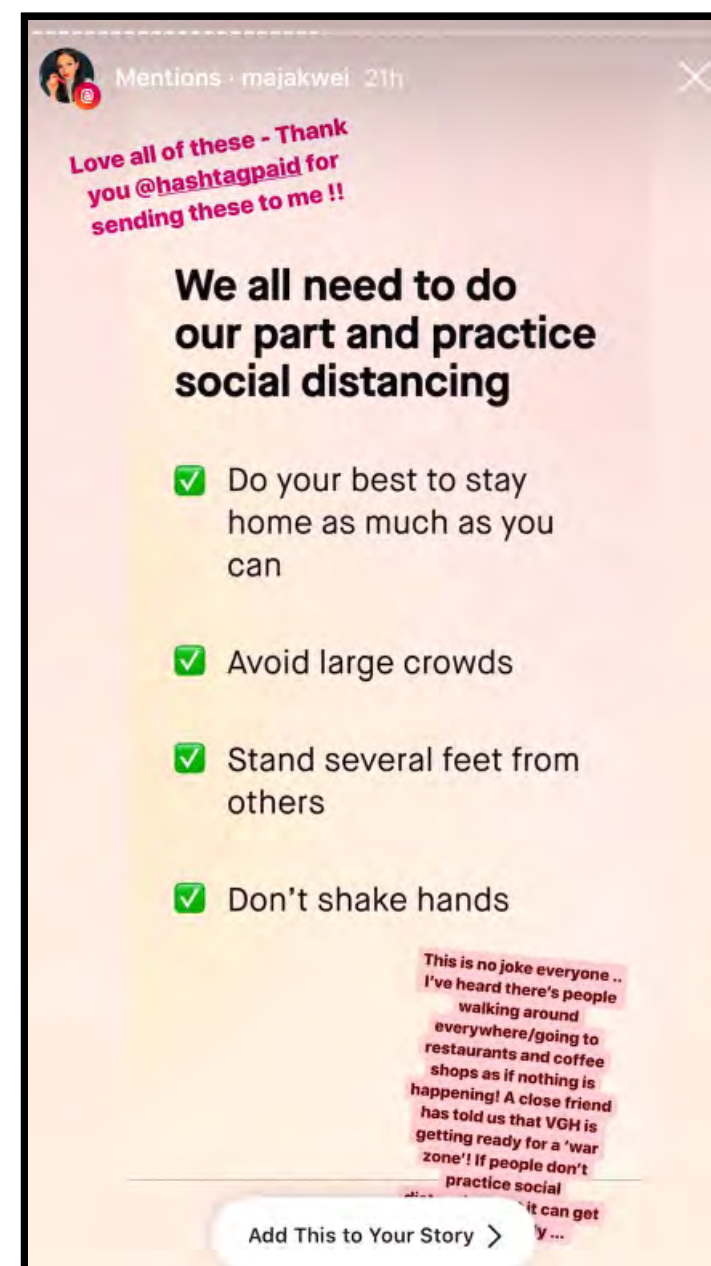
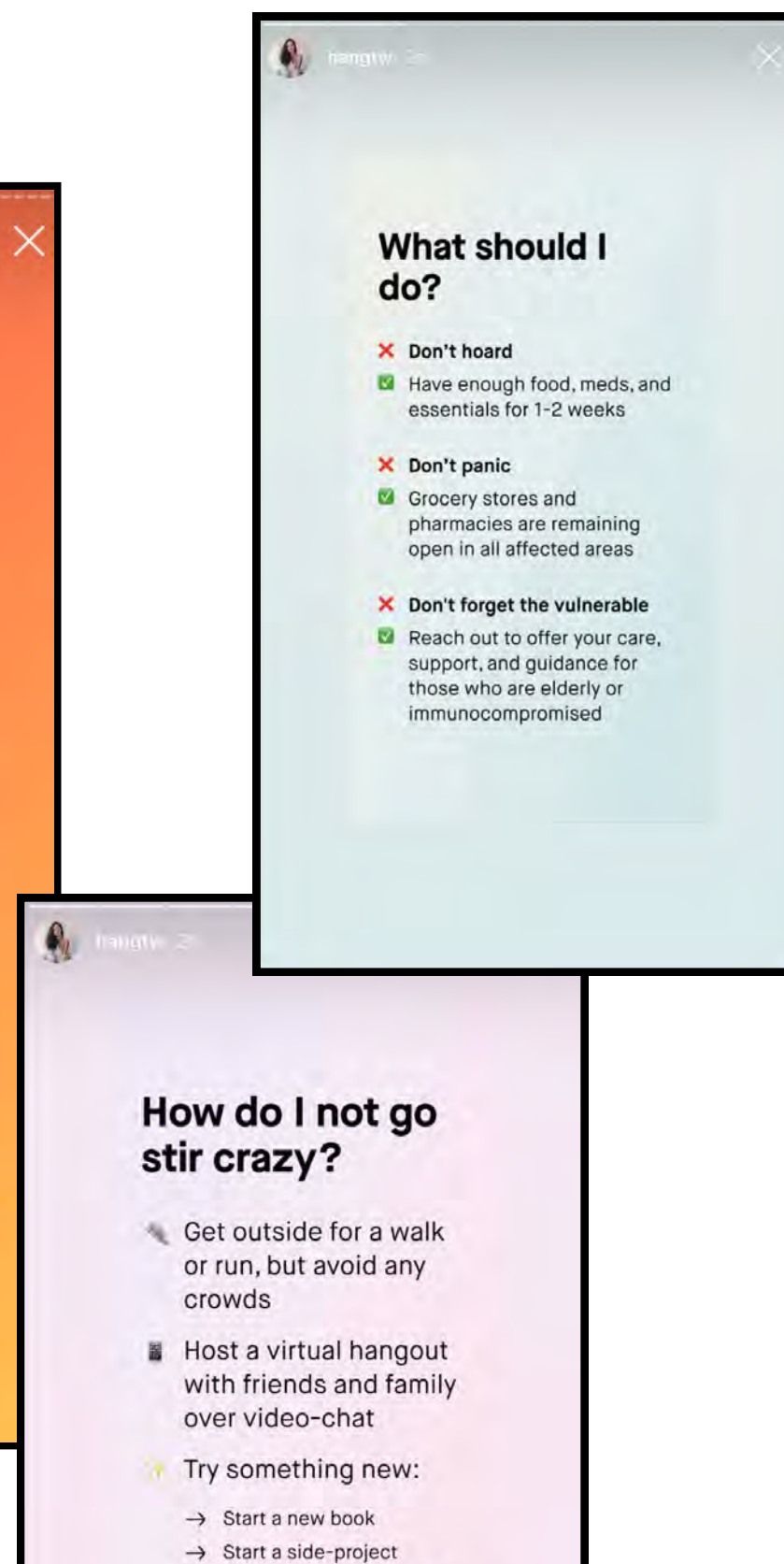
Richelle Batuigas
Head of Measurement & Insights

Intro

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#TogetherFromHome

Overwhelmingly positive response from our creator community, with 150 stories shared by creators all across North America



The objective of this research is to provide insight into how consumer behaviors have evolved with the novel coronavirus (COVID-19) outbreak. **Our hope is that these findings inspire you to innovate with your brand and connect with consumers.**

To paint a fair and holistic picture of the landscape, we looked to our partners and other thought leaders in media, retail, and digital. We incorporated their findings with ours to understand what's happening across markets and make predictions based on these trends.

This situation is unprecedented and everchanging. Our hope is to revisit this research and provide more insight into the future of consumer behaviour.

