BORDERLESS™ ACCESS
Redefining Reach and Insights

IMPACT OF COVID-19 ON CONSUMER BEHAVIOUR

MARCH 2020

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Global Impact of COVID-19

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01

As we are well aware, COVID-19 has impacted consumers and their consumption behaviour across the world.

02

The global economy has also been severely impacted, with an imminent worldwide recession predicted.

03

It is therefore imperative for brands to understand how they can optimally respond to the situation and continue to deliver what consumers need at a time of crisis.

04

Borderless Access has conducted an online survey of over 4,500 consumers across 9 markets to understand their sentiments and what they expect and need from brands during this pandemic.

Objectives

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01

SHOPPING BEHAVIOUR

The impact that COVID-19 has had on shopping behaviour

02

CONSUMER CONCERNS

Key concerns of consumers for the near-to-mid future

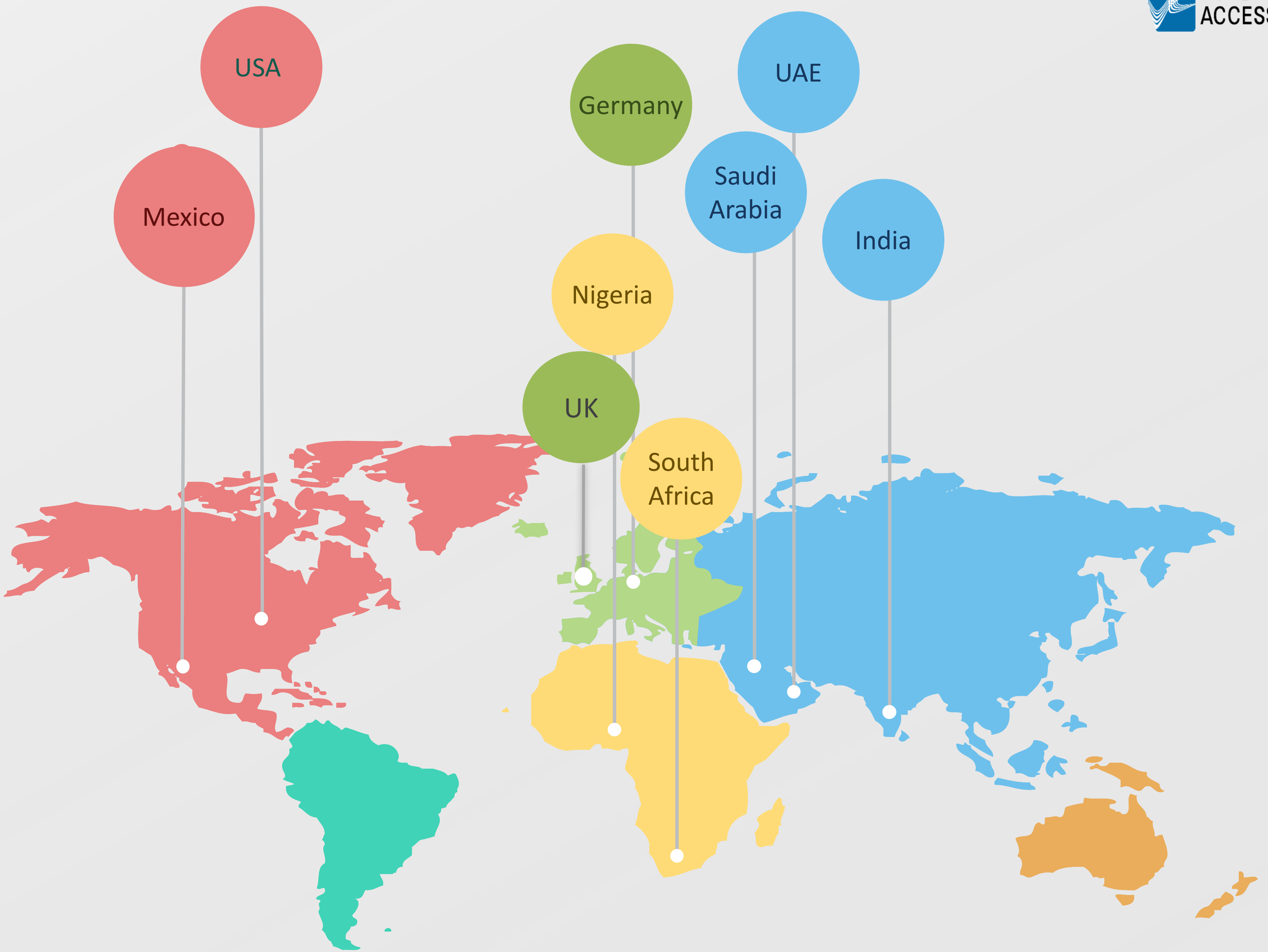
03

EXPECTATIONS FROM BRANDS

How brands can best support consumers through this crisis

Measuring the impact of COVID-19 and understanding expectations from consumer brands

