

# The impact of Covid 19 on consumer behaviours and what it could mean for your planning

8<sup>th</sup> Sept 2020

# The EY Future Consumer Index

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## What is the EY Future Consumer Index?

The EY Future Consumer Index tracks changing consumer sentiment and behaviors across time horizons and identifies the new consumer segments that are emerging.

## What data shapes the Index?

Based on consumer surveys conducted every month. For the first survey (in April) , we surveyed 5,000 consumers across 5 markets. **For subsequent surveys we have surveyed around 13,000 consumers across upto 18 countries each month since.**

The survey provides a **360-degree perspective on the changing consumer**. It covers current behaviors, sentiment and intent. Some of the questions ask consumers what they believe they will do once they feel the crisis is over. This doesn't tell us what they will actually do, but it does enable us to track their changing expectations about the future.

## Why have we created the Index?

The Covid-19 crisis has changed the way people live. It will have a lasting impact on how they shop, what they buy and how they consume everything from products, media to social experiences. **Organisations urgently need to anticipate what kind of consumer is emerging**, so they can make it through the current crisis and build the capabilities that future relevance will require.



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# UK Insights from the latest index

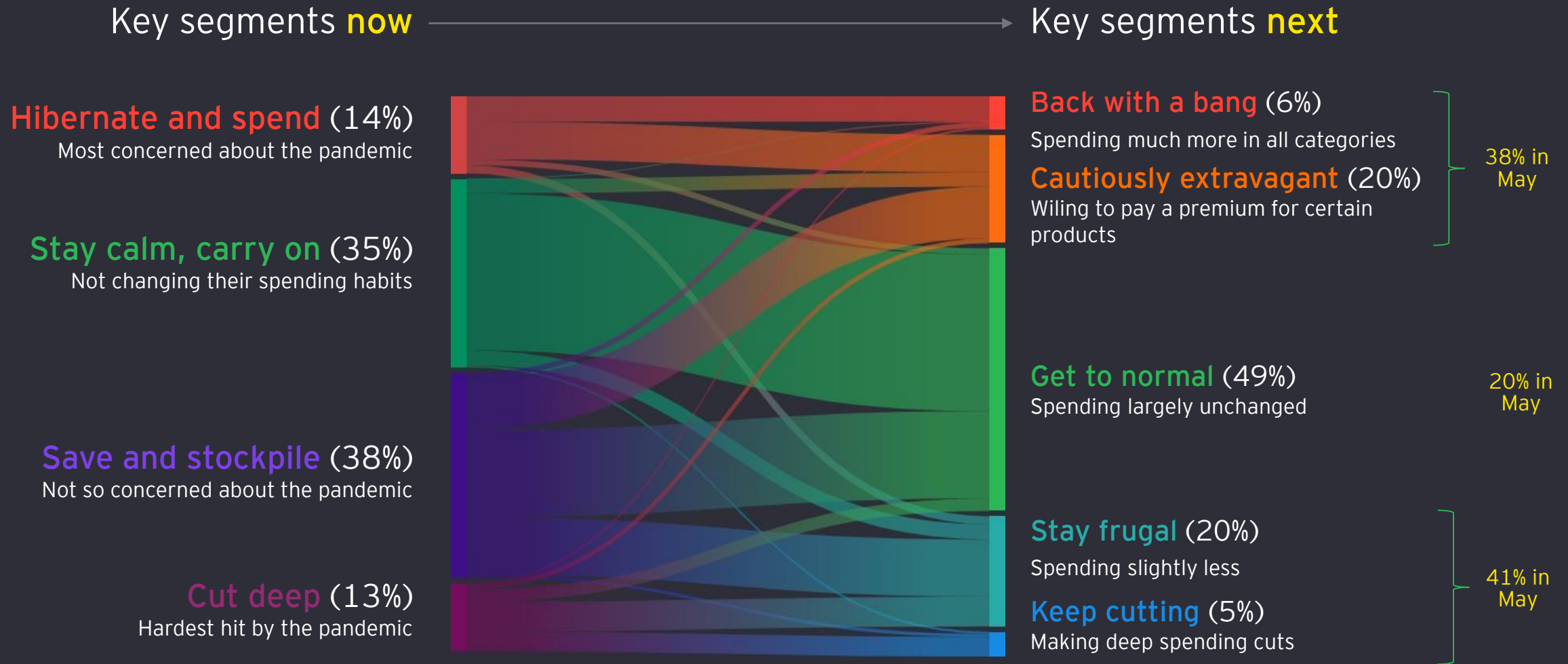
UK Insights from the latest index

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# Consumer Segments



# Four key segments have emerged from the COVID-19 crisis which are expected to evolve into five in the near term





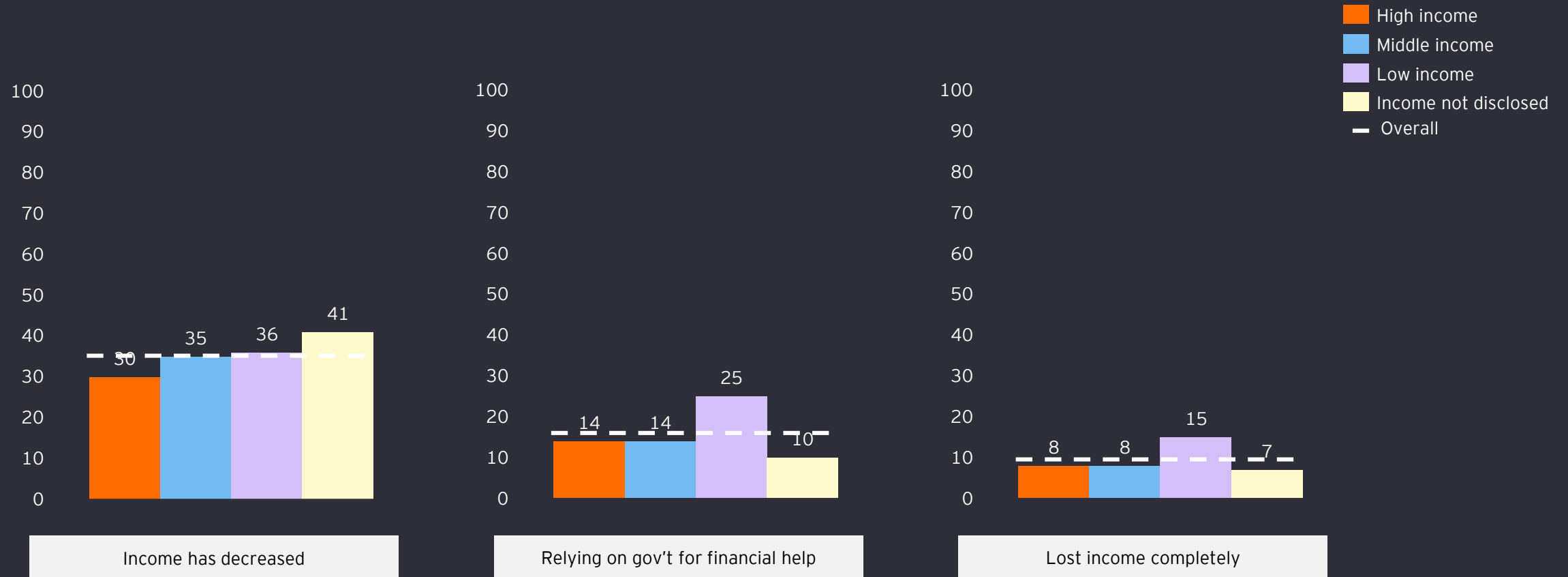
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# Financial security