Intro

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What you'll learn

- 1 How COVID-19 has evolved the way consumers shop
- 2 How COVID-19 has evolved the way consumers interact with the world
- 3 How brands can participate in the conversation



**1. How consumers
are shopping**

Key consumer behavioral thresholds

Behavioural Thresholds	Related COVID-19 Event	Consumer Behaviours
1. Proactive health-minded buying	Few local cases that are generally linked to travel	Increase in products that support overall health & maintenance
2. Reactive health management	First local transmission & COVID-19 related deaths	Increase in products essential to epidemic prevention (masks)
3. Pantry preparation	Multiple cases of local transmission and multiple deaths	Pantry stockpiling and a broader set of epidemic prevention products (gloves, air purifiers)
4. Quarantined living preparation	Local COVID-19 emergency actions & percentage of people diagnosed continues to increase	Increased online shopping, decline in store visits, rising out of stocks, strains on the supply chain
5. Reactive health management	Mass cases of COVID-19 & communities ordered into lockdown	Restricted shopping trips & limited online fulfillment
6. The New Normal	Quarantines lift outside of regions most affected hotspots and society starts to normalize	Back to routine except with increased health consciousness, ecommerce use, and shifts in supply chain



1. How consumers are now shopping

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Across the globe, there's a surge in ecommerce sales

Canada

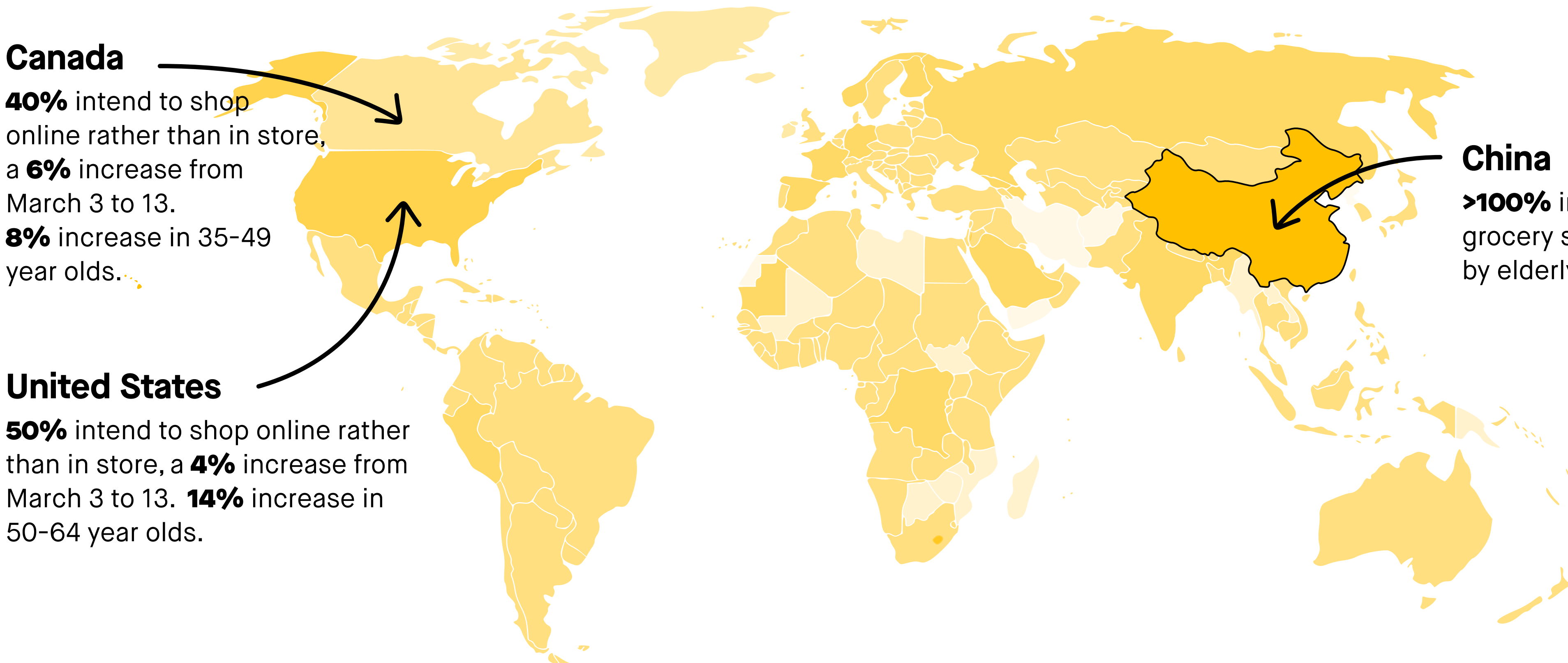
40% intend to shop online rather than in store, a **6%** increase from March 3 to 13.
8% increase in 35-49 year olds.

United States

50% intend to shop online rather than in store, a **4%** increase from March 3 to 13. **14%** increase in 50-64 year olds.

China

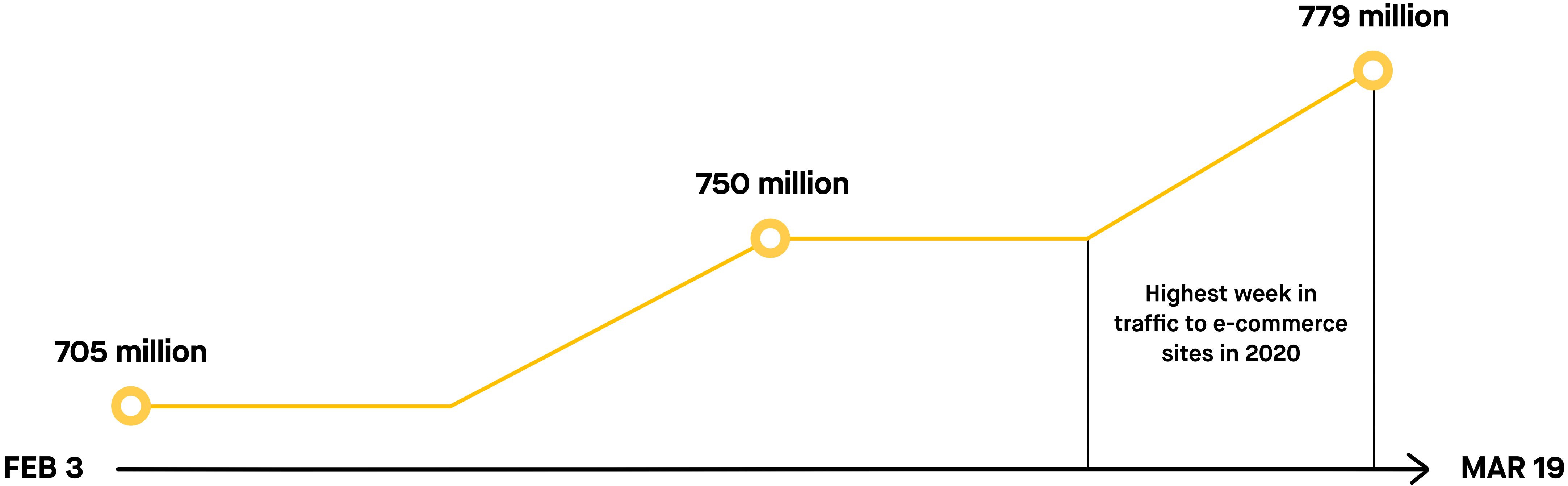
>100% increase in online grocery sales, primarily driven by elderly users



1. How consumers are now shopping

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Consumers are visiting ecommerce sites more