Markets



FIELDWORK PERIOD

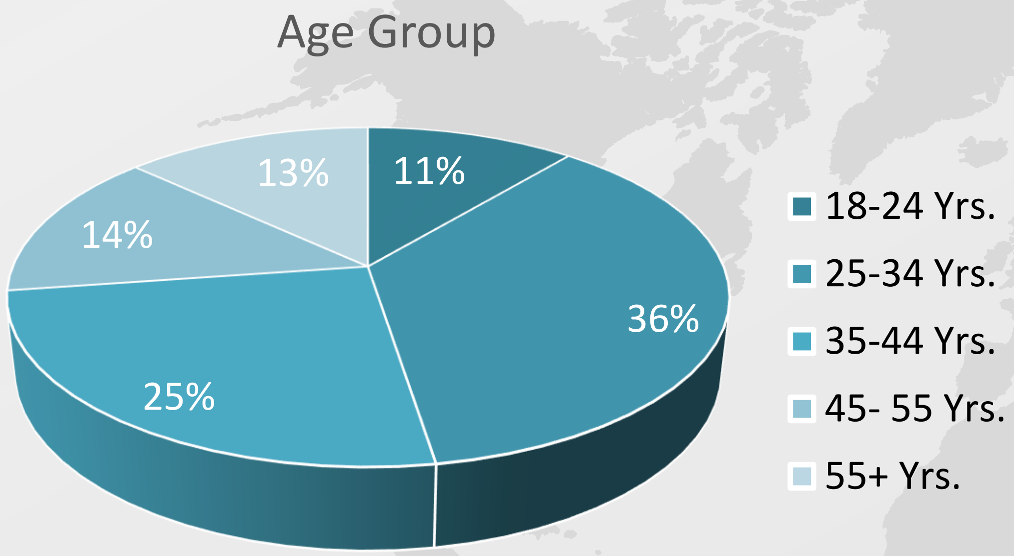
- US
- UK
- MX
- KSA
- UAE
- SA
- NG
- IND

