

LIFE AFTER COVID-19

Consumer Sentiments that are
Essential to Business Revival

Part of ADMERASIA COVID-19 MONITOR Series
produced by ADMERASIA Intelligence Division

April 2020

“Everyday people are heroes.”

A response to the survey question “what is your single most important learning during the COVID-19 pandemic?”



“

It is an unprecedented and challenging time for us all. The COVID-19 pandemic has profoundly affected our lives and the economy, and the impact will be long-term.

Anxiety, anger, panic, courage, self-discipline and hope...people's feelings and ways of coping are diverse and evolving along with the fast-changing situation. We hope to track these shifts and provide insights that help brands make informed decisions when responding in this time of crisis, and planning for revival in the world after.

Introducing **ADMERASIA COVID-19 MONITOR**, a series of ongoing research efforts in tracking American consumer sentiments and behaviors during and after the pandemic.

“Life after COVID-19” is the first session of the series.

Follow us to get updates on our upcoming insights and reports.   @admerasia

Bird's-eye view of the report.

Current state of mind

- Remote working but worried about job stability
- A saving-centric mindset
- Spend more on health products
- Best stress relief remedies: online social connection and exercise
- Positive gains: more time for families, contemplation and self-discovery
- Believe Asian Americans were not to be blamed for the pandemic
- Hold polarized views towards China's role in spreading the virus

Vision of the new normal

- Attitude shift: gratitude and vigilance
- Spending shift: caution and saving
- Core drivers of the staged recovery life and implications on business revival:
 - Social belonging
 - Pent-up demands
 - Health consciousness
 - Live-in-the-moment spirit
 - Financial security
 - Technology integration

Content.

Purpose

Situation, projections, and the proprietary survey

Part I

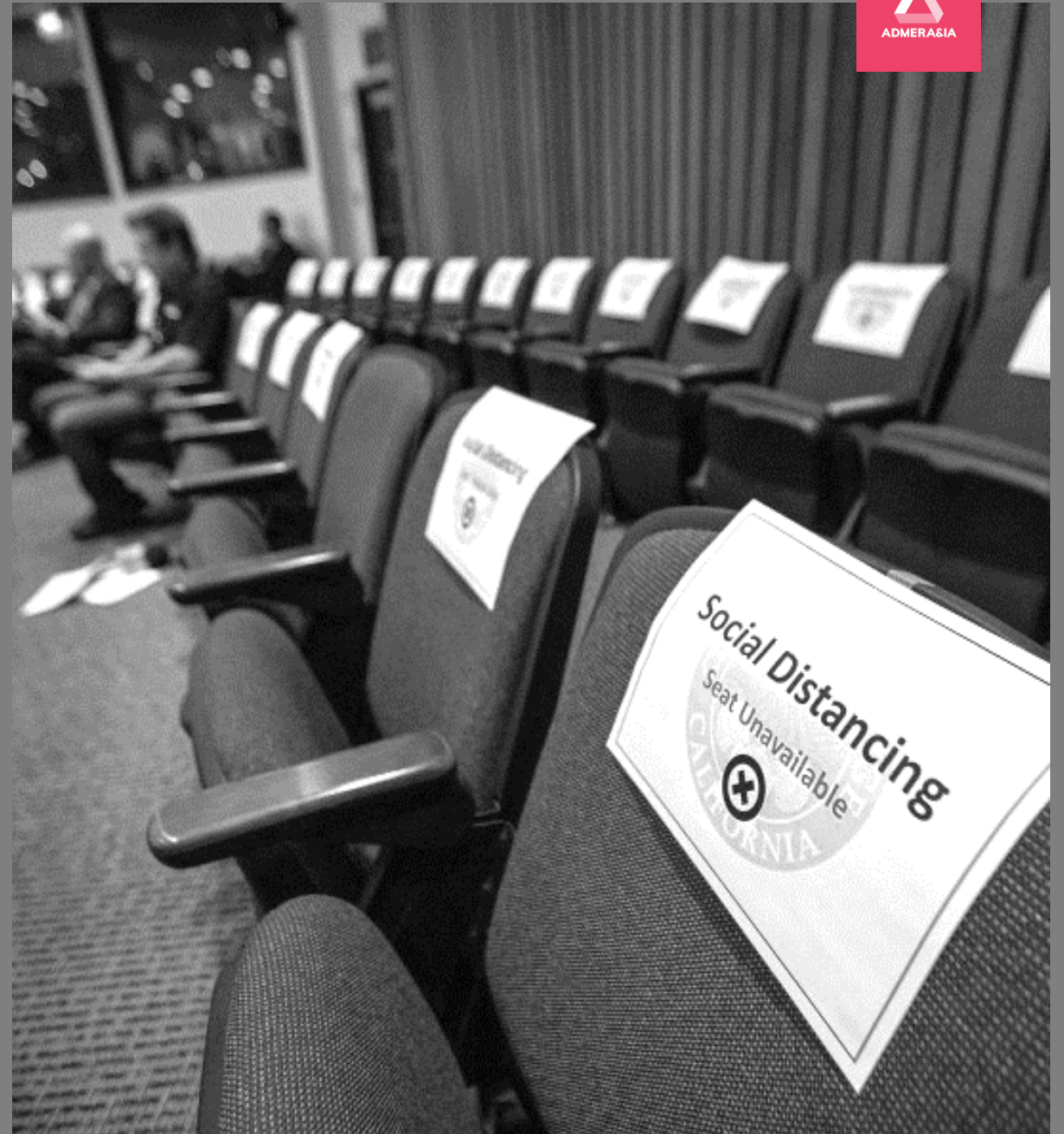
Current state of mind that breeds the after-crisis vision

Part II

Vision of the after-crisis new normal

Purpose.

