



COVID-19 CONSUMER SENTIMENT SNAPSHOT #11

JUNE 1, 2020: GETTING TO THE OTHER SIDE

By Lara Koslow and Jean Lee

THE OTHER SIDE. DESPITE serious social unrest in some parts of the world and uneasiness almost everywhere, we are as a global community beginning to slowly cross over to the other side of the pandemic. And the question is not only what the crossing will look like—how many bumps in the road or double-backs we might have to endure and how long the journey will last—but also what it will *all* look like when we reach the other side. Even in China, where new reported cases have been near zero since mid-March and recovery has been underway, 62% of consumers say that their daily lives remain very different than they were in the days before COVID-19, and 37% expect to spend less in the next month than they did before the pandemic struck. (See Exhibit 1.)

Before the Crossing

We see the changes in our own daily lives. During lockdowns, consumers replaced restricted activities with increased digital engagement, at-home activities, and health and sanitation practices. (See Exhibit 2.)

But what about next week, next month, next year, or three years from now? Determining which behaviors will recede once the pandemic abates and which will persist even after the crisis has faded into memory is a critical task for many companies trying to assess how to best win demand—and to assess the trajectory, shape, and texture of that demand.

A Reminder About Our Psychic Abilities: The New Normal Predictors

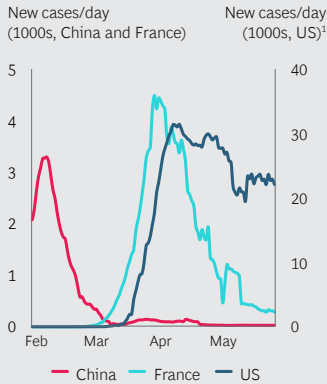
As we detailed in [Snapshot #8](#), consumers are notoriously bad at predicting what they will do in the future. It isn't that they are being intentionally untruthful; it's that they have a hard time putting themselves in a future situation, fully imagining the new context and how they will feel in it, and then evaluating the tradeoffs they may be forced to make in determining their actual behavior.

For this reason, we find it valuable to assess consumer intentions through a series of per-

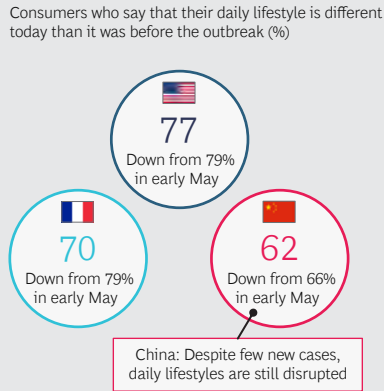
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EXHIBIT 1 | Even as Spread of the Coronavirus Slows, Consumer Spending and Lifestyles Resist Returning to Pre-COVID-19 Levels

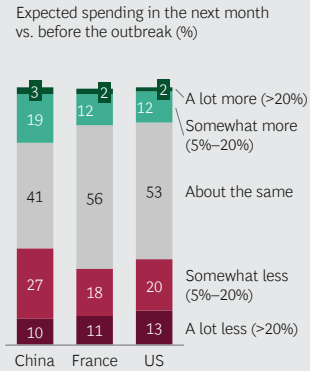
The number of new cases has slowed across countries...



...but disruption to daily life remains elevated...



...and many consumers still expect to cut back on spending



Sources: BCG COVID-19 Consumer Sentiment Survey, March 6–May 25, 2020 (N = 2,000–3,500), unweighted, representative within ±3% of census demographics; WHO data reports.

Note: Question text: “How much do you agree with each of the following statements about the coronavirus? My daily lifestyle today is different than it was before the coronavirus” and “In the next month, what do you expect your spend to be relative to before the coronavirus outbreak?”
¹Seven-day rolling average across the midpoint date; a February 16 outlier in the data for China that had resulted from a change in case-reporting criteria was removed.