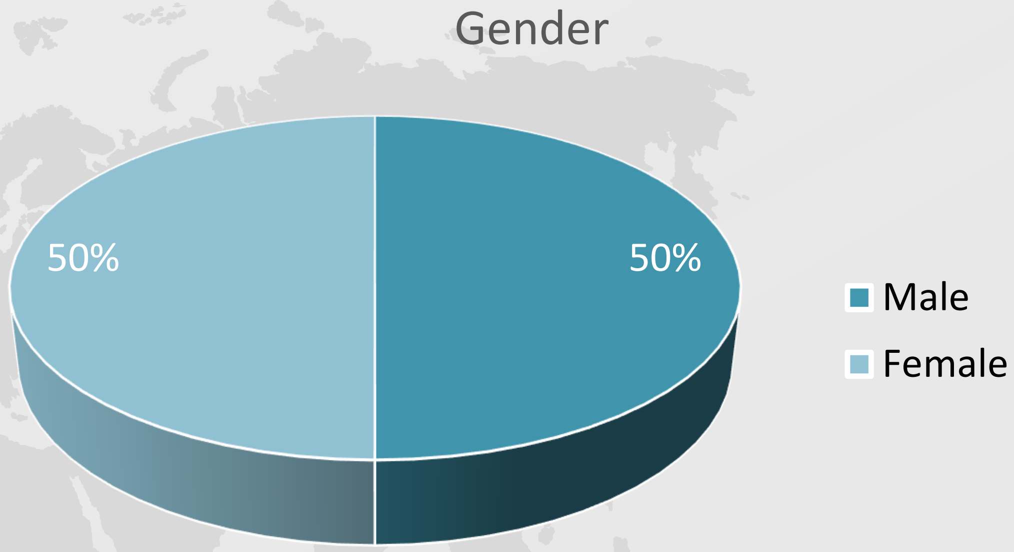
20TH – 23RD MARCH

- DE

27TH – 29TH MARCH

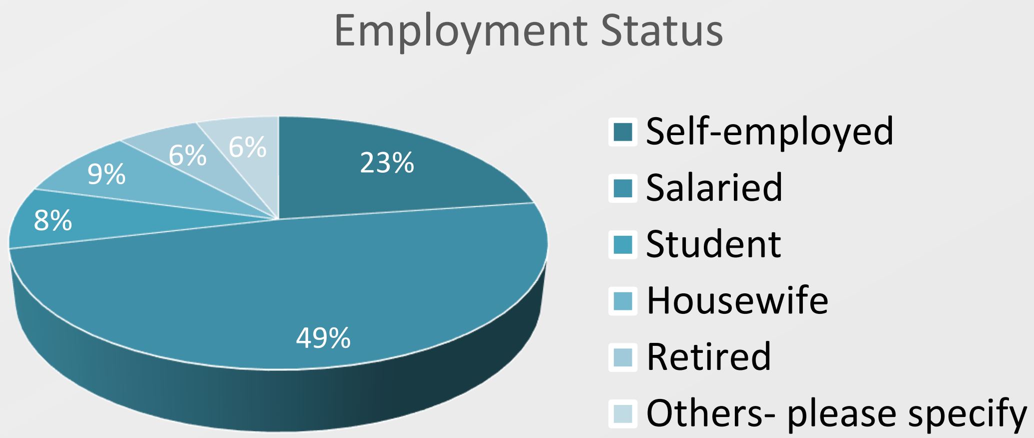
Consumer Profile – Demographics

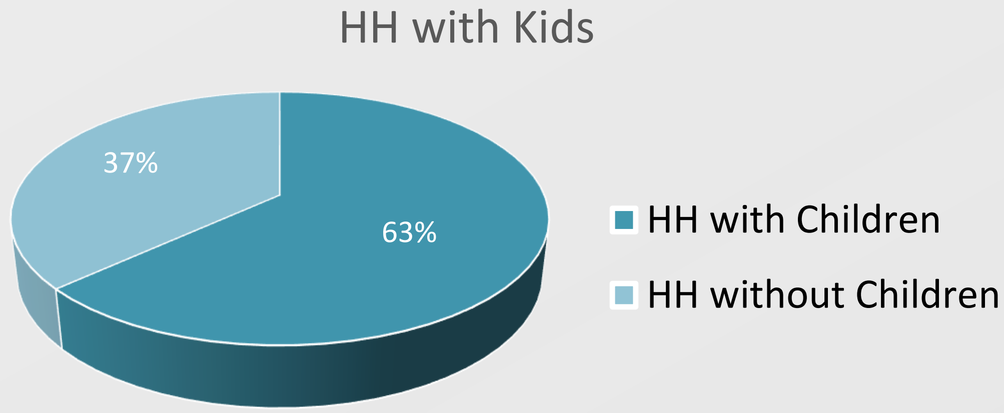




- The study includes consumers from 9 different countries, with a total sample size of 4,773.
- The nine countries are Germany, India, Mexico, Nigeria, Saudi Arabia, South Africa, UAE, USA and UK
- The sample includes men and women, aged 18 years and over

Consumer Profile – Employment and Children in Household





01 All segments of working status are included in the study: Over 49% of consumers are salaried employees, an additional 23% are self-employed, while 8% are students, 9% are homemakers and 6% are retired.

02 63% of the consumers have children living at home, while 37% of the households are sans children.

03 The study assessed the impact of COVID-19 on consumers' purchase patterns and day-to-day behavior. It further determined media consumption during the crisis, and looked at COVID-19-related measures taken by consumers.

04 The study aimed to understand the impact of COVID-19 on three key elements: consumer purchase decisions, consumer behaviour and the expectation that consumers have from brands during this time.

Response Rate

High response rate | Low response rate

4,700 people participated in the online survey conducted over 3 days

Summary

Concerns

Aside from the evident impact that the pandemic is having on their countries' economies, people feel that it will also affect their own financial situation and have an impact on both their personal and professional life.

Entertainment

People are turning to TV and digital channels for both entertainment and information, more now than ever before.

Buying Behaviour

Globally, people have stocked up on both grocery and medication as a result of COVID-19. In developing markets people have also stocked up on electricity back-ups (power back-up/power banks/batteries).

Health Related Behaviour

On a positive note, the situation has resulted in an increase in consumption of healthy and organic food, as well as a higher awareness and practice of hygienic habits.

How Should Brands React?

Company Strategy

- Retaining stability for the sake of employees
- Altruistic behaviour in helping the needy

Key Focus Areas

- Quality
- Reach
- Availability

Communication

- Using digital methodologies for communication
- Finding ways to deliver via digital channels

Offerings

- Deliver high quality branded products
- Promotions
- Bundle offerings to make selection process easier for consumers

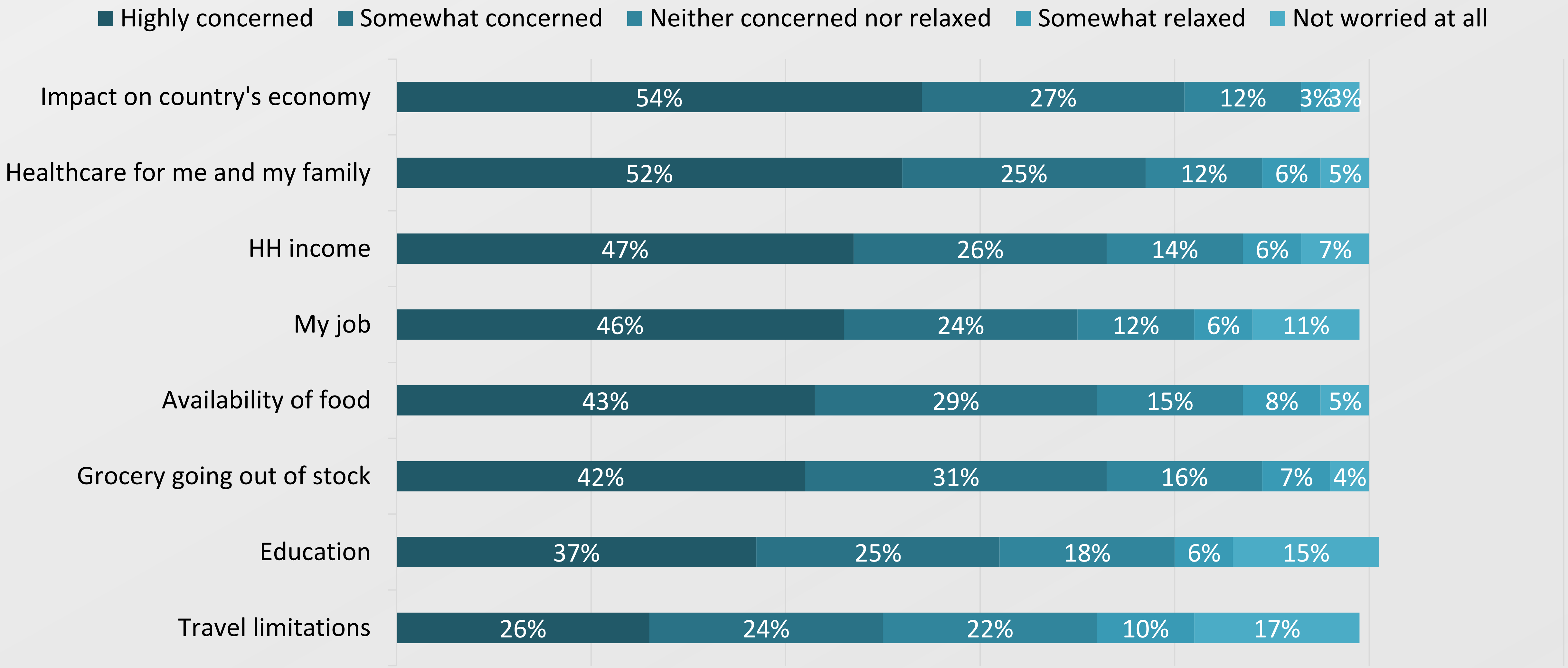
Brands with higher emotional connectivity, and those that are seen to provide quality, will hold strong during this period

Consumer concerns resulting from

COVID-19

Future Consumer Concerns – Economy

Consumers' primary concern is the future of the economy. Companies and brands need to be giving consumers economic assurance at this time.