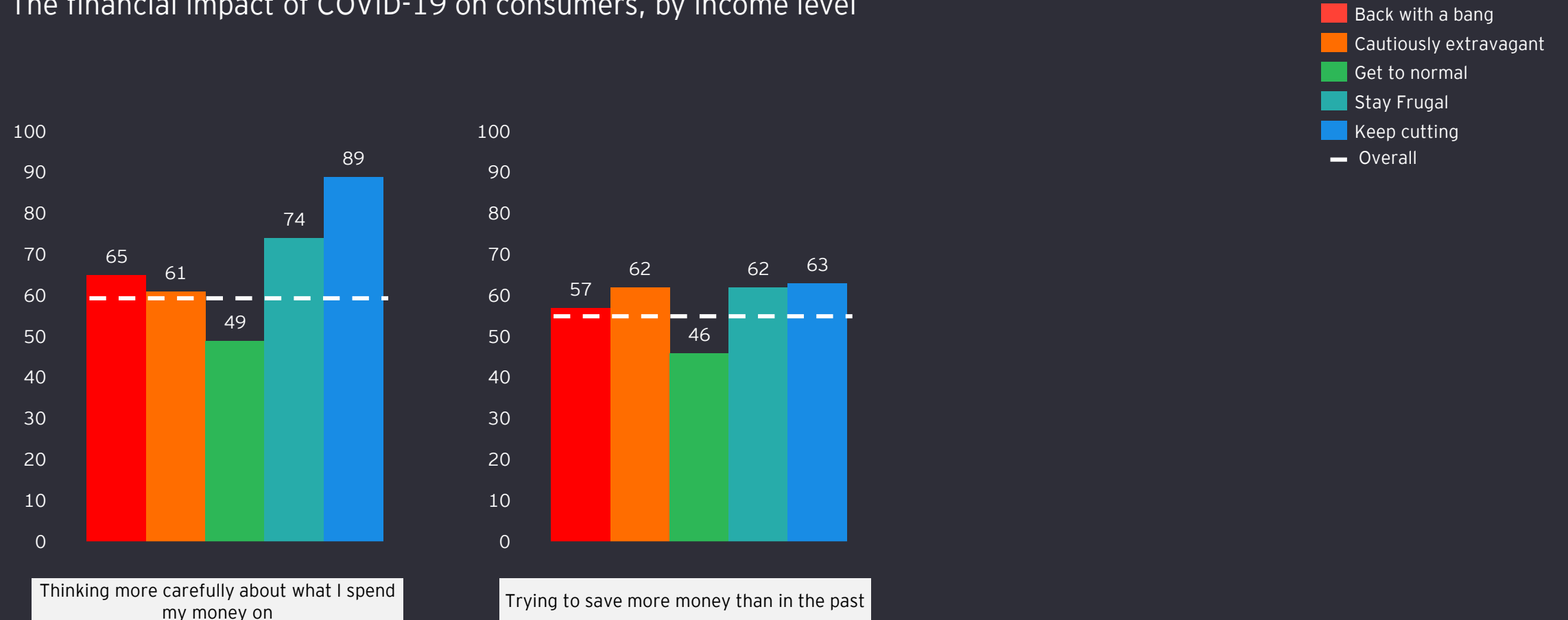
# Consumers at all income levels have suffered some financial loss, with the low income segment being the worst hit

The financial impact of COVID-19 on consumers, by income level



# ~50% of consumers are looking to be careful in what they spend their money on and trying to save more

The financial impact of COVID-19 on consumers, by income level





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# Recovery assumptions

# As restrictions ease, UK consumers are slowly beginning to feel more comfortable undertaking more activities beyond those considered “essential”