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EXHIBIT 2 | The Virus and Lockdowns Have Greatly Affected Consumers’ Activities



Activities that consumers are doing less today

- Eating at restaurants -84
- Leisure travel -82
- Out-of-home entertainment -79
- Shopping in stores -68
- Work travel -60

Average 75% net doing less

Activities that consumers are doing both more and less today

(20%+ doing more and 20%+ doing less)

- Exercising +7
- Delivery/takeout +21

Average 14% net doing more



Activities that consumers are doing more today

- Wearing a mask +88
- Washing hands +78
- Video chatting +65
- Cooking +64
- Working from home +56
- Shopping online +48
- In-home entertainment +43
- Social media +41
- Virtual classes for fun +30

Average 57% net doing more

+/-X Net consumer activity more or less than before COVID-19 (percentage points)

Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

Note: Question text: “Which of the following best describes how your behavior across the following activities has changed due to the coronavirus?”

spectives that we call the New Normal Predictors (NNPs), in order to gauge what consumers are likely to do going forward. (See Exhibit 3.) The NNPs assess five key parameters: past behavior in analogous situations; quality of intent; psychology of habits; context; and sentiment. (See “What Are the BCG New Normal Predictors (NNPs)?”)

Before the NNPs: What Consumers Tell Us

Most consumers who have participated in our survey research tell us that they intend or desire to return to the way things used to be—to their “old normal”— whether they are doing less or more of a particular activity today. (See Exhibit 4.)

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EXHIBIT 3 | “New Normal Predictors” Provide Indications of How Consumer Behavior Will Differ in a Post-Crisis Period



Source: BCG analysis.

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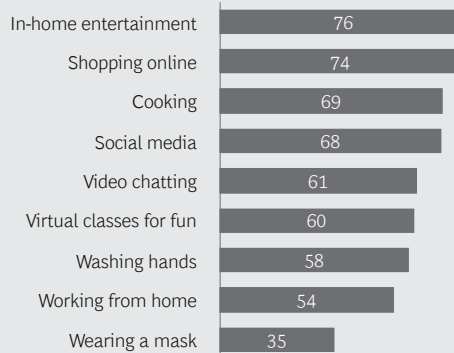
EXHIBIT 4 | Most Consumers Want to Return to Their Old Normal

Percentage of consumers who want to return to pre-outbreak levels for activities that they are currently...

...doing less of



...doing more of



...doing a mix of more of and less of



Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

Note: Question text: “Once things return to ‘normal’, how much do you want to do each of the following activities compared with how much you did before the coronavirus outbreak?”

WHAT ARE THE BCG NEW NORMAL PREDICTORS (NNPs)?

The five criteria that the New Normal Predictors use to assess probable future consumer behavior are past behavior, quality of intent, passive habits, context, and sentiment.

Past Behavior. The best predictor of future behavior is past behavior, so it is important to look at what consumers have done in prior crises. In particular, we need to examine which behaviors and sentiments adopted by consumers during those crises later reverted to the norm, which changes have been longer lasting, and how closely those changes parallel the ones we have seen in the current COVID-19 crisis.

Consumer psychology and evidence from past crises establish that consumers are resilient; and once the most acute crisis events have subsided, the majority of consumers tend to let go of some of their “emergency” practices and revert to certain precrisis behaviors. Typically, only some portion of “hard rejectors”—consumers who say that they would not ever consider going back to an activity—are unlikely to return to the norm over time. We call consumers’ tendency to revert to certain normative behaviors BCG’s Crisis Reversion Principle.

Quality of Intent. Another crucial variable is the quality of consumers’ intent to return to an activity that they have forgone during lockdown or to continue an activity that they may have pursued more or for the first time during lockdown. It is important to assess this intent in two relevant contexts: how much enjoyment consumers felt from doing the activity, and how much ability (in terms of time and resources) they have to pursue the activity in the future. Consider the common New Year’s resolution to go to the gym. Many consumers start the new year with a firm plan to go to the gym regularly, but we

find that two factors differentiate those who maintain the activity over the long term from those who do not: the level of enjoyment they have when exercising, and the time and resources they feel that they have available to continue exercising relative to other priorities and obligations.