Q. Given the COVID outbreak let us know your level of concern for the below . *Base: 4900*

Future Consumer Concerns

In developed markets, brands should focus on ensuring FMCG availability while in developing markets economic sustainability should be the focus.

Category	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Economy	78%	71%	79%	93%	73%	87%	87%	86%	**69%**
Healthcare family & me	68%	**74%**	76%	83%	73%	84%	84%	88%	47%
HH Income	67%	56%	80%	79%	72%	80%	80%	83%	45%
Job	51%	45%	**85%**	74%	**81%**	83%	83%	80%	38%
Availability of food	**75%**	**72%**	69%	78%	65%	75%	75%	84%	37%
Grocery going out of stock	**77%**	**74%**	71%	76%	68%	72%	72%	82%	41%
Education	38%	40%	**71%**	71%	**72%**	68%	68%	76%	17%
Travel limitations	31%	35%	55%	43%	**60%**	47%	47%	**74%**	17%
Base	444	514	568	632	600	557	514	597	458

Q. Post the break out of COVID-19, please select from the below list the items that you have bought in past one Week

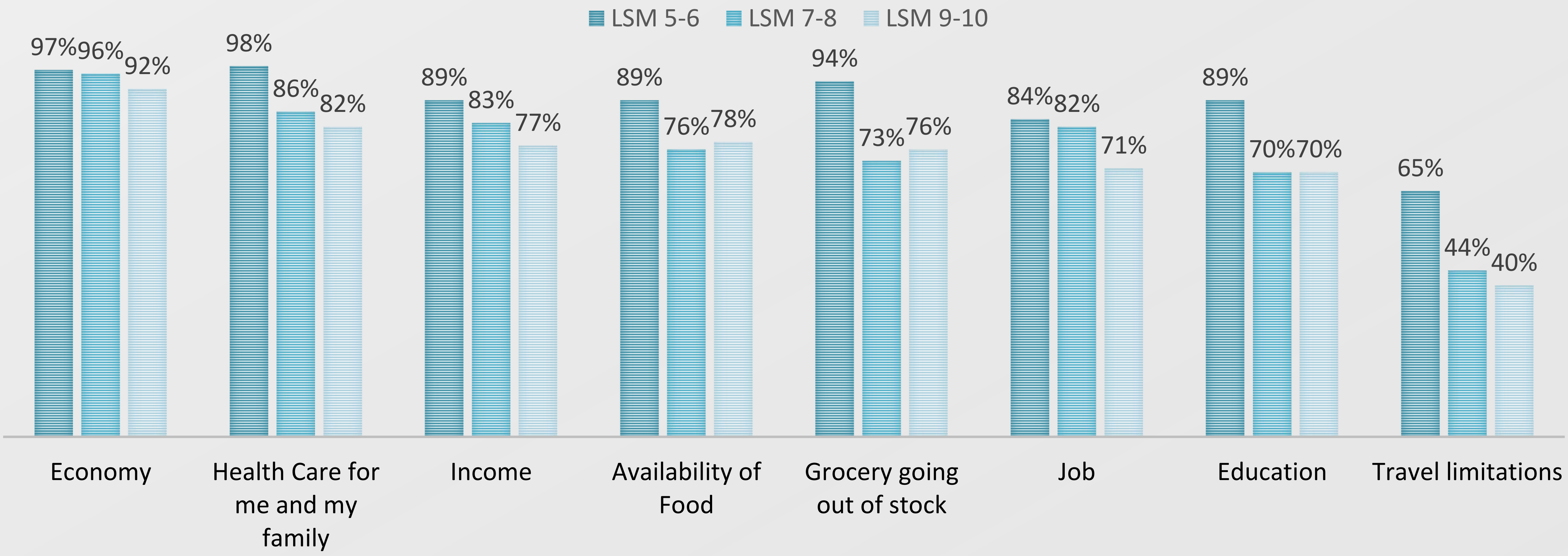
Future Concerns – South Africa

In South Africa, young and old alike are concerned about the economy primarily, followed by health care and their income. All South Africans are least concerned about travel restrictions.