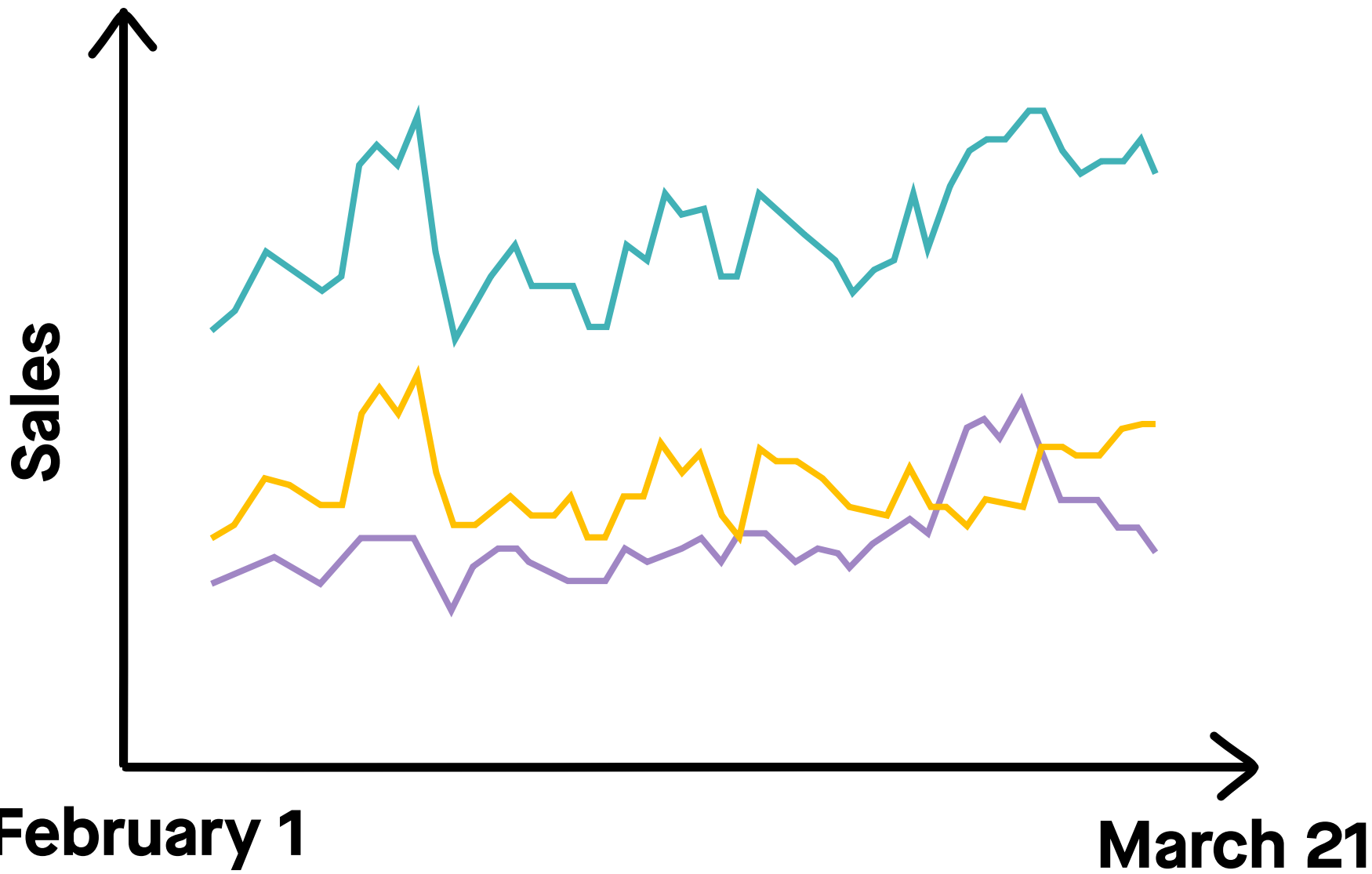
Total Digital Retail Visits for Top Retailers (Aggregated data from Amazon, Target, and Walmart)

1. How consumers are now shopping

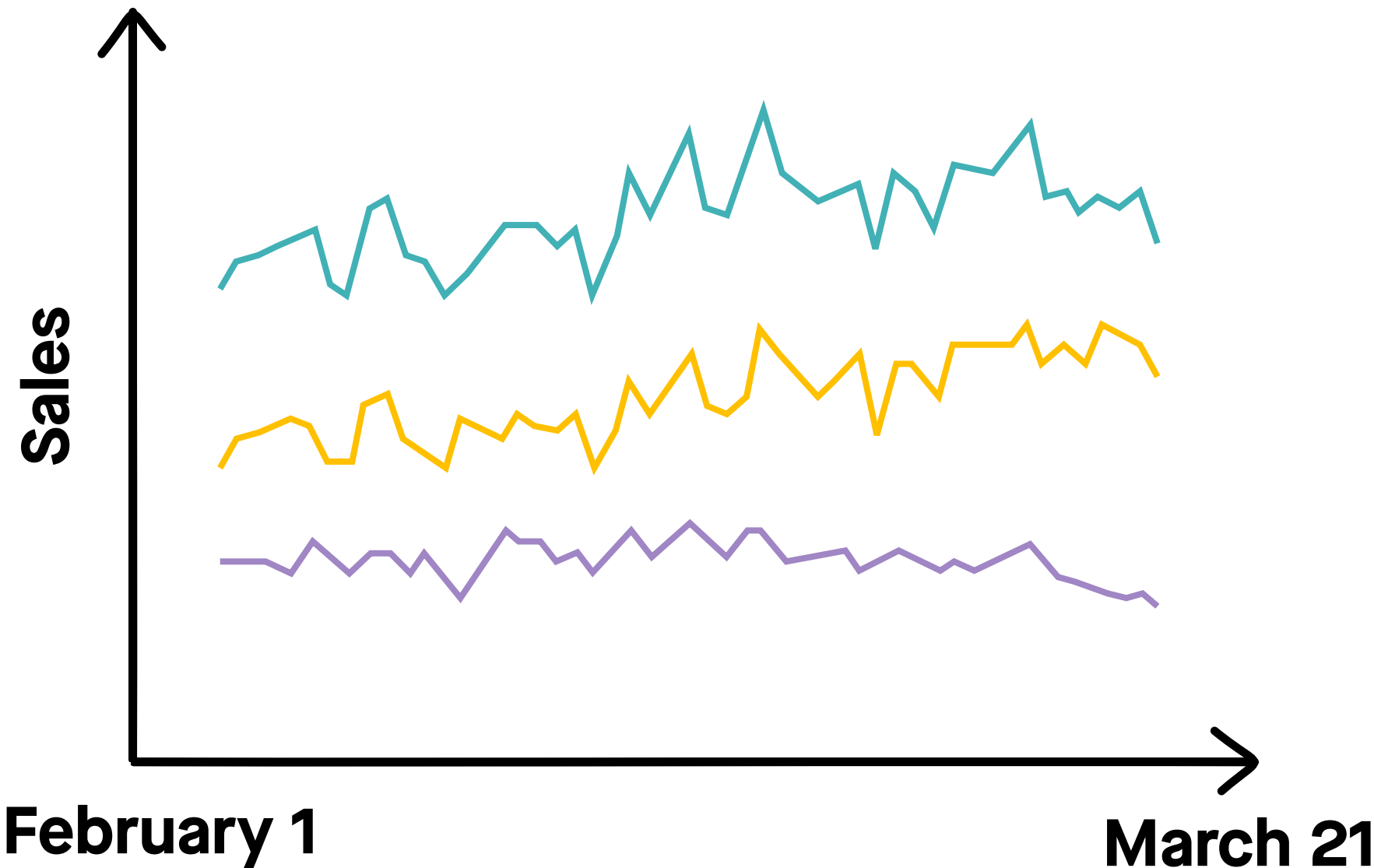
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Certain categories are growing online

Food



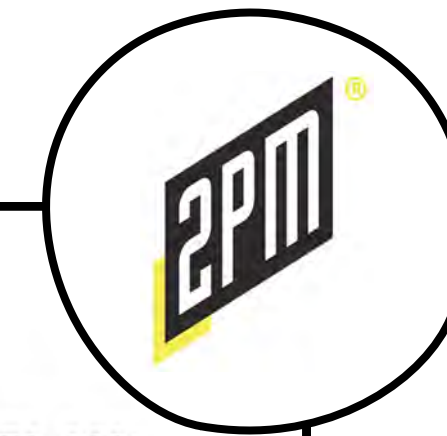
Health & Supplements



● Total Sales ● Organic Sales ● Attributed Sales

This is a behavior that's likely to stay

As reinforced by one of our partners...



“ There is an emergence of a new retail environment amongst consumers who might have been hesitant to embrace online shopping previously... [older generation consumers] have now trialled it and experienced the benefits so will unlikely revert to their old patterns

nielsen
.....

1. How consumers are now shopping

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The 2003 SARS outbreak was a turning point for ecommerce in China

Innovations that arose from this time changed the retail landscape in China today. Retail changes during COVID-19 may be the catalyst for broader ecommerce adoption.