**Situation,
projections, and the
proprietary survey**



Current situation. (as of 4/24)

“COVID-19 U.S. impact could exceed anything since the end of WWII.”

869K+

Confirmed cases

49K+

Reported death

13%

Estimated
unemployment rate

\$2T+

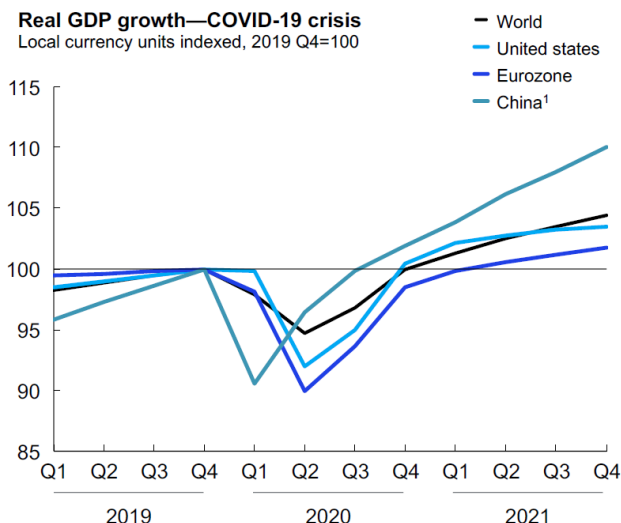
Relief fund released

Recovery projection.

Recovery scenario 1

Virus is contained

Seasonality and a stronger global public health response drive case reduction.



-2.4%

2020 U.S. GDP % change

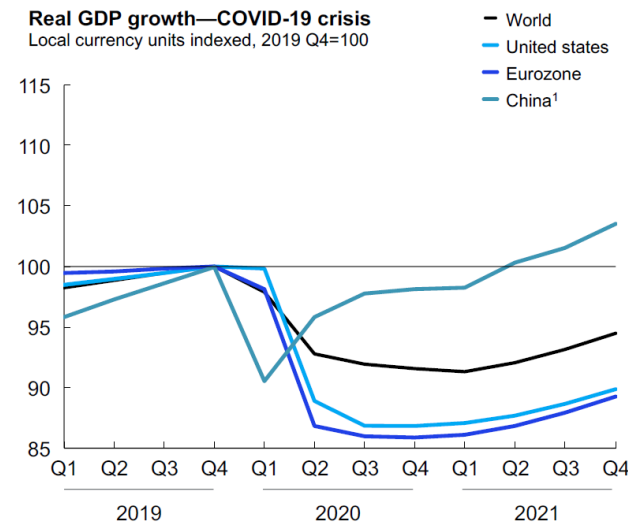
2020 Q4

Time to return to pre-crisis

Recovery scenario 2

Virus freezes recovery

Virus spreads without seasonal decline. Health systems are overwhelmed in developing countries and regions.