Q. Given the COVID outbreak let us know your level of concern for the below . *Base: 632*

Future Concerns – South Africa

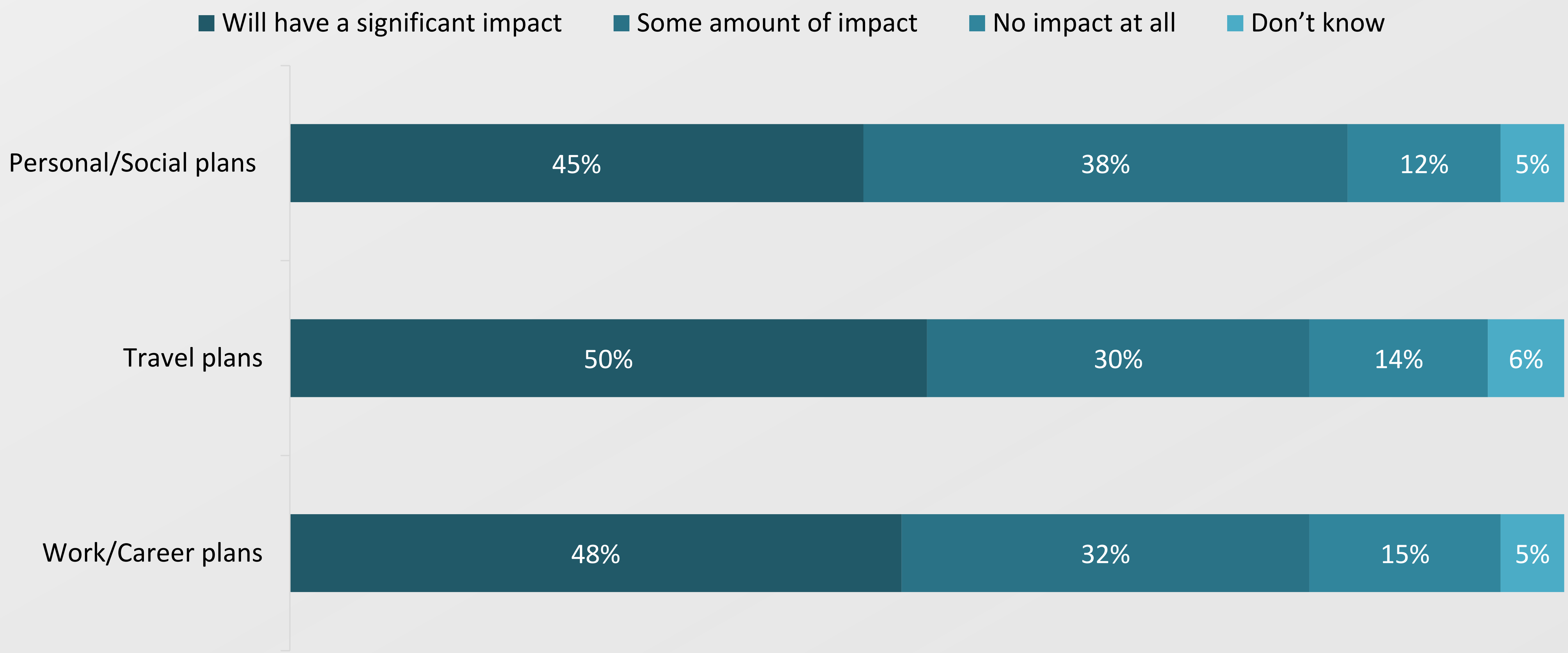
Across every measure, middle LSM's are more concerned about the situation and its implications than higher LSM's are.



Q. Given the COVID outbreak let us know your level of concern for the below . *Base: 632*

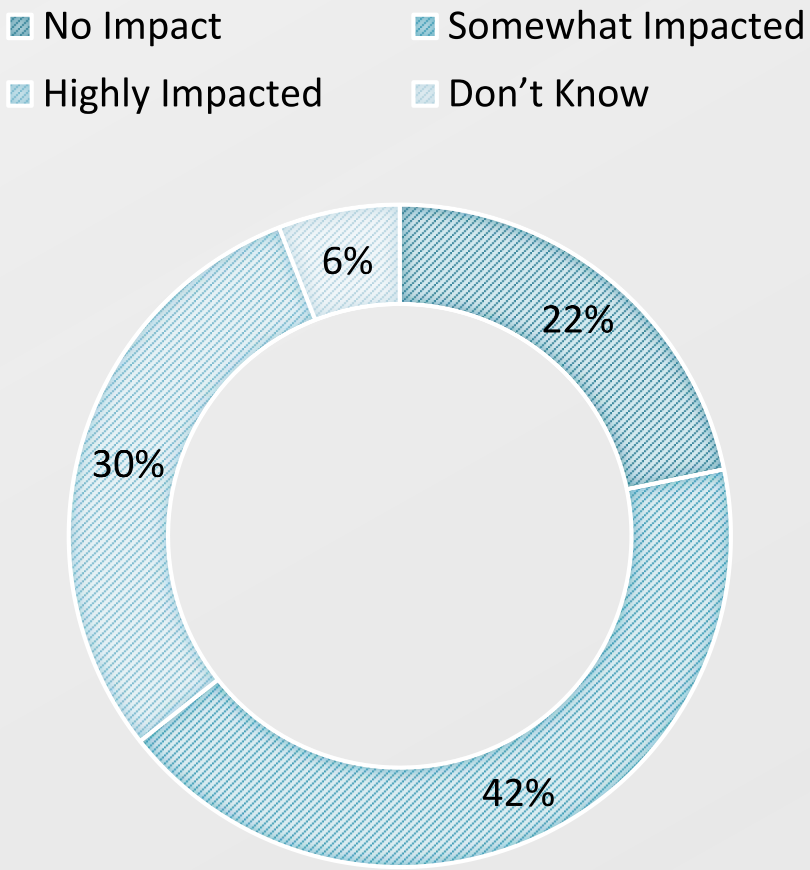
Impact of Pandemic: Personal and Professional Lives