1 Alibaba

As teams avoided business travel, Alibaba's B2B business surged in popularity by connecting domestic suppliers and international buyers. This led to a 5X increase in listings.

2 Taobao

Taobao was developed while in isolation from the outbreak. The Alibaba team worked from home and even family members pitched in and took customer calls.

3 JD

JD.com started as a retailer that closed almost all their stores due to low foot traffic. JD.com pivoted to online sales through forums, BBS and IM groups, and by 2004 fully transitioned to ecommerce.

Other trends we're seeing

- 1

Supply-chain transparency

Consumers may seek increased transparency on distribution and safety measures.
- 2

Reinforcement of buying local

Because of supply-chain transparency and the rippling economic impact of the pandemic, consumers are rallying to support local brands.
- 3

Value Perceptions

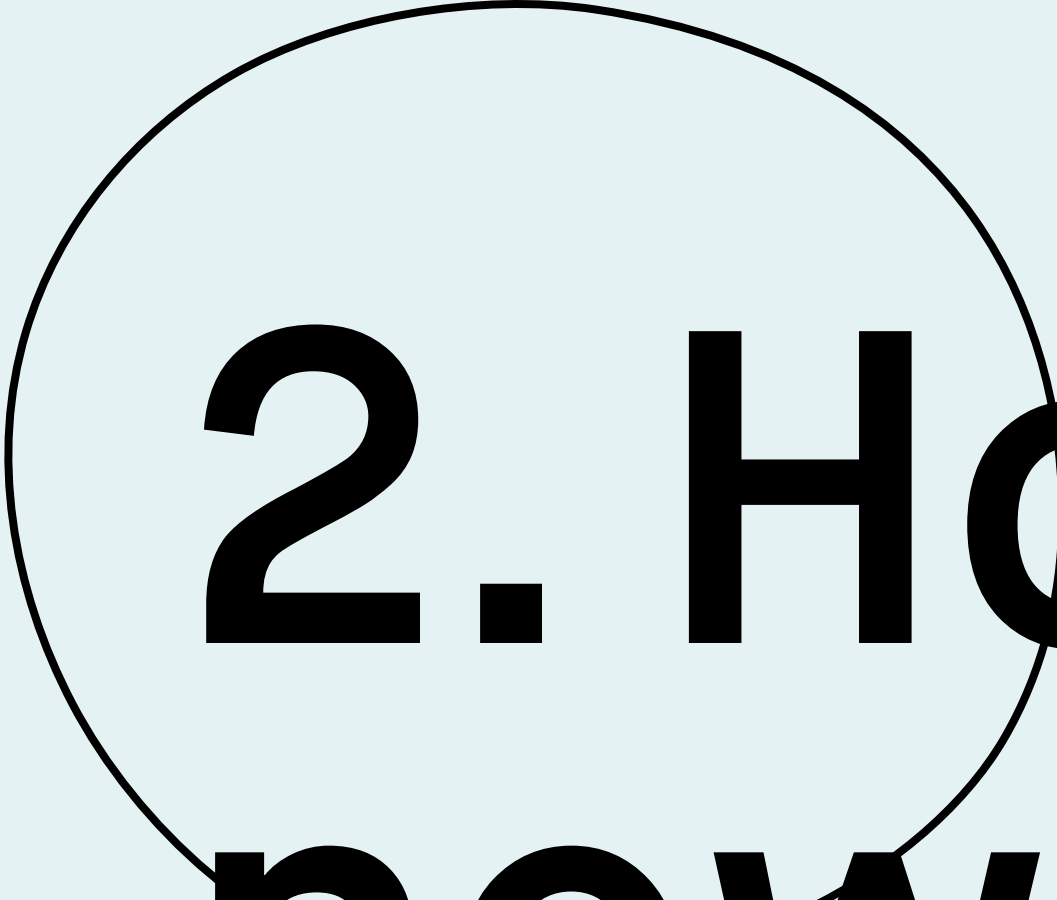
Consumers may be less price sensitive when it comes to goods that are high in demand or guarantee product safety.
- 4

Brand-switching

As consumer priorities become more fluid, they're trying new brands and products. This may lead to shifts in brand loyalty post-pandemic.

Cater to your consumers’ new needs

Behaviour	Brand Strategy
Ecommerce adoption	<ul style="list-style-type: none">• Educate consumers that you’re also available online• Educate older audiences who are new to this offering• Tout delivery or pick-up in messaging
Supply-chain transparency	<ul style="list-style-type: none">• Communicate why your products and supply chains should be trusted
Buying local	<ul style="list-style-type: none">• Focus messaging on being locally produced or grown
Value perceptions	<ul style="list-style-type: none">• Highlight health & safety certifications• Demonstrate value through messaging as opposed to coupons/promotions if you’re in a high demand vertical• Offer promotions that cater to the economic climate for less in-demand verticals
Brand switching	<ul style="list-style-type: none">• Maintain your share of voice to stay a part of consumer’s mindspace as they change priorities



2. How consumers now interact

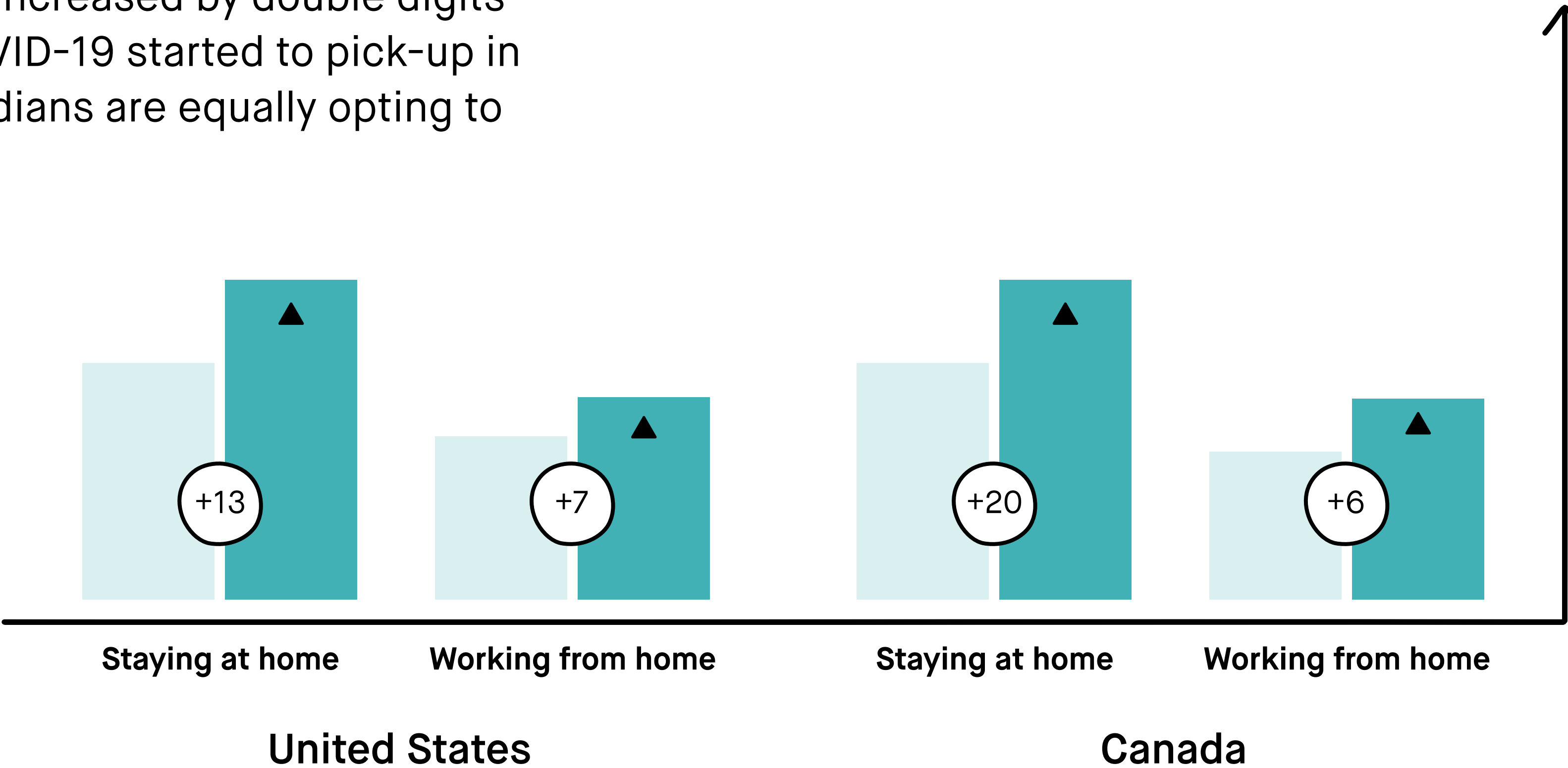
2. How consumers now interact

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Americans & Canadians are increasingly isolating

Residents that are isolating increased by double digits within 10 days. Although COVID-19 started to pick-up in the US before Canada, Canadians are equally opting to isolate and work from home.