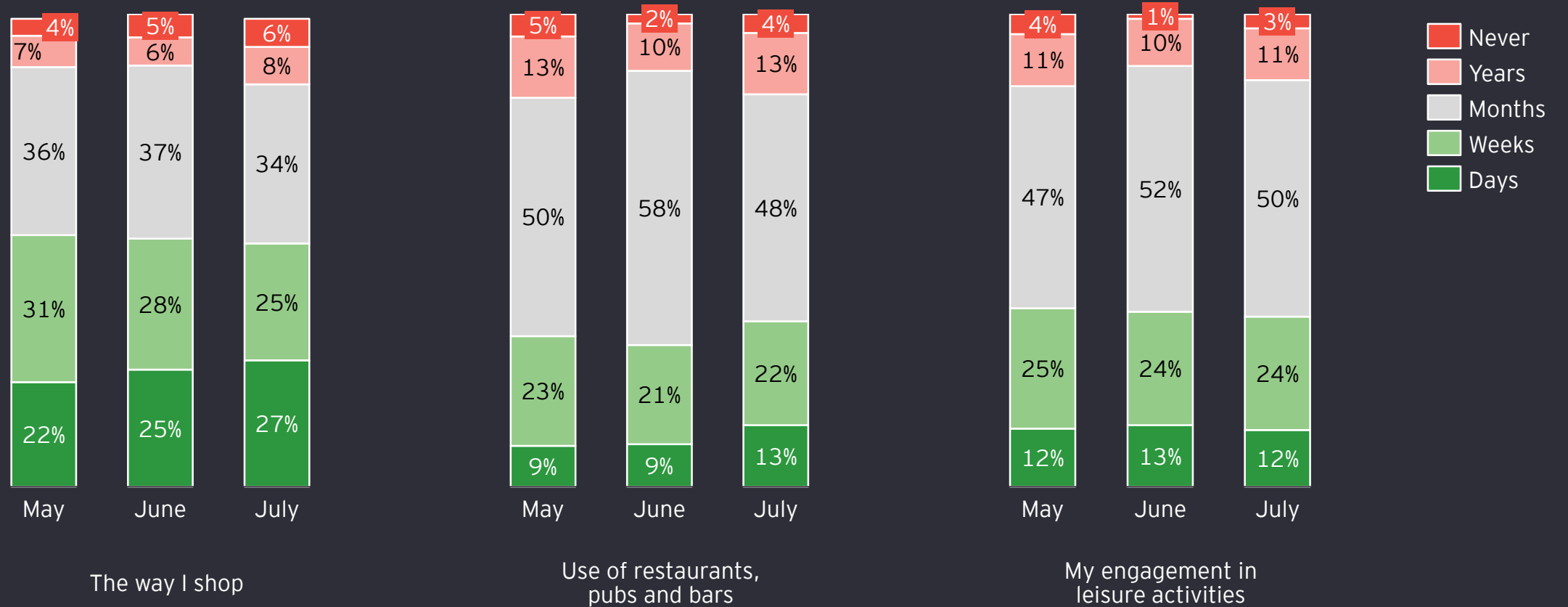
% of respondents comfortable undertaking in daily activities as restrictions ease

May June July



# Consumers now expect a slightly faster return to 'normal' than in May; with shopping becoming more normalized than other discretionary activities