-8.7%

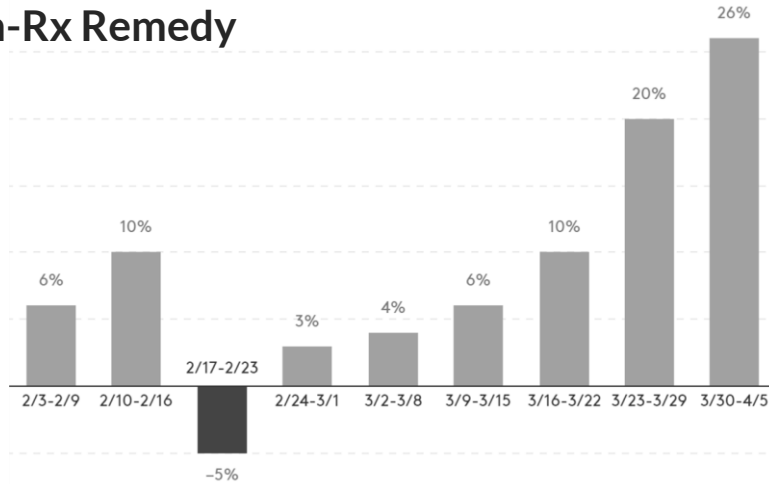
2020 U.S. GDP % change

2024 Q2

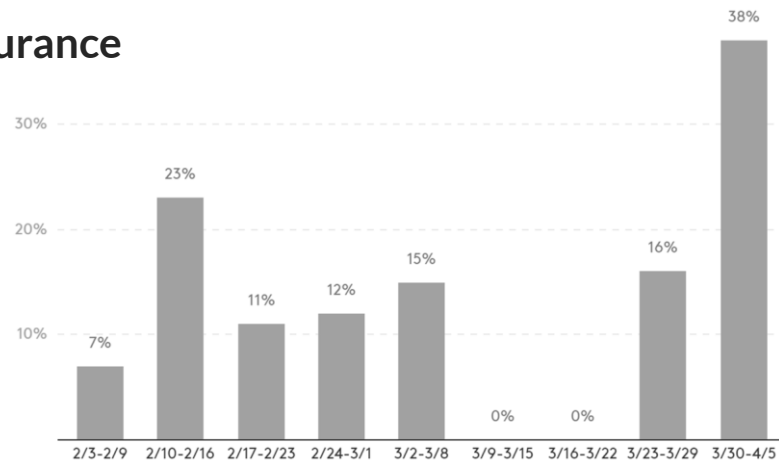
Time to return to pre-crisis

Industry responses reflected in ad spending.

Non-Rx Remedy

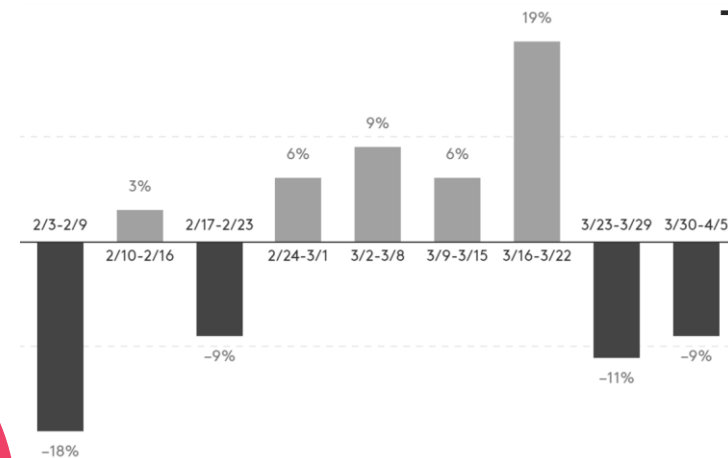


Insurance

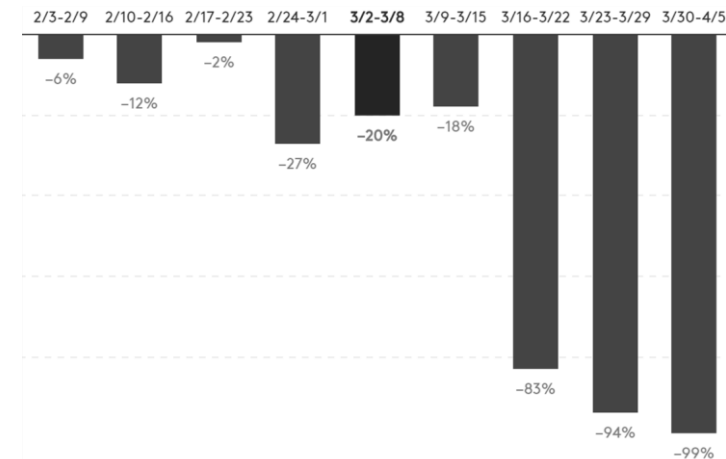


:30 Second TV Spots Aired in National TV Top 25 Networks - % Change 2019 vs. 2020

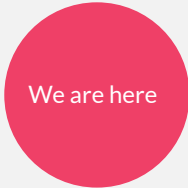
Telecom



Travel & Tourism



Brands transition from Respond to next steps.

| Situation | Phase 1 Respond  | Phase 2 Revive | Phase 3 Reimagine |
|-----------|---|--|---|
| | <p>Social distancing and lockdown in place.</p> <p>Brands pause ad spending and/or recreate messages.</p> | <p>People gradually go back to workplace and “normal life”.</p> <p>Brands make a comeback by resuming ad spending.</p> | <p>New demands emerge in the after-crisis’ reality.</p> <p>Brands explore new growth opportunities.</p> |
| Actions | <p>Adjust existing communication plan.</p> <p>Monitor consumer sentiment and prepare a game plan.</p> | <p>Capture the sentiments to create a differentiating communication plan.</p> <p>Make informed business decisions.</p> | <p>Redesign consumer journey and develop innovative new product or service.</p> |

A proprietary online survey

Identifying essential consumer attitudes and demands is critical for brands to plan and achieve a successful revival.

We zoomed into the working professional groups in some of the biggest metropolitan areas in the U.S. that have been hardest hit by COVID-19 and surveyed peoples' present sentiments and expectations towards life after the pandemic.

This report includes highlights from the survey findings as well as references from other third-party research.