- March 3, 2020
- March 13, 2020
- ▲ Significantly higher vs. comparison period

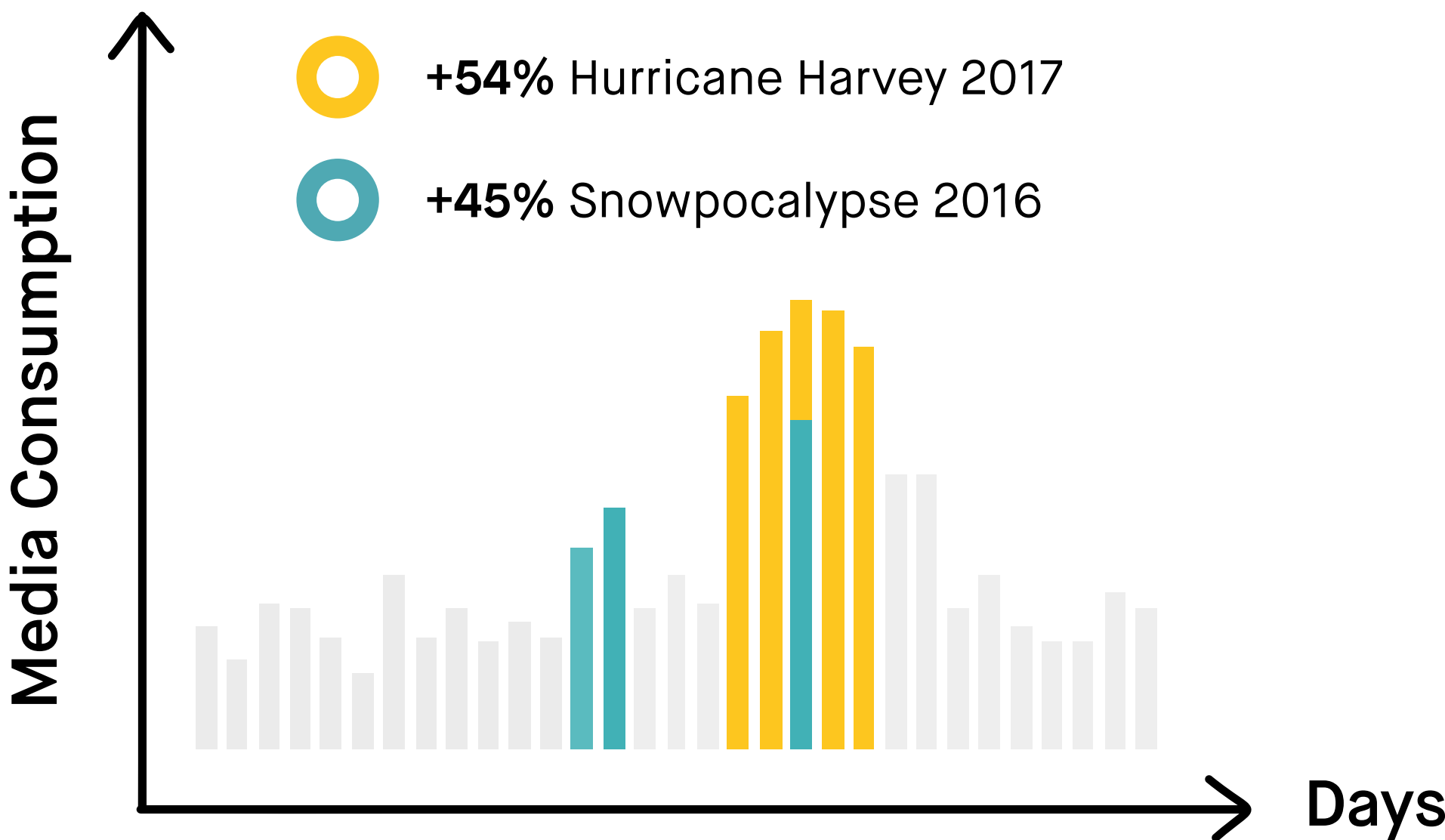


2. How consumers now interact

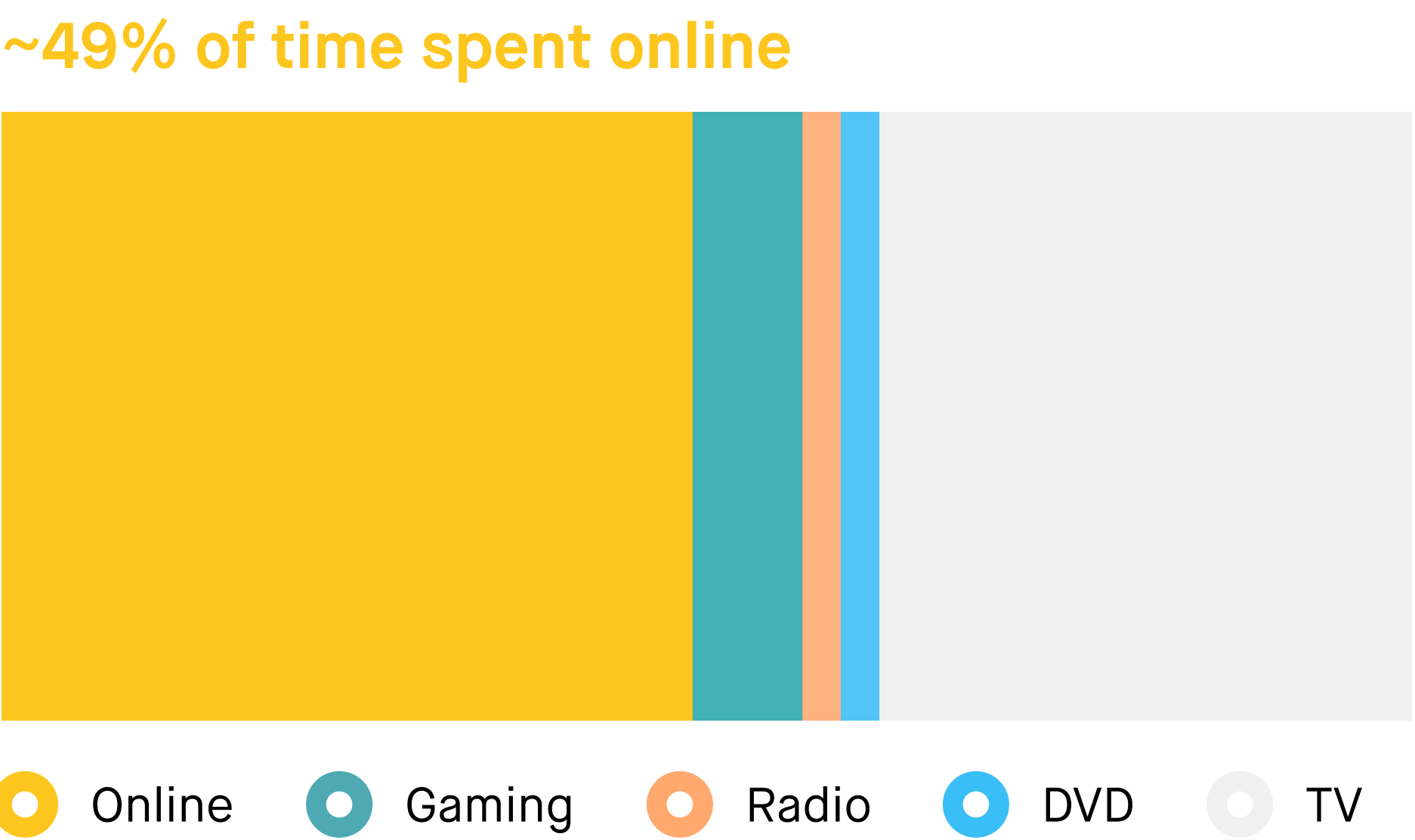
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When stuck indoors, people will increase media consumption by over 60%