Passive Habits. Many books focus on psychological inertia—the tendency to maintain the status quo—and the psychology of habits, some of which are formed intentionally and others less consciously. A key insight in these analyses is that, once formed, habits are difficult to break. In light of that reality, it is important to determine whether an activity that many consumers have adopted during a crisis has become a true habit or merely a temporary expedient.

Context. Context may involve macro-level factors, such as government restrictions, or micro-level factors, such as a person’s community or social circle. Both types of context can influence consumer behavior.

Sentiment. Like context, consumer confidence operates at both a macro level (for example, worry over the likelihood of recession, or fears about public health and safety) and a micro level (for example, concern about personal financial security or job loss). Sentiment at both of these levels can have major impacts on consumer behavior and spending—and on the quality of intent.

The Best of Intentions

For those seeking a new normal, it's not always easy. In fact, when we look at consumers' desire to engage in different activities versus their ability to do so, we see that the quality of intent across activities is quite different from the intent itself. Net desire (the percentage of consumers who wish to increase that activity minus the percentage of consumers who wish to decrease that activity) is high for activities that consumers miss (such as leisure travel), as well as for activities that many are already doing more and want to continue doing (such as exercising, cooking, and working from home). (See Exhibit 5.) But many consumers believe that constraints will limit their ability to reach those desired or intended activity levels, or "new normal." (See Exhibit 6.) For example, while 31% of consumers want to increase their leisure travel after the outbreak, only 21% think they will actually be able to do so.

When we explore the constraints that could limit consumers' ability to pursue various activities, "worry" (in connection with health concerns) appears as the top constraint across a number of activities.

We anticipate that this constraint will dissipate as the crisis subsides and that activities such as leisure travel and out-of-home entertainment will rebound—but the speed of that recovery will depend to a great extent on the evolution of the coronavirus and the speed at which countries bring it fully under control. (See Exhibit 7.)

Not surprisingly, consumers who express more strongly negative sentiments as a result of the virus are less interested in returning to certain activities such as traveling and eating out. (See Exhibit 8.) For example, consumers who worry about their finances are more likely to travel less, and those who worry that another outbreak could occur are more likely to eat out less than they used to.

Old(er) Habits Die Hard

Evidently, it's hard to teach an old consumer new tricks. Our research finds that younger consumers are more likely than older ones to have developed new habits during the outbreak and to expect to maintain the changes that they have made once the crisis passes. (See Exhibit 9.) This in-

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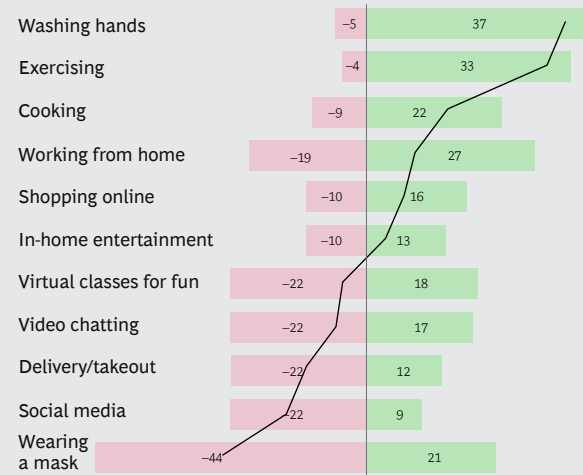
EXHIBIT 5 | For Those Seeking a New Normal, Desired Activity Levels Vary Widely

Percentage of consumers who want a new normal for activities post-outbreak that they are currently...

...doing less of



...doing more of



Desired activity level in the future vs. pre-outbreak (%)

Less More Net

Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

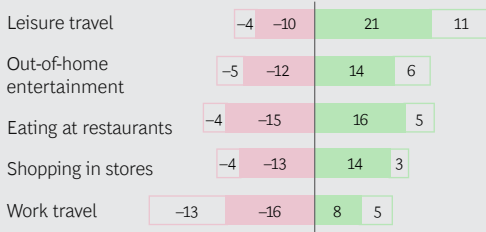
Note: Question text: "Once things return to 'normal', how much do you want to do each of the following activities compared with how much you did before the coronavirus outbreak?"