Survey period
4/1 – 4/10

Location
70% of responses came from 4 states
NY, NJ, CT and CA

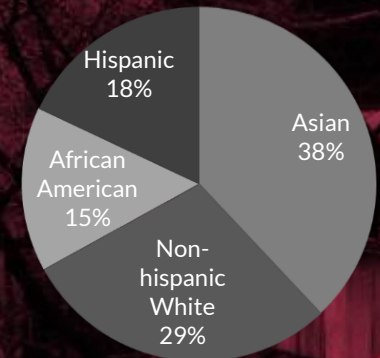
Income
42% have HHI
over \$150,000

Sample size
383

Age
61% are between
25 to 44 years old

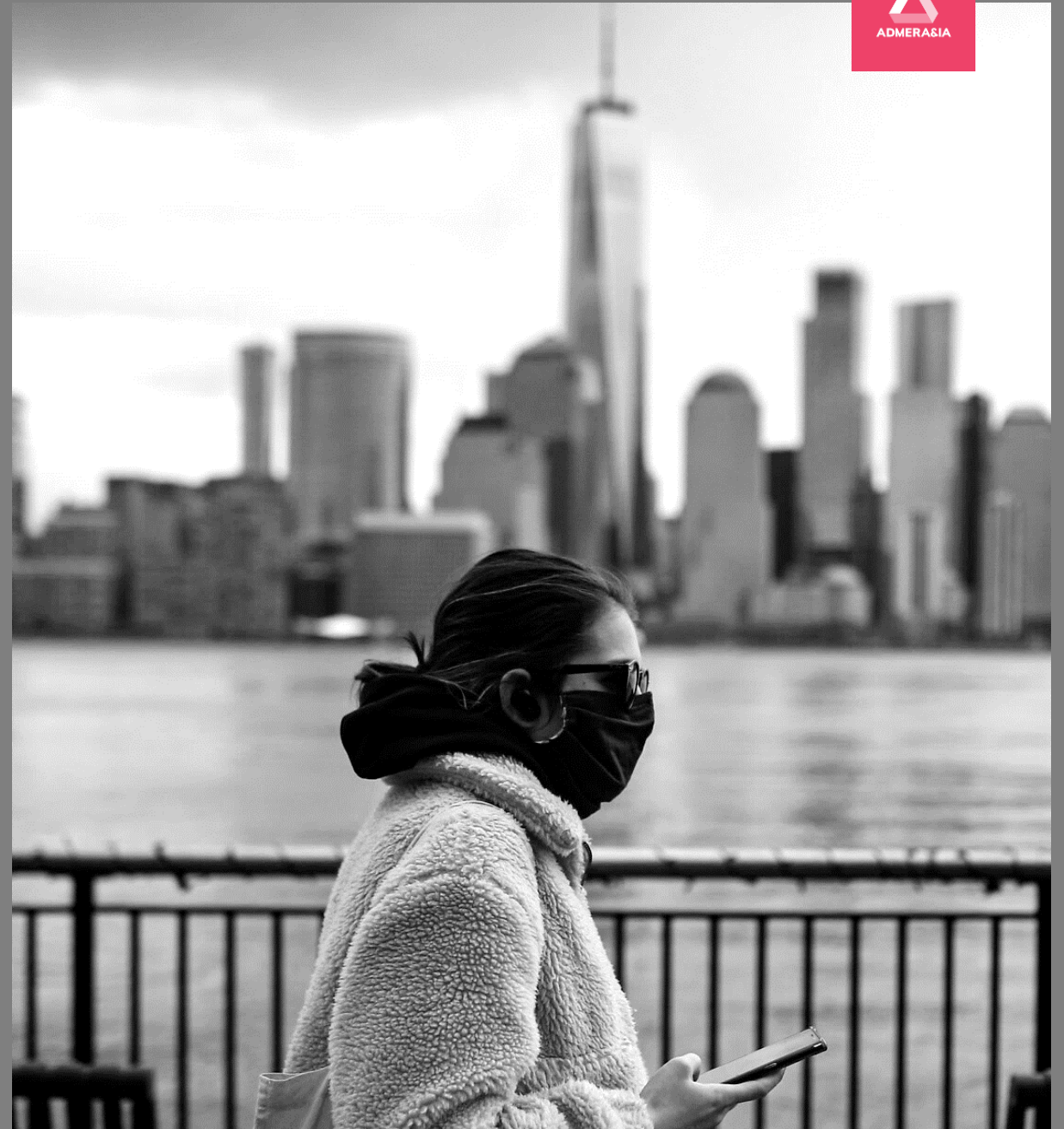
Employment
72% are full-time
employees

Ethnicity



Part I.

Current **state of mind** that breeds after-crisis vision



Employment status.