1 Americans consume more media during periods of isolation



2 When consuming media, most of their time is spent on the internet



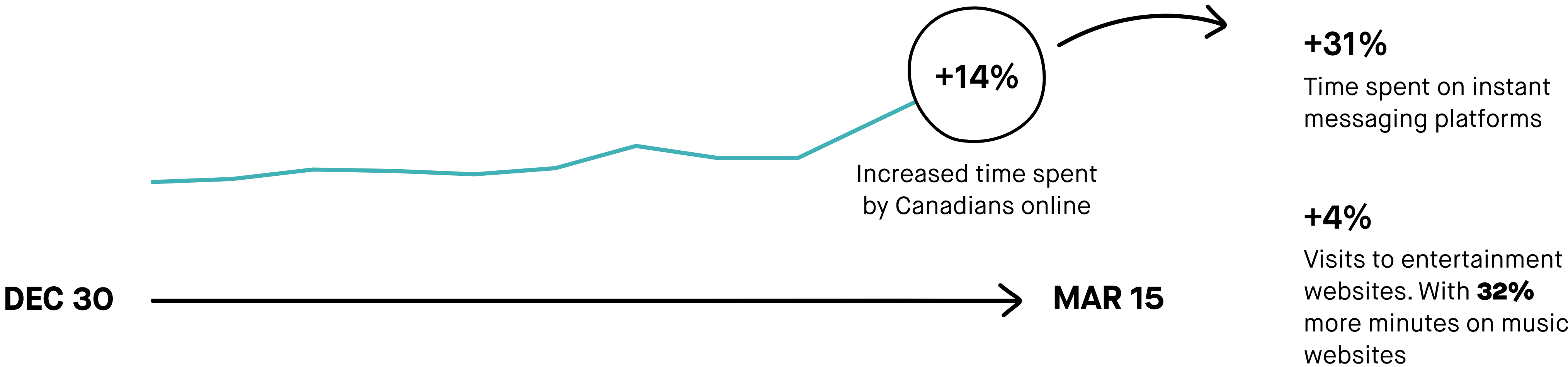
Visual Representation
Country: United States
Time Period: March 9-15 versus December 30 - January 5, 2020
Source: The Nielsen Company US. "Staying put: consumers forced indoors during crisis spend more time on media."

2. How consumers now interact

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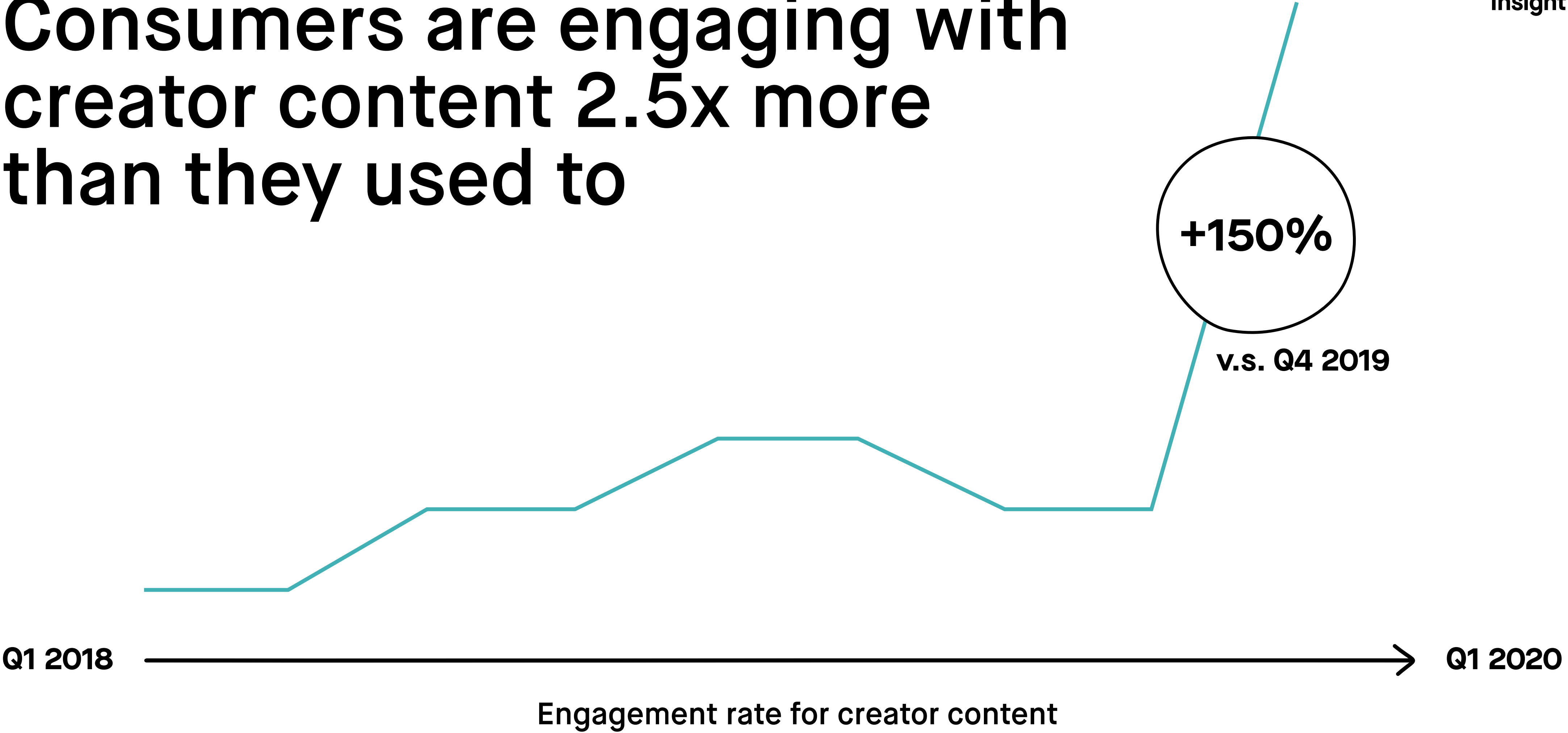
Canadians rely on social media while social distancing

Compared to benchmarks, Canadians are visiting, and spending more time on social media.



