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. LinkedIn, Facebook, @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
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

Source: NYTimes, 2020; CNBC, 2020
Recovery projection.

Recovery scenario 1
**Virus is contained**
Seasonality and a stronger global public health response drive case reduction.

Recovery scenario 2
**Virus freezes recovery**
Virus spreads without seasonal decline. Health systems are overwhelmed in developing countries and regions.

- **2.4%**  
  2020 U.S. GDP % change  
  **2020 Q4**  
  Time to return to pre-crisis  

- **8.7%**  
  2020 U.S. GDP % change  
  **2024 Q2**  
  Time to return to pre-crisis

Source: McKinsey, 2020
Industry responses reflected in ad spending.

Non-Rx Remedy

Insurance

Telecom

Travel & Tourism

Source: Kanter COVID-19 Ad Category Tracker, 2020
Brands transition from Respond to next steps.

**Phase 1: Respond**

**Situation:** Social distancing and lockdown in place. 

**Actions:** Adjust existing communication plan. Monitor consumer sentiment and prepare a game plan.

**Phase 2: Revive**

**Situation:** People gradually go back to workplace and “normal life”. 

**Actions:** Capture the sentiments to create a differentiating communication plan. Make informed business decisions.

**Phase 3: Reimagine**

**Situation:** New demands emerge in the after-crisis’ reality. 

**Actions:** Redesign consumer journey and develop innovative new product or service.
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

**Sample size**
383

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

**Age**
61% are between 25 to 44 years old

**Income**
42% have HHI over $150,000

**Employment**
72% are full-time employees

**Ethnicity**
- Asian 38%
- Non-hispanic White 29%
- Hispanic 18%
- African American 15%
- Asian 38%
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020; The Harris Poll 4/3-4/5, 2020

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%

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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.

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 precautious 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

Source: Business Insider; CBS News, 2020
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020; NYTimes, 2020
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.

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020; The Harris Poll 4/3 – 4/5, 2020
Part II.

Vision of the after-crisis new normal
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.*

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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%

Source: ADMERASIA proprietary COVID-19 survey, April 2020; The Harris Poll 4/3-4/5, 2020
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.

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<th>Stage 1</th>
<th>Stage 2</th>
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<td>1 to 3 months after the lockdown</td>
<td>3 to 12 months after the lockdown</td>
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<td><strong>Quench the thirst</strong></td>
<td><strong>Embrace the new norm</strong></td>
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<tr>
<td>Dive into activities such as dining out, gathering and shopping, that symbolize a return to normal life</td>
<td>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</td>
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<td>**Social belonging</td>
<td>Pent-up demands**</td>
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<td>**Financial security</td>
<td>Technology integration**</td>
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Source: ADMERASIA proprietary COVID-19 survey, April 2020
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.

Source: ADMERASIA proprietary COVID-19 survey, April 2020; Rally for Restaurant, 2020
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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%

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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

Source: ADMERASIA proprietary COVID-19 survey, April 2020
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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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.
Thank you.