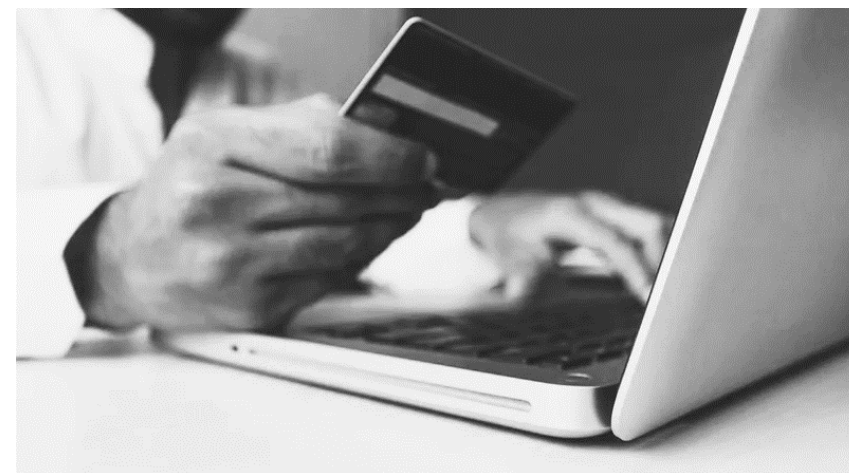
Over 70% of surveyed working professionals have been working from home. However 36% were worried about their job stability.



71%

Were working from home. However 36% were concerned about their job stability

This working from home figure was higher than the 62% from The Harris Poll (nationwide) as ADMERASIA survey skewed to white collar groups in the metro area



73%

Reported their incomes were not yet affected

This figure was higher than the 61% from The Harris Poll (nationwide) as ADMERASIA survey skewed to white collar groups in the metro area

Financial behavior.

The uncertainty of the pandemic's economic impact has largely encouraged a saving-centric mindset and pause on expenditure. Over 40% also saw this crisis as an opportunity for financial investment, especially the group with HHI over \$150,000.



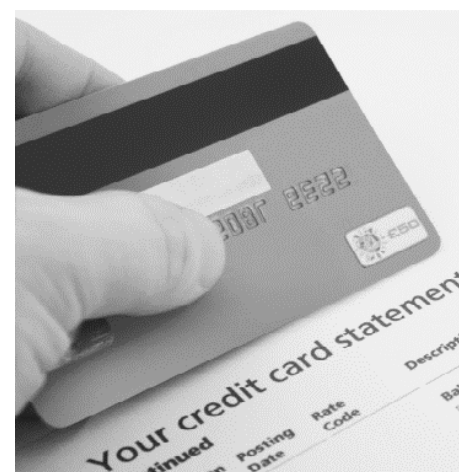
75%

Would be more saving-centric



64%

Had to postpone big ticket item purchase (car, house, etc.)



56%

Have cut back expenditure

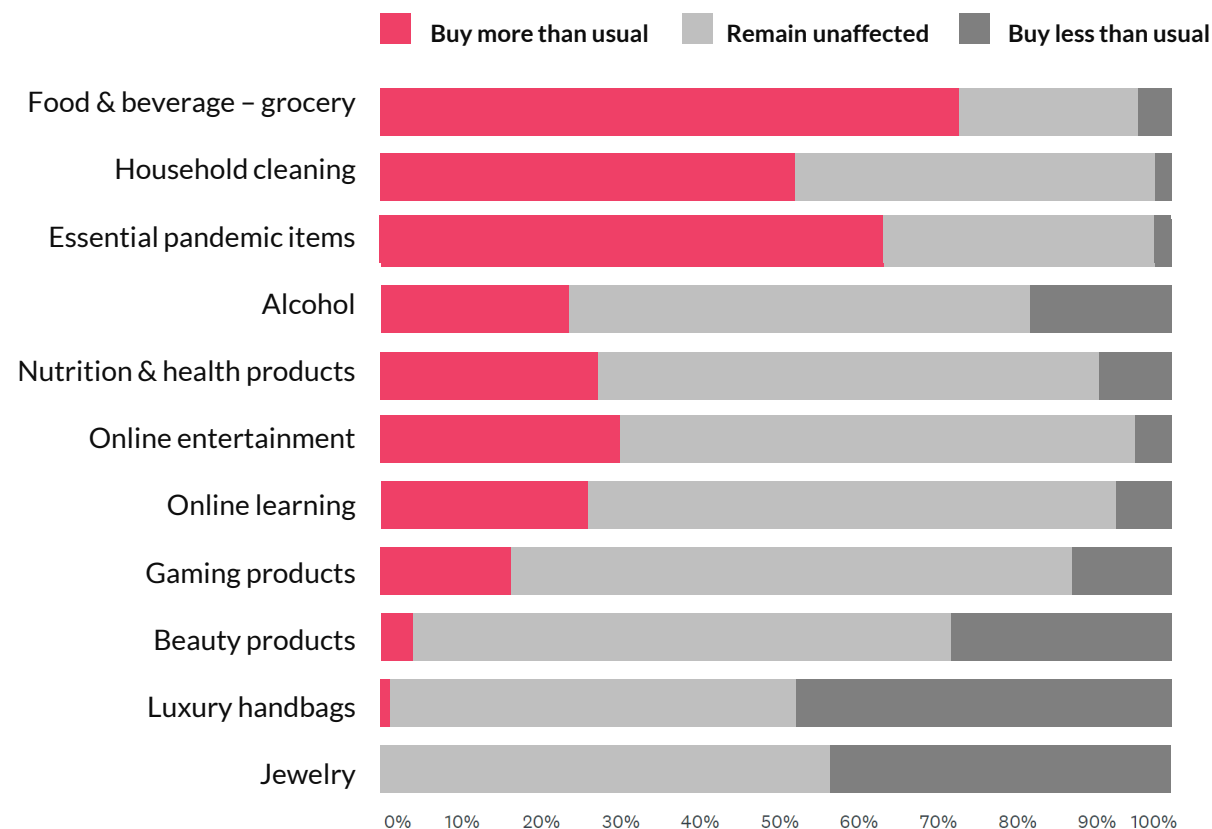


35%

Were proactively exploring investment opportunities. For people w. \$150K HHI or above, this figure was 46%

Expenditure change.