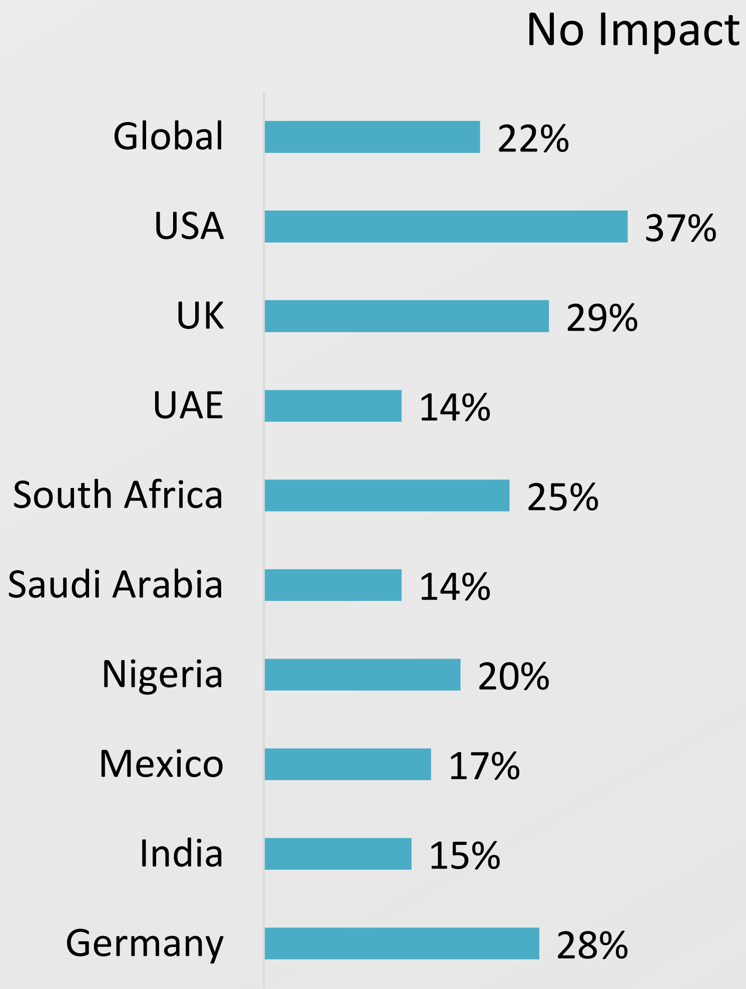
Most people believe that COVID-19 will have an impact on both their personal and professional lives



Q. Given the current outbreak of COVID-19, as per your understanding how much impact will it have on your future plans with in next one year?
Base: 4773

Impact of Pandemic





Most people feel that there that their own work and productivity will be affected.

However a fifth of people feel that it will have no impact – this sentiment is mostly seen in developed markets.

Q. Would you say your own productivity/ work output has been negatively impacted post the outbreak?
Base: 4773

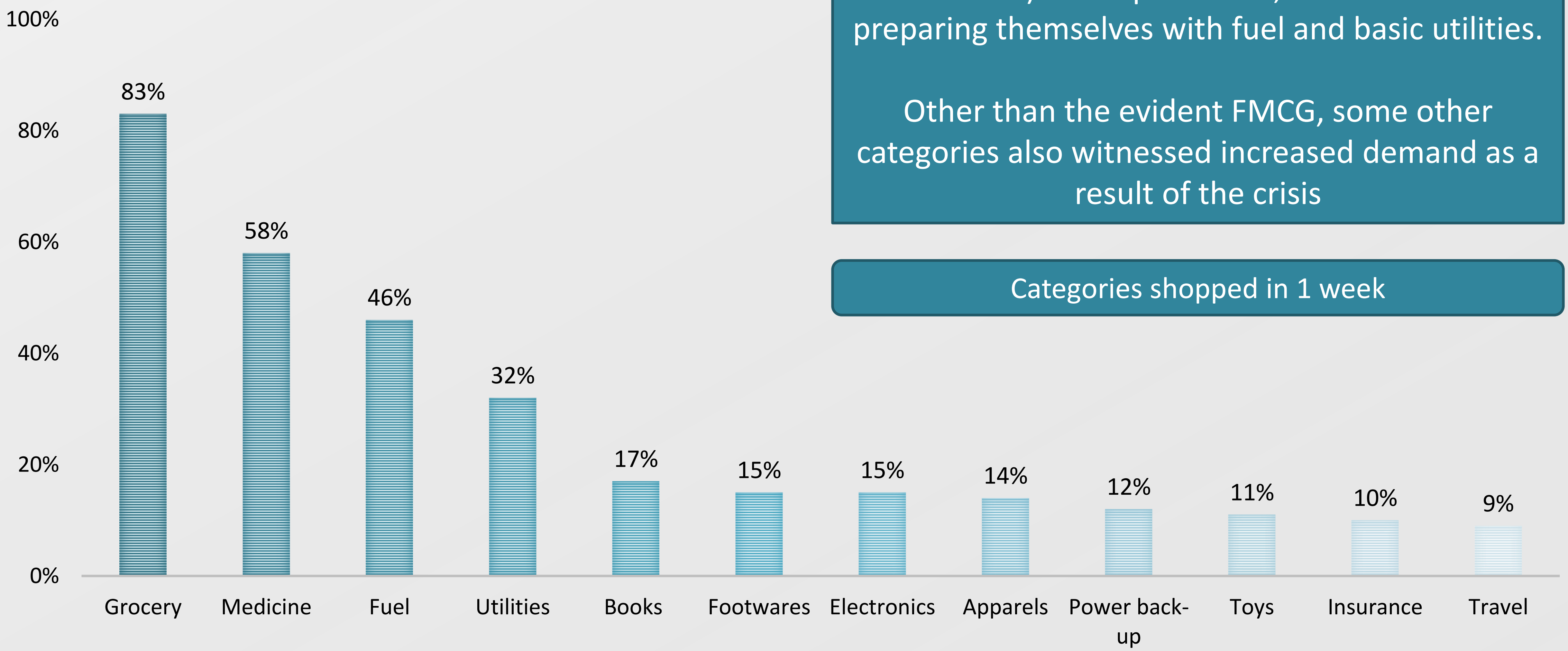
UNDERSTANDING SHOPPING BEHAVIOUR

Shopping Behaviour

Most people bought essentials (grocery and medicine) in the past week, with some also preparing themselves with fuel and basic utilities.