2. How consumers now interact

Consumers are engaging with creator content 2.5x more than they used to



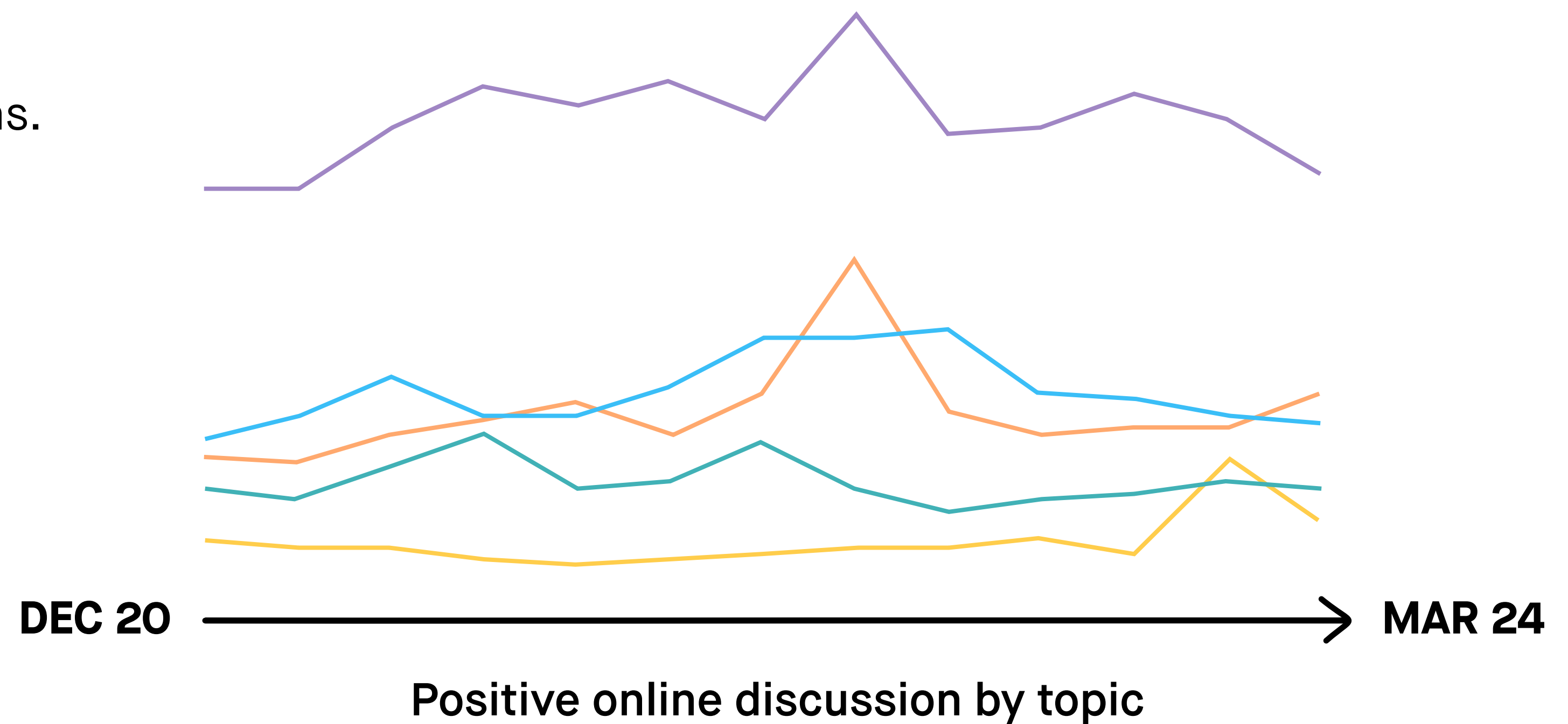
2. How consumers now interact

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Owned
Insight

Conversation in key categories remains consistent through the pandemic

There's space for brands to be a thoughtful part of these conversations.