While limiting non-essential luxury purchases, people spent more on grocery, essential items, health products and online content. Asian Americans, influenced by the early outbreak in Asia, spent more than the total market in these categories.



Source: ADMERASIA proprietary COVID-19 survey, April 2020



72% of surveyed **Asian Americans** spent more on essential pandemic items, compared to 63% of total responses.

Exposure to in-language news from Asia in the early stage of the pandemic has largely alerted Asian Americans to take precautionary actions.

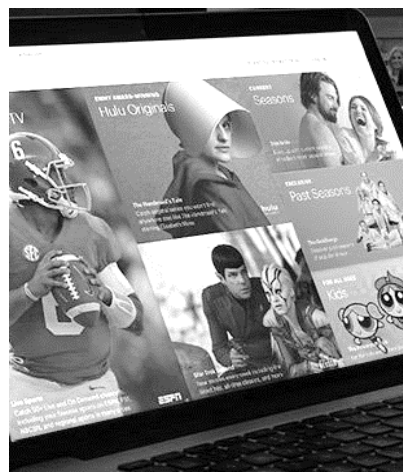
Stress relief during the lockdown.

Online social connection, physical activity, task-focusing and alcohol are the most adopted ways for people to relieve stress and pessimistic mood.



64%

Chose to talk to friends



55%

Chose to stream videos

Video streaming increased 41% during the lockdown - McKinsey



45%

Chose to exercise

Peloton's app download increased five times more in March than February - CNBC



34%

Chose to focus on work



31%

Chose to pour a glass of wine

...Some other creative ideas.

Quarantine Olympics

Viral at-home fun challenges



Trash Costume

Over-the-top dress for taking out the trash



Positive gains in life.

Despite the negative impacts, majority of survey respondents felt the lockdown had offered them precious time to be with their loved ones and an opportunity for contemplation, self-discovery or finding new hobbies.



65%

Spent more quality time with families



60%

Got to reappraise life priorities



46%

Enjoyed cooking more

Hashtags such as #quarantinebaking and #bakingtherapy have been trending, and many stores were sold out of flour and yeast - NYTimes

Perceptions.

The vast majority of survey respondents, across different ethnicities, agreed that Asian Americans should not be blamed for the spread of the COVID-19 in the U.S. The Asian American community has been rallying together to fight discrimination.



86%

Believed that Asian Americans should not be blamed for this pandemic



Asian Americans have rallied together to denounce the racial animus, and comfort and help each other with different initiatives.

For instance, **RacismIsContagious.com**, a collective initiative from the Asian American community has been gaining coverage and buzz on social media.

Perceptions.

Views on China's responsibility on the spread of COVID-19 have been polarized. Perceptions towards Chinese brands, however, remained relatively unaffected.



50%

Believed that China should not be blamed for the pandemic
This figure roughly aligned with the result from The Harris Poll where 54% of respondents thought China should be held responsible



69%

Believed that their perceptions towards Chinese brands, like Huawei or Lenovo, were not negatively affected by the pandemic

Part II.

Vision of the after-crisis new normal



Attitude shift.

In answering the open-ended question about the most important learning from the pandemic, peoples' responses primarily concentrated on gratitude & reflection, followed by acceptance of change and crisis vigilance. These mentality shifts will play an impactful role in peoples' lifestyle choices and purchase decisions.

Gratitude & reflection

Everyday people are *heroes*.

Never take life & humanity lightly,
treasure with *compassion & love*.

We *don't need as much* in life
materially as we think or are told.

Slow down and get comfortable
with *slowing down*.

Acceptance of changes

To *expect* the unexpected!

Change is the only *constant*.

Live in the moment.

Crisis vigilance

Save more money.

Be prepared, trust what you
see not what you heard.

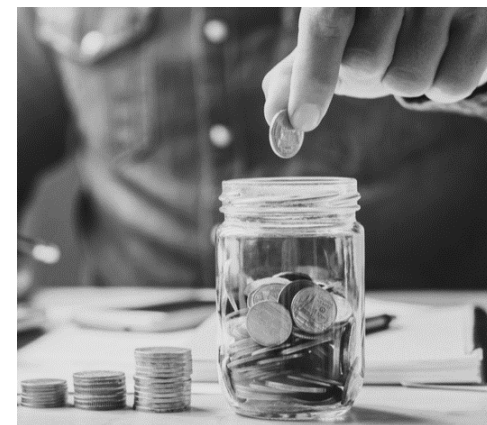
Spending shift.