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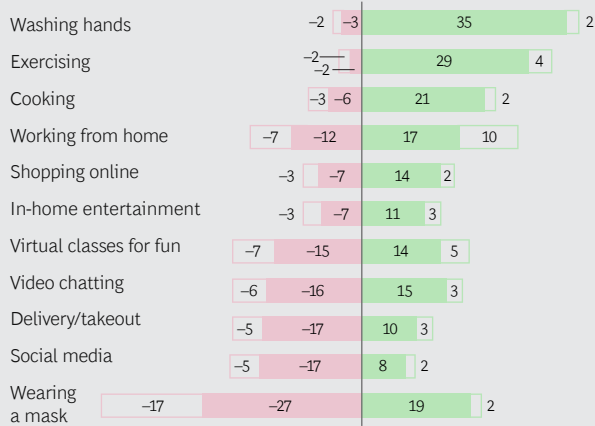
EXHIBIT 6 | Not All Consumers Feel Able to Achieve Their Desired New Normal

Percentage of consumers who feel they **can** (without constraint!) pursue activities post-outbreak that they are currently...

...doing less of



...doing more of



Desired activity level in the future vs. pre-outbreak

- Less, but may not be able to
- Less, and likely able to
- More, and likely able to
- More, but may not be able to

Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

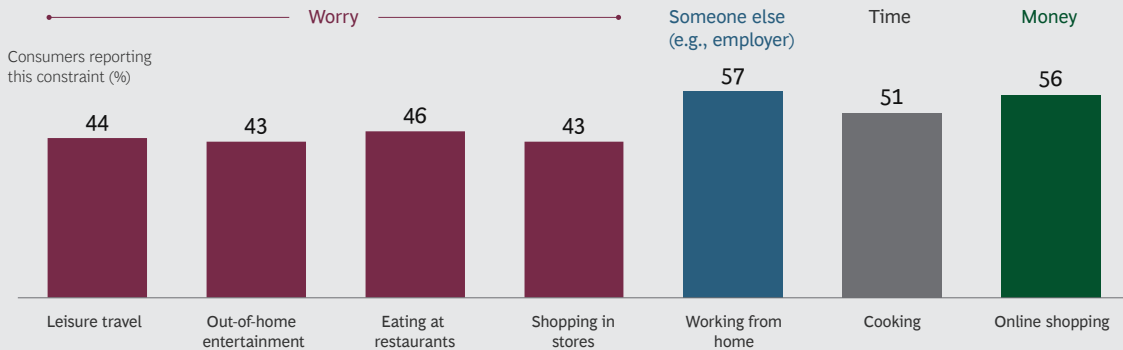
Note: Question text: “Once things return to ‘normal’, how much do you want to do each of the following activities compared with how much you did before the coronavirus outbreak?” and “Now think about constraints like time, money, and permission to do certain things. Do you think you will be able to do [more/less] of the following activities once things return to ‘normal’ along with your other, regular activities and obligations?”

1Possible constraints include time, money, someone else (for example, an employer), and worry (for example, about endangering health).

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EXHIBIT 7 | “Worry” Is the Top Constraint That Consumers Cite as Preventing Them from Doing More of Many Out-of-Home Activities After COVID-19

Top constraint preventing consumers from doing more of an activity in the future vs. pre-outbreak



As the level of concern about the coronavirus diminishes, consumer sentiment toward these activities may improve

Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

Note: Question text: “For the activities you don’t think you’ll be able to do more of once things return to ‘normal’, why do you think that is?”

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EXHIBIT 8 | Consumers' Current Sentiments Influence the Quality of Their Intent, and Both May Shift as the Outbreak Continues to Evolve

Consumers who are...

are...

more likely to...