- Beauty
- Fashion
- Food & Recipes
- Tech & Home Electronics
- Travel & Tourism



2. How consumers now interact

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Owned
Insight

Self-isolation has resulted in emerging interests & needs

These are conversation themes that co-occur with self-isolation & quarantine

Gaming 261K mentions



Fitness & workout challenges 1M mentions



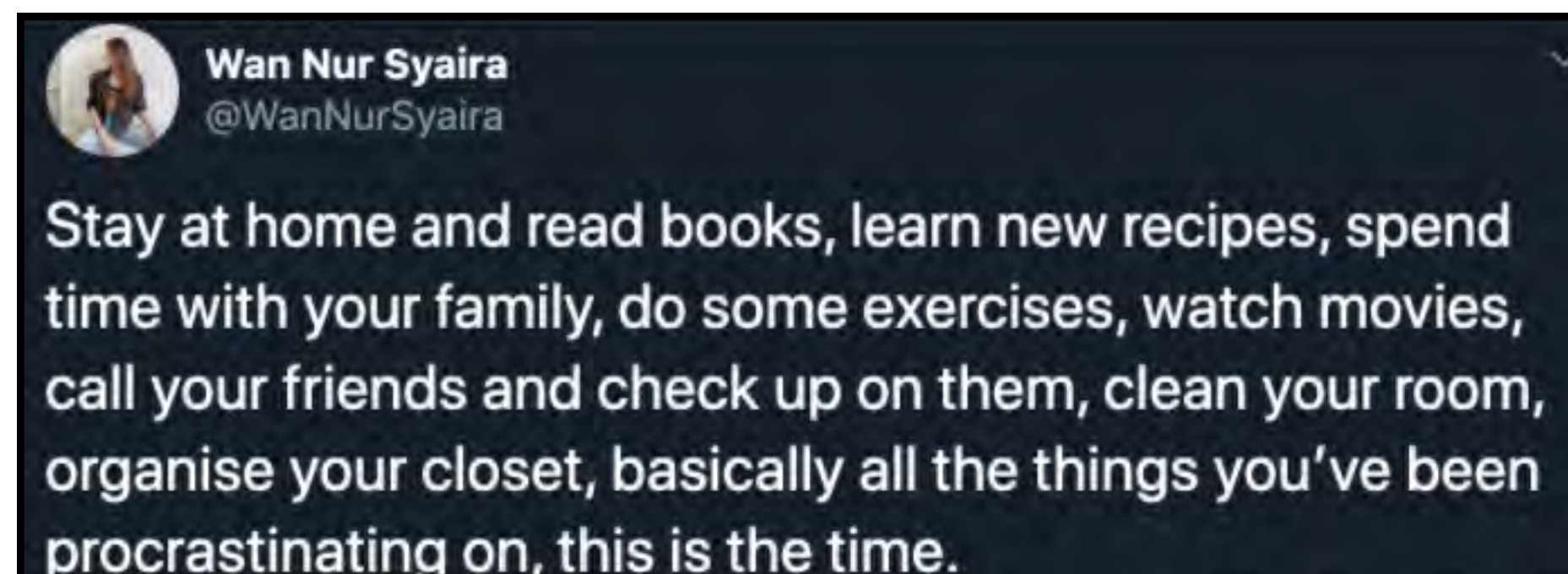
2. How consumers now interact

Self-isolation has resulted in emerging interests & needs

#paid
Owned
Insight

These are conversation themes that co-occur with self-isolation & quarantine

Home decor and organization/learn recipes
655K mentions



Mindfulness & Selfcare
412k mentions



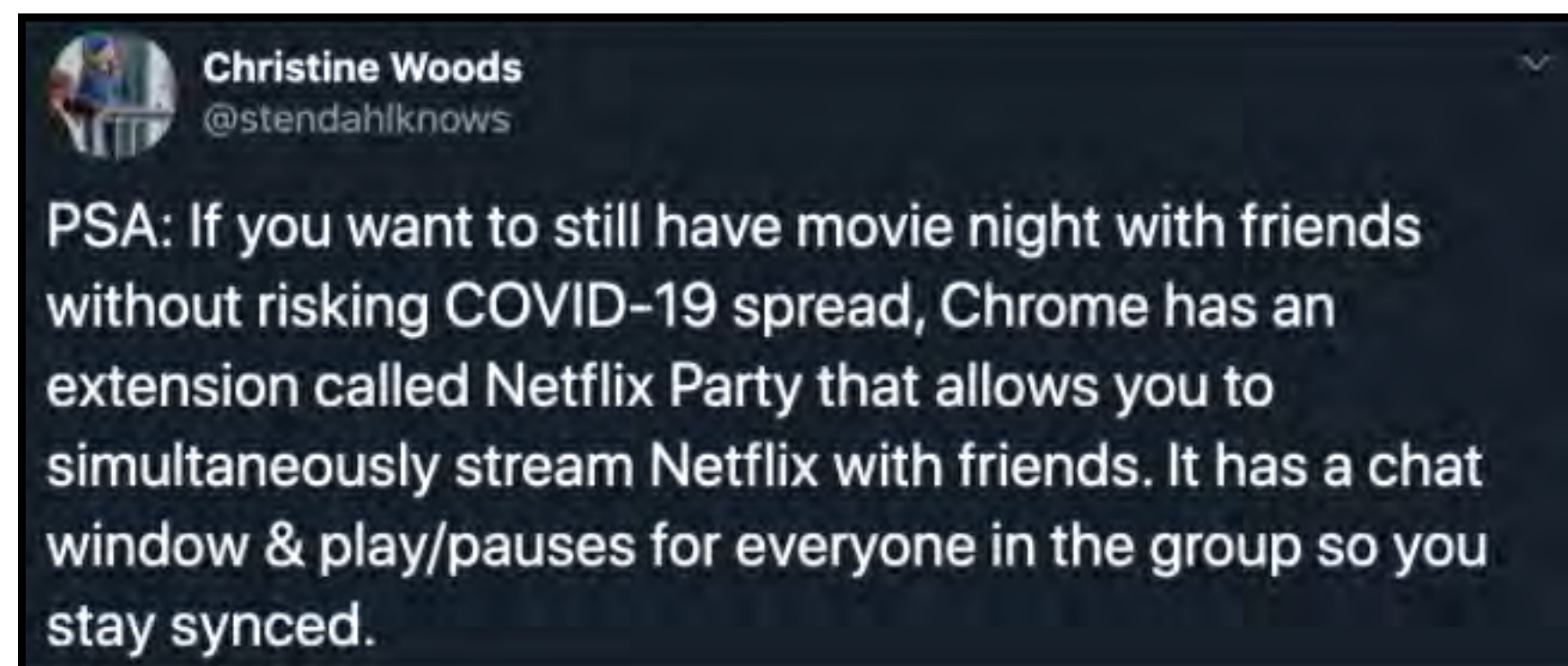
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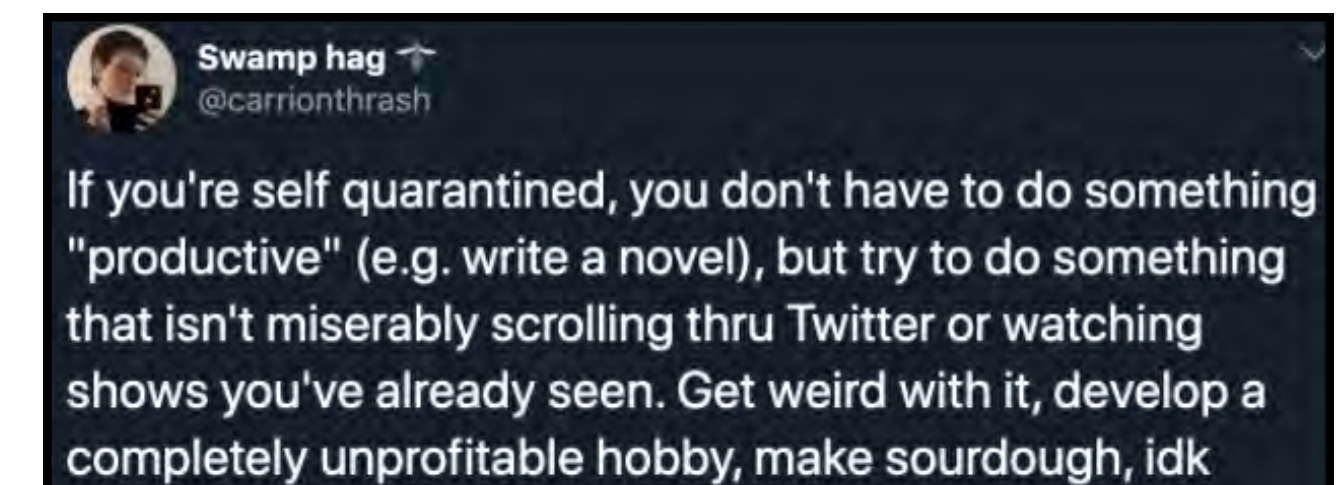
Self-isolation has resulted in emerging interests & needs

These are conversation themes that co-occur with self-isolation & quarantine

Connecting with friends and family 1M mentions



Trying new hobbies 161k mentions



Streaming video 775k mentions




2. How consumers now interact

There's more room to connect with consumers online than ever before

How are you considering this for your brand?

- ① Consumers are spending more time on social media
- ② Consumers are engaging with creator content more
- ③ Consumers are continuing to talk about topics that interest them in a positive way
- ④ Consumers are talking about their new needs & interests in their evolving context



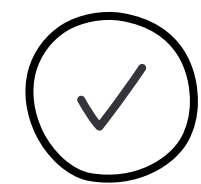
3. How your brand participates in the conversation

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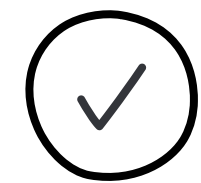
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Lead with empathy

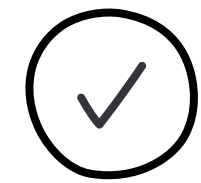
This means...



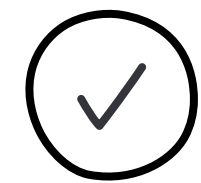
Credibility



Relatability



Authenticity



Realism

Credibility

“ Long before the coronavirus emerged, consumer trust in both government and large brands had eroded. People now align more closely with family, friends and local businesses.”

Gartner[®]

Relatability

“ The most important thing is for marketers to suspend their own viewpoint and put themselves in the consumers' shoes.”

KANTAR

Authenticity

“ Whatever the strategy, it is, of course, critical that it is seen as authentic... the brand mustn't be seen as taking advantage of the situation.”

KANTAR

Realism

“Adjusting creative mix is key for brands communicating during the crisis, so that it’s more personal and addresses how needs are changing on daily basis.”

sidlee

2. How consumers now interact

#paid
Owned
Insight

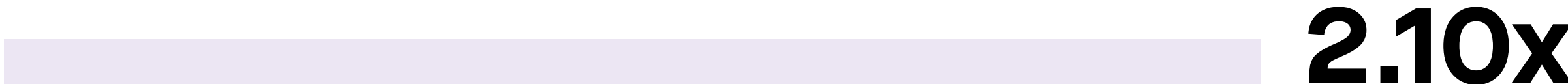
Creators are credible, realistic,
relatable, authentic

Creator content is more...

versus a non-creator post from a Brand



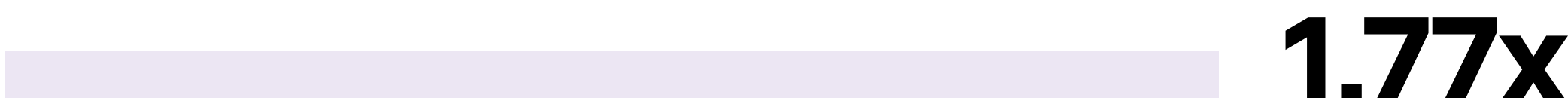
Credible, which gives people confidence to click on your call-to-action



Relatable which helps people connect with the content



Realistic which gets someone to stop and look at their content



Authentic which gets consumers to recall your message



US & Canada
Time Period: 2020
Source: #paid Brand Lift Surveys we asked 2250 consumers to rate content from brands and creators on a scale of 1-5 across 10 attributes. These were the top rated attributes (top 2 box rating)

3. How your brand participates in the conversation

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The World Health Organization agrees

They leveraged the relatability and influence of creators to share their message.

Popular content creator, Seth Phillips (@dudewithsign) created original content for WHO to promote best practices in a way that relates to his 6.7M followers



3. How your brand participates in the conversation

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Creators, not influencers

1

Creators

Treat their work like a craft

Influencers

Treat their work like a way to make a quick buck

2

Creators

Are proud of their collaborations

Influencers

Delete their collaborations

3

Creators

Create original content

Influencers

Repost content

4

Creators

Have trusting audiences

Influencers

Have bought followers

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Remember these 3 things

- ① Cater to evolving consumer purchase habits through your brand communication & retail channel strategy.
- ② Connect with consumers through social media as they're engaging with this medium more than ever before.
- ③ Leading with empathy means speaking to consumers through a medium that's credible, relatable, realistic, and authentic.

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