Over 60% of survey respondents worried about the extended economic recovery time, resulting in a cautious spending projection.



61%

Worried that it would take longer than a year for the economy to bounce back
Similarly, result from The Harris Poll suggested 62% believed the economic impacts of the pandemic have a bigger impact on peoples' lives, instead of COVID-19 itself.



59%

Would choose to decrease spending to save more money for the after-crisis life. For people w. \$150K HHI or above, this figure was 52%

Vision of a new life.

Based on the survey results, the first-year recovery lifestyle appeared to have a staged pattern with different motivation drivers.

Stage 1

1 to 3 months after the lockdown

Quench the thirst

Stage 2

3 to 12 months after the lockdown

Embrace the new norm

Behaviors

Dive into activities such as dining out, gathering and shopping, that symbolize a return to normal life

Carry on life with precautions and gradually execute the plans made pre-or-during the pandemic, such as travel, investment and big-ticket item purchases

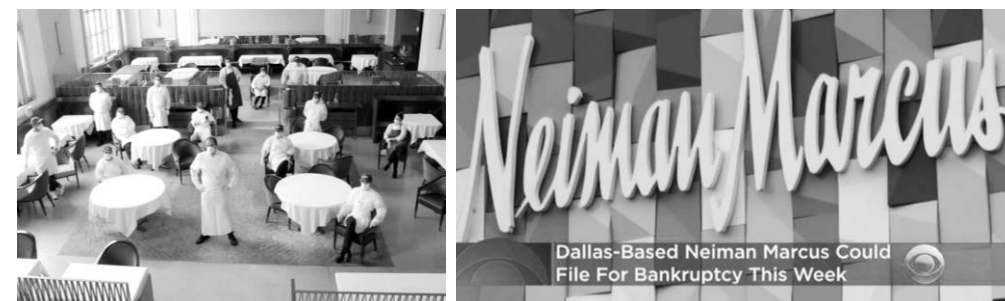
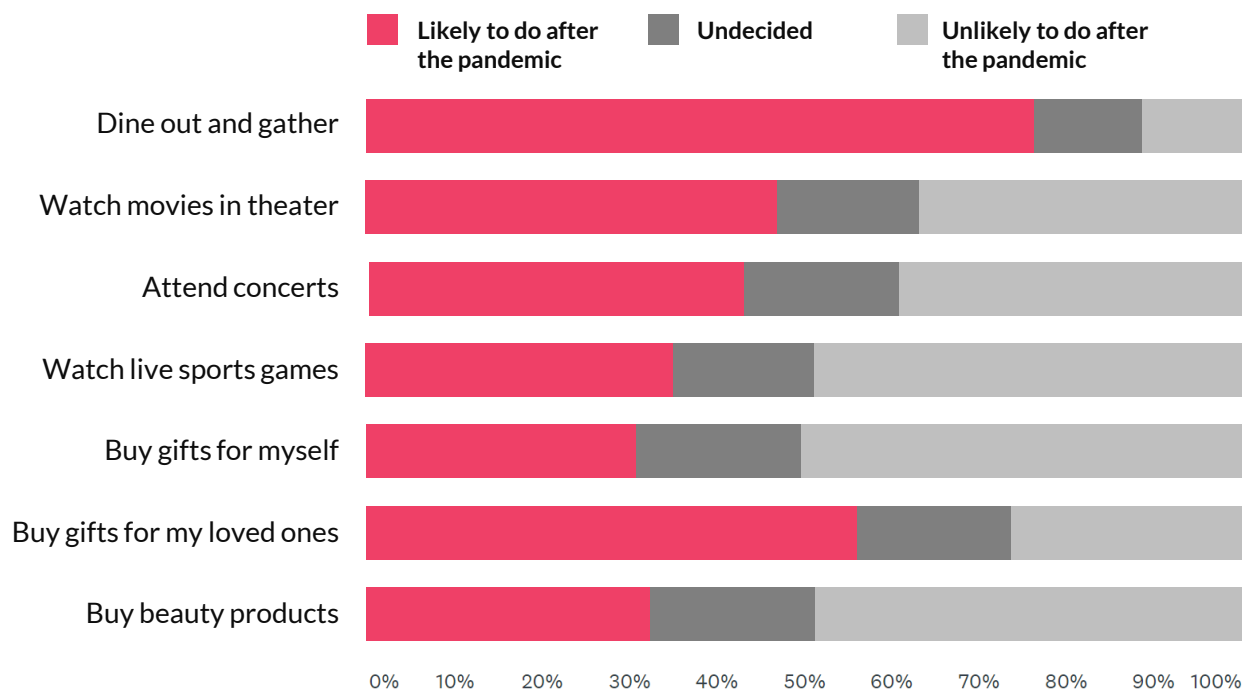
Drivers

Social belonging | Pent-up demands

Health consciousness | Live-in-the-moment
Financial security | Technology integration

Quench the thirst.

Rebuilding social connection and attending group activities were highly desired after the lockdown, indicating that some of the most hard-hit industries, such as food and retail, etc., will be more likely to see a quicker rebound of consumer traffic.