Other than the evident FMCG, some other categories also witnessed increased demand as a result of the crisis

Categories shopped in 1 week



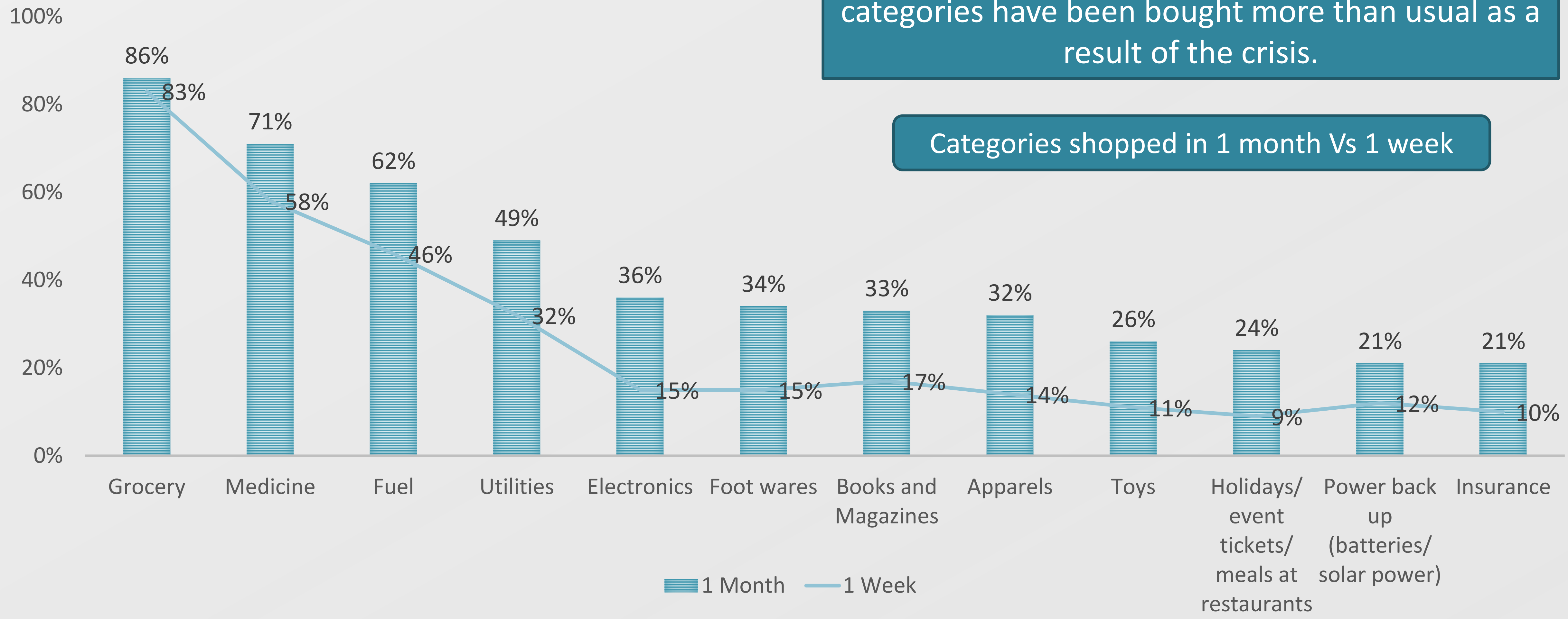
Q. Post the break out of COVID-19, please select from the below list the items that you have bought in past one Week

Base: 4773

Shopping Behaviour - 1 month Vs 1 week

Recent shopping has been mainly for essentials. Other than the evident FMCG, some other categories have been bought more than usual as a result of the crisis.