How quickly consumers think things will return to normal





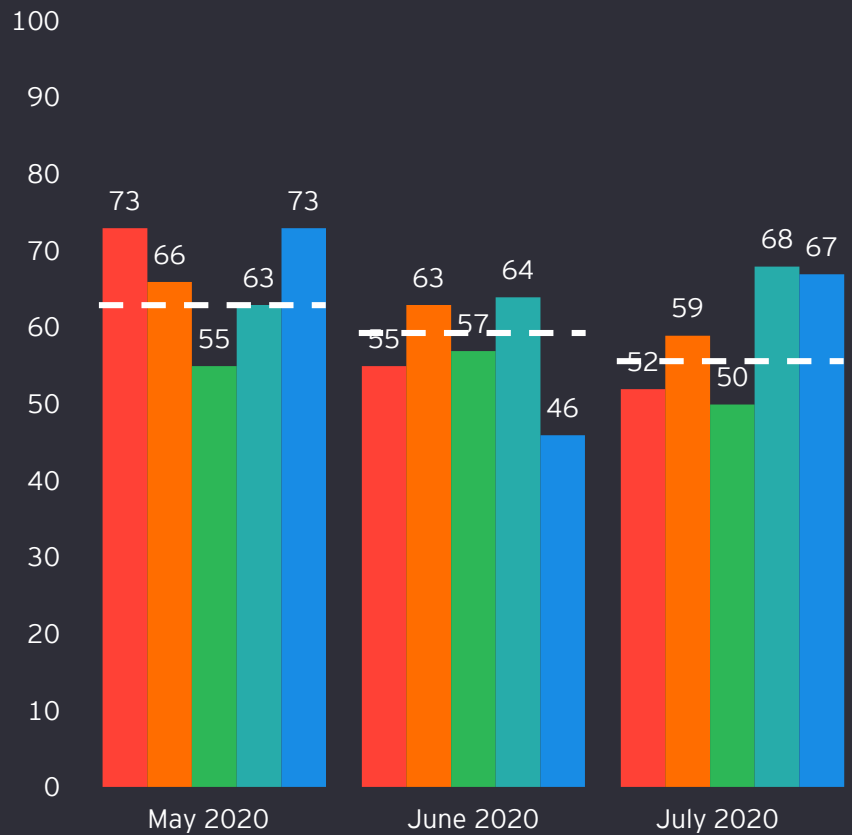
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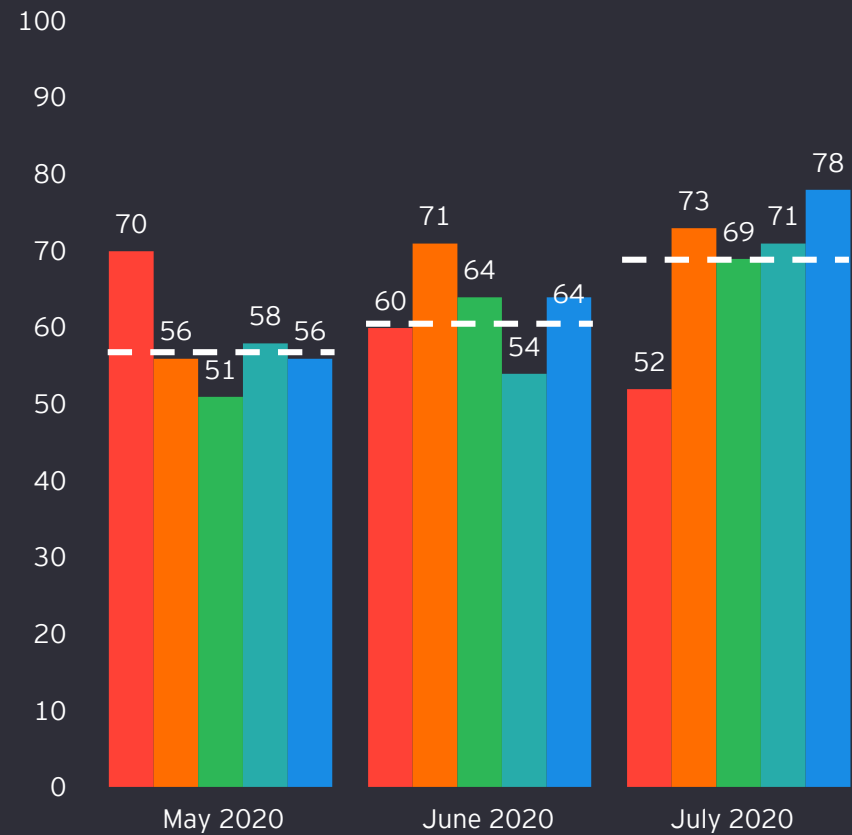
# Other purchase behaviours