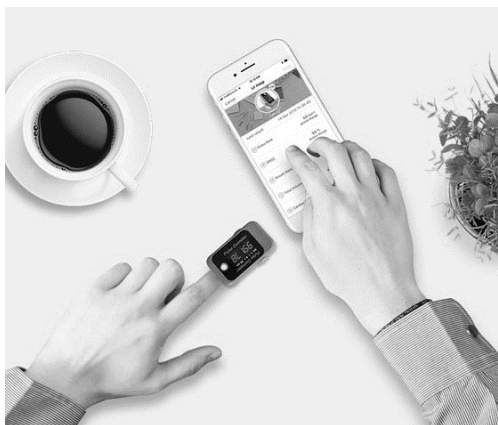


Nationwide, the **restaurant** industry has seen an average of 65% decrease in YOY sales in April 2020. This is an industry desperately in need of a turnaround.

The **brick-and-mortar retail** industry has experienced sharp decline with iconic brands like Neiman Marcus filing bankruptcy. A return of shopping demand will help industry's restoration.

Embrace the new norm – health-minded life.

The pandemic has rewritten the importance of health in peoples' mind. Health consciousness will play an influential role on purchase decisions beyond health-related products, but **a broad spectrum of categories**, even including travel. Brands need to consider repurposing messaging or redesigning product offerings to fit this new lifestyle.



46%

Would buy smart health-monitoring devices



48%

Would prefer contactless payment



27%

Would choose a hotel with health concierge service when travelling. This figure went up to 37% for Asian Americans

Embrace the new norm – live-in-the-moment.

The uncertainty of the pandemic has fueled the spirit of living in the moment. Exploring the world has been viewed as one of the essential symbols of achieving this goal. After months of staying at home, there are strong consumer desires in **travel and seeking new experiences**, with precautions.



71%

Planned to travel for vacation



77%

Would travel after at least 3 months after the lockdown. 35% would wait 6 months or even longer



37%

Would consider visiting Asia, including the countries swept by the pandemic like China, Korea and Japan

Embrace the new norm – financial security.

The mortality and economic impact brought by the pandemic have urged people to examine their financial status and take actions to strengthen their financial security. This mentality provides a growth opportunity for the broad financial service industry, especially the **wealth management and insurance** category.



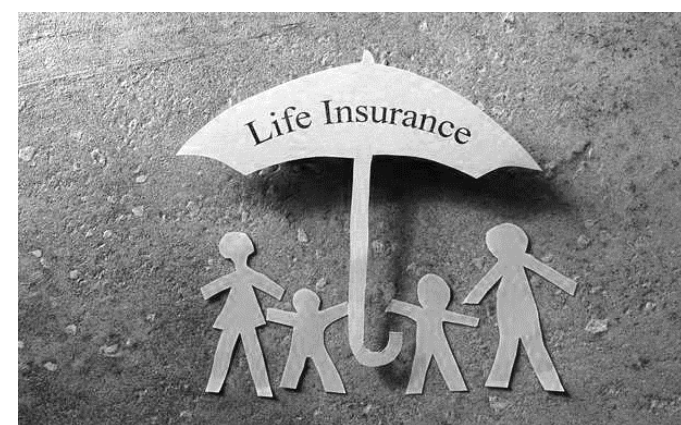
41%

Would consider investing more in the stock market



33%

Would consider investing in real estate. This figure for Asians went up to 42%



32%

Would consider buying life insurance. This figure for Asians went up to 39%

Embrace the new norm – tech integration.

The pandemic has accelerated work-life integration and raised peoples' expectations and interests in leading a highly tech-enabled life moving forward. **Technology service** brands will likely face fiercer competition in the after-crisis era, with a more complex competitive landscape and more demanding consumers.



92%

Believed working remotely would be more flexible



89%

Believed online medical consultation and service will be more available



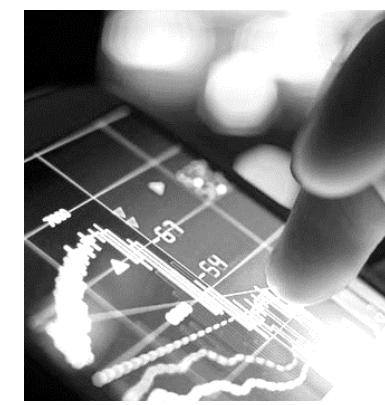
81%

Believed there would be more online learning for everyone



61%

Would like to try 5G. This went up to 70 % for Asians



26%



Would like to try AI-powered wealth management. This went up to 33% for Asians



*In the middle of every
difficulty lies opportunity*

- Albert Einstein

**We'll continue to observe
and share insights, from
different perspectives.**

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About ADMERASIA & AID

ADMERASIA is a full-service agency & a lot more.

We discover the unexpected relationships between brand & culture & people that create compelling & actionable stories. Our dynamic solutions & three foundational pillars allow brands to curate 360-campaigns to their needs and the people's needs.

As the research and planning arm of the company, ADMERASIA Intelligence Division (AID) aims to provide brands with the facts and insights on which to base business and marketing communication decisions.

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Thank you. ■