Worried that there will be another spike in cases if we're not careful



Want to eat at home



Worried about their personal finances due to the outbreak



Want to reduce leisure travel

Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

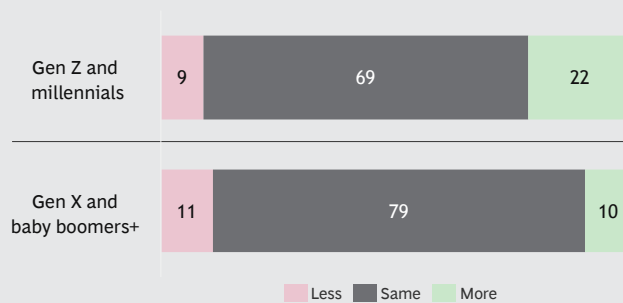
Note: Question text: “Once things return to ‘normal’, how much do you want to do each of the following activities compared with how much you did before the coronavirus outbreak?” and “How much do you agree with each of the following statements about the coronavirus?”

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EXHIBIT 9 | Younger Consumers Are More Likely to Increase Activity Levels After the Outbreak, Rather Than Simply Return to Pre-Outbreak Levels

Younger consumers are more likely to expect to maintain increased activity levels post-outbreak

Example activity: In-home entertainment
Consumers' desired activity levels in the future vs. pre-outbreak (%)



Younger consumers are more likely to have developed new habits during the outbreak

Respondents who have developed a habit of using in-home entertainment during the outbreak (%)



Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

Note: Question text: “Once things return to ‘normal’, how much do you want to do each of the following activities compared with how much you did before the coronavirus outbreak?” and “Which of the following activities do you consider a ‘habit’ – i.e., something that you do as part of your routine without thinking much about it?”

sight suggests that companies' best opportunity to drive shifts in long-term behavior and to set a new normal that incorporates regular use of their products and services is likely to rest with Gen Z and millennial consumers.

Tying It All Together: What the NNPs Tell Us

When we look beyond what consumers are telling us and evaluate, through the full set of NNPs, the activities that consumers are doing more and less of during the crisis, we

get an emerging glimpse of what the new normal might look like. (See Exhibit 10.)

We see an acceleration in preexisting consumer trends toward digital adoption and greater convenience and flexibility, although some softening will likely occur in the immediate post-lockdown period. For example, digital penetration has grown during the pandemic, particularly with younger generations, as many consumers have made online purchases in some categories for the first time. (See Exhibit 11.)

As we saw after the SARs outbreak, this increased digital penetration is likely to continue in the aftermath of the COVID-19 crisis, with persistent increases in contrast to pre-pandemic activity in video chatting, social media, virtual classes, in-home entertainment (subscription streaming and video on demand, for example,) and online shopping. The shift to digital shopping is likely to slightly dampen activity in physical retail over the long term, although we anticipate a rebound in physical retail as the crisis wanes, since many consumers shop in stores to enjoy benefits that digital shopping does not afford, including being able to immediately access the purchase; see, touch, or try the actual physical mer-

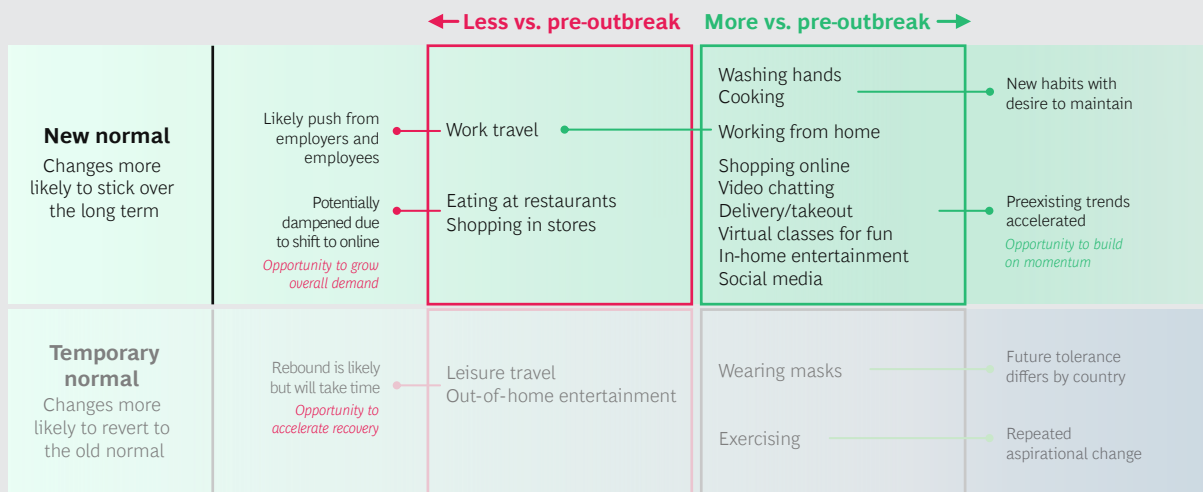
chandise; or take pleasure in the experience itself.