Categories shopped in 1 month Vs 1 week



Q. Post the break out of COVID-19, please select from the below list the items that you have bought in past one Week

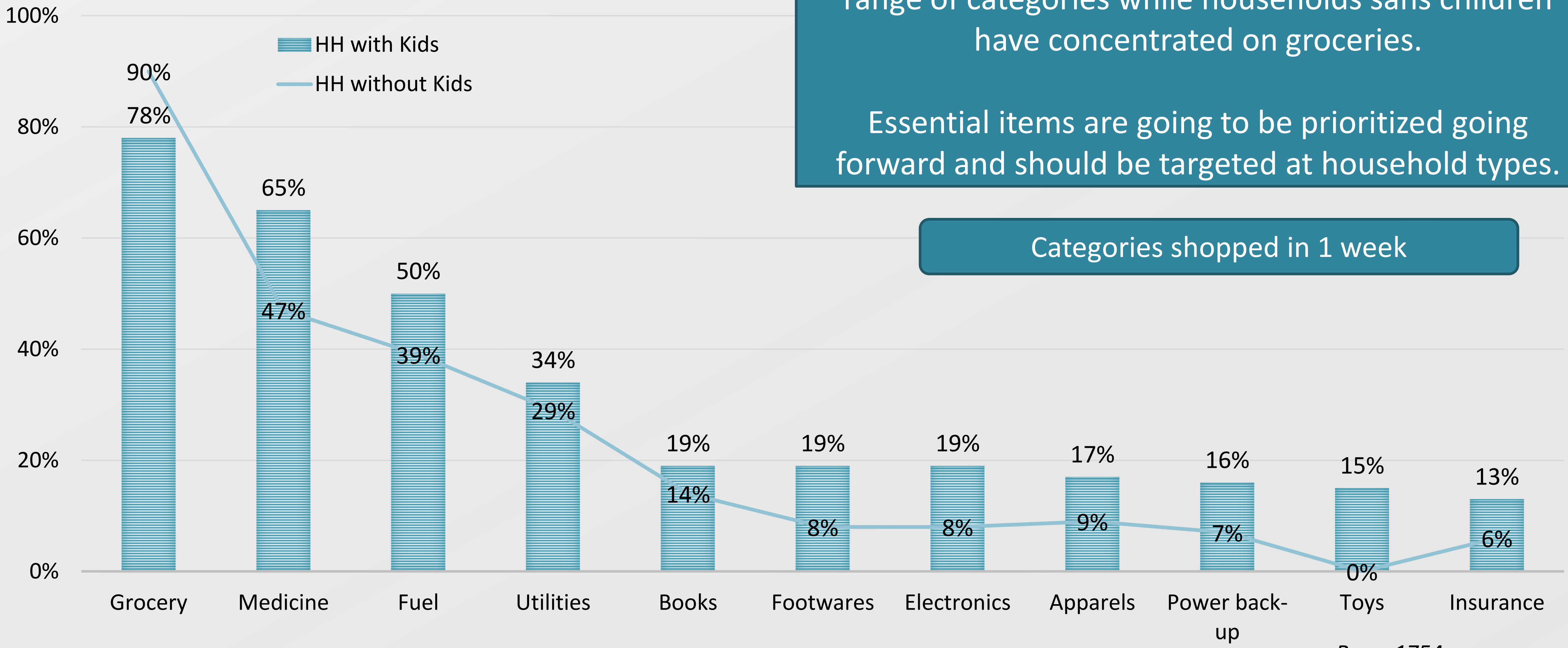
Base: 4773

Shopping Behaviour

Households with children have purchased a wider range of categories while households sans children have concentrated on groceries.

Essential items are going to be prioritized going forward and should be targeted at household types.

Categories shopped in 1 week



Base: 1754

Base: 3019

Q. Post the break out of COVID-19, please select from the below list the items that you have bought in past one Week

Shopping Behaviour

People in developed markets have bought more groceries. This also reflects the stage of virus in the different markets analysed, and hence predicts imminent purchasing behaviour for developing markets. In developed markets, FMCG brands should focus both on visibility and availability.

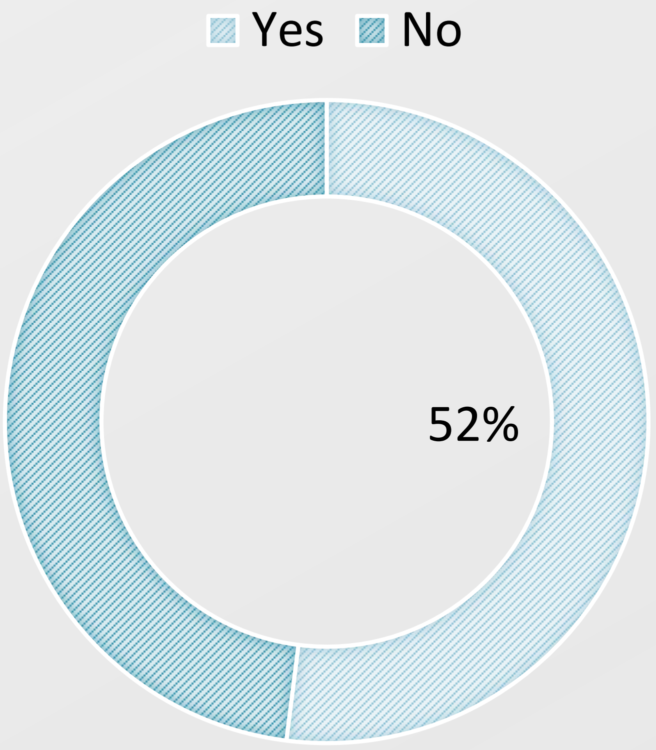
Category	Global	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Grocery	83%	**93%**	**91%**	85%	**94%**	64%	68%	72%	86%	96%
Medicine	58%	48%	40%	57%	**70%**	62%	65%	60%	79%	40%
Fuel	46%	42%	31%	44%	**56%**	40%	**66%**	43%	53%	30%
Utilities	32%	19%	18%	30%	23%	24%	45%	**23%**	40%	**66%**
Books and Magazines	17%	11%	15%	15%	14%	15%	23%	13%	**26%**	18%
Foot wares	15%	9%	7%	14%	8%	16%	30%	16%	22%	7%
Electronics	15%	10%	4%	13%	8%	23%	25%	11%	29%	6%
Apparels	14%	12%	8%	14%	9%	19%	13%	12%	22%	14%
Power back-up	12%	13%	8%	11%	10%	14%	14%	13%	20%	6%
Toys	11%	8%	6%	12%	7%	18%	11%	8%	14%	7%
Insurance	10%	13%	7%	12%	12%	16%	6%	9%	13%	4%
Travel	9%	8%	3%	11%	10%	11%	14%	8%	10%	2%
Base	4773	444	514	568	632	600	557	514	597	458

Q. Post the break out of COVID-19, please select from the below list the items that you have bought in past one Week

Stockpiling