# Most consumers are consolidating their shopping trips and are being more cognizant of hygiene when shopping in-person

## Buying behavior in the next 1-2 years



Consolidate shopping trips into less frequent, but larger purchases

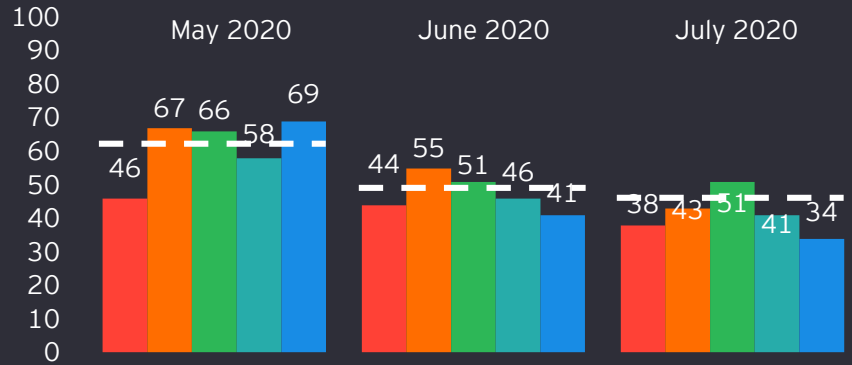


Be more cognizant of hygiene and sanitation when shopping in-person

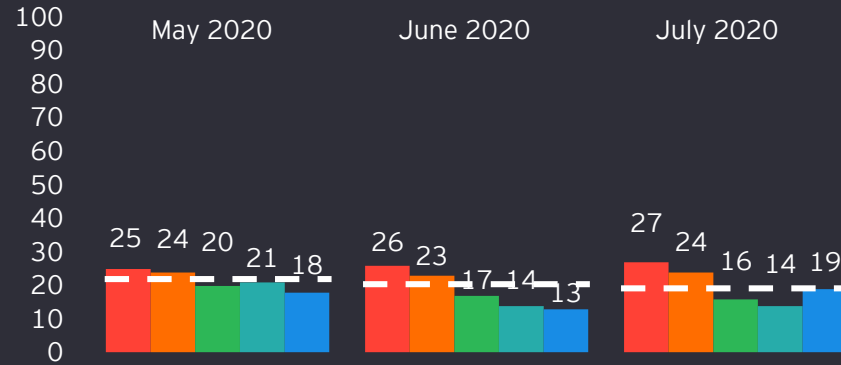
- Back with a bang
- Cautiously extravagant
- Get to normal
- Stay Frugal
- Keep cutting
- Overall

# There is a reduction in openness to new brands compared to May, however loyalty to existing brands has also reduced in this period

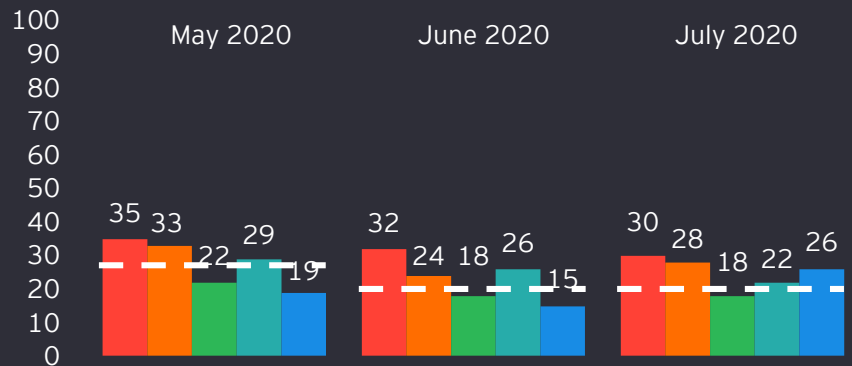
## Types of brands consumers will prefer in the next 1-2 years, New vs Old



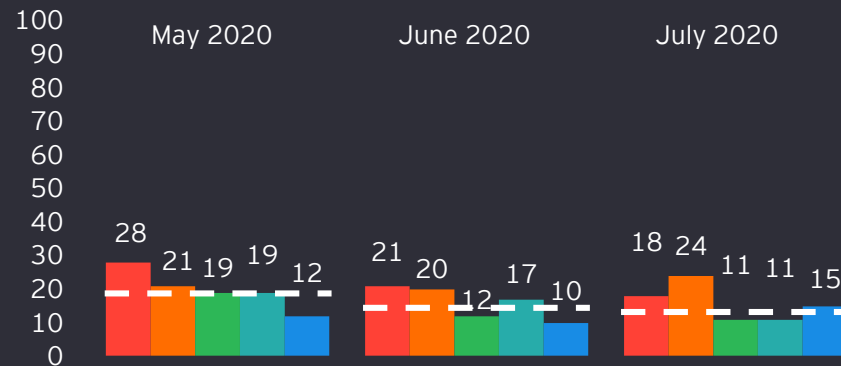
Brands that I have purchased from previously



Established brands produced by large corporations and businesses



New and innovative brands produced by start ups



Brands I have not purchased from previously

- Back with a bang
- Cautiously extravagant
- Get to normal
- Stay Frugal
- Keep cutting
- Overall

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# Key takeaways



## Some key takeaways

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- People's view about their future consumption habits is starting to normalise...
- ...but they are also remaining quite conscious of their current spending
  
- People are becoming more comfortable about undertaking most non-essential activities...
- ...but don't expect their engagement in leisure activities to return to 'normal' for many months
  
- People are less loyal to brands than they were before the Pandemic...
- ...but it's still the case that being open and authentic is key, sentiment is much more positive to brands and organisations that do this
  
- Focus on the key values consumers are looking for - namely quality, health and affordability





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