We also anticipate that new employee work models that support the continued consumer trend of increased convenience and flexibility will persist in the post-COVID-19 world. Employers and employees appear to have recognized the benefits of increasing the extent of work from home, remote work, and video- or phone-based meetings, after seeing the success of these policies and practices over the past few months. In a recent BCG survey of more than 300 companies across 21 industries, with operations based in 27 countries, 93% of respondents said that they believe their companies' remote working and meeting policies will permanently change. In addition, 66% said that their travel policies would permanently change. In that survey, 27% of consumers also expressed interest in continuing to work more from home. Given the benefits in cost savings and increased employee satisfaction, we expect a larger portion of the workforce will continue to work from home and travel less when the crisis is over.

Several recently formed consumer habits may continue at higher levels than before

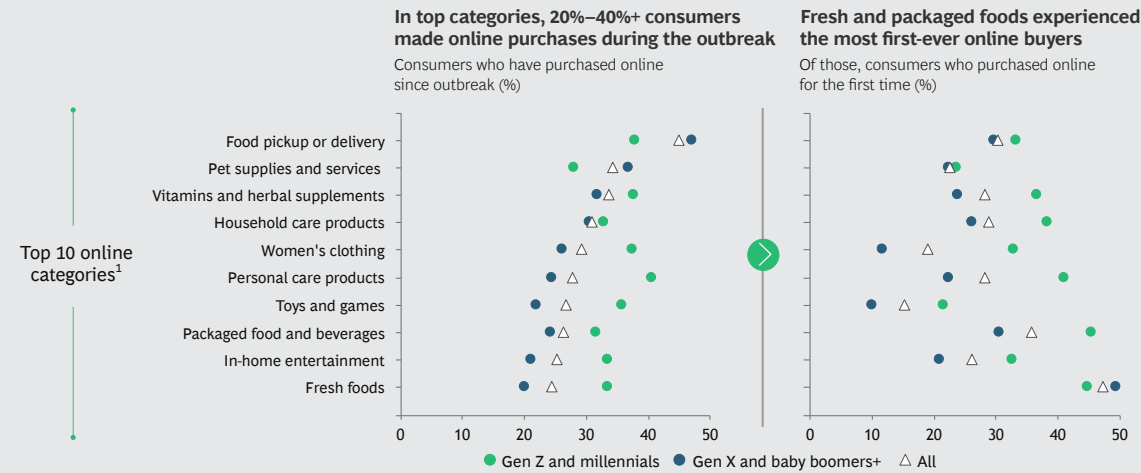
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EXHIBIT 10 | Emerging View of the New Normal in the US



Sources: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics; BCG experience.

EXHIBIT 11 | The Lockdown Likely Accelerated Adoption of Online Shopping, Especially for Younger Generations



Source: BCG COVID-19 Consumer Sentiment Survey, May 22–25, 2020 (N = 3,238), unweighted, representative within ±3% of US census demographics.

Note: Question text: “Have you made a purchase in any of the following categories via a digital or online channel (e.g., website, app) since the coronavirus outbreak began? Select all that apply.” and “You mentioned that you have made purchases via a digital or online channel since the coronavirus outbreak began? Select all that apply.”

¹Categories with the highest percentage of consumers reporting online purchase during COVID-19.

the crisis but at lower levels than today. These include more frequent hand washing and more cooking at home—which may coincide with family rituals such as family night developed during the crisis. However, consumers note that the biggest constraint on cooking is having enough time, which may dampen the size of prolonged increases in the practice.

On the other hand, some changes today are likely to be temporary. As we noted in our pre–Memorial Day article, leisure travel is the most missed activity (for example, 61% of US consumers say that they “can’t wait to start traveling again”), and we believe that consumers will resume traveling once the virus has passed. We also expect out-of-home entertainment—whether in the form of going to a sporting event or attending a show—to bounce back long term, although some erosion of movie going may occur as consumers become accustomed to engaging from home and realize the benefits of doing so. Exercising is the age-old aspirational behavior that everyone plans to do more of but few succeed in doing over the

long haul, simply because, when work and life demands revert to the norm, they make devoting time to exercise increasingly difficult. (And in terms of strength of intent, it is often an activity that consumers believe they should do, not one they desire to do.) In the US, cultural context or local norms will likely ensure that wearing masks does not endure at scale, though increased mask usage may persist in other regions—such as Asia—where the practice is already widely accepted.

One key question involves where consumers will choose to put their dining dollars—in takeout and delivery or in dine-in restaurants. Consumers say that they want to return to their pre-pandemic behavior, which would translate into a slight decline in takeout and delivery when compared with pre-COVID-19 levels, due to recessionary impact (and the concerns consumers now have over the perceived high cost of delivery in light of financial pressures). On the other hand, off-premises dining (restaurant takeout and delivery) was on a growth trend prior to COVID-19—and in our expe-

rience, once these (digital) behaviors are adopted, they often stick at a higher level than before, even as consumers shift away from the COVID-19 takeout and delivery peak. While the overall restaurant revenue pie is likely to shrink as a result of the likely recession and reduced overall spending in the category, we believe that COVID-19 has accelerated penetration of the market by takeout and delivery, enabling this category to win more of the restaurant revenue pie.

The Other Side

Of course, no one can be certain which behaviors will stick and which will dissipate once the coronavirus is under control. However, looking at the New Normal Predictors

(NNPs) gives companies a way to evaluate and hypothesize where consumer behavior might go and to begin to anticipate that behavior—adapting to it and influencing it before competitors do, as we slowly cross over from pandemic present to post-COVID-19 future.

Our next Snapshot will look at China, which is farther along in its evolution and management of the coronavirus than most of the rest of the world, and assess how the recovery is evolving there. The experience there may foreshadow what other countries will encounter during their recovery periods.

About the Research

BCG's COVID-19 Consumer Sentiment Snapshot series is based on data drawn from an online survey of consumers that is conducted every one to two weeks across multiple countries worldwide. Each Snapshot highlights a selection of insights from a comprehensive ongoing study that BCG provides to clients. The survey is produced by the authors, who are members of BCG's Center for Customer Insight (CCI), in partnership with coding and sampling provider Dynata, the world's largest first-party data and insights platform. The goal of the research is to provide our clients and businesses around the world with periodic barometer readings of COVID-19-related consumer sentiment and actual and anticipated consumer behavior and spending to inform critical crisis triage activities, as well as rebound planning and decision making. The research does not prompt consumers about the virus when asking many of the key questions, including questions about spending changes in the next six months, in order to avoid biasing the results. A team composed of BCG consultants and experts from CCI completes the survey analytics.

Legal Context

The situation surrounding COVID-19 is dynamic and rapidly evolving, on a daily basis. This COVID-19 research is not intended to: (i) constitute medical or safety advice, nor be a substitute for the same; nor (ii) be seen as a formal endorsement or recommendation of a particular response. As such you are advised to make your own assessment as to the appropriate course of action to take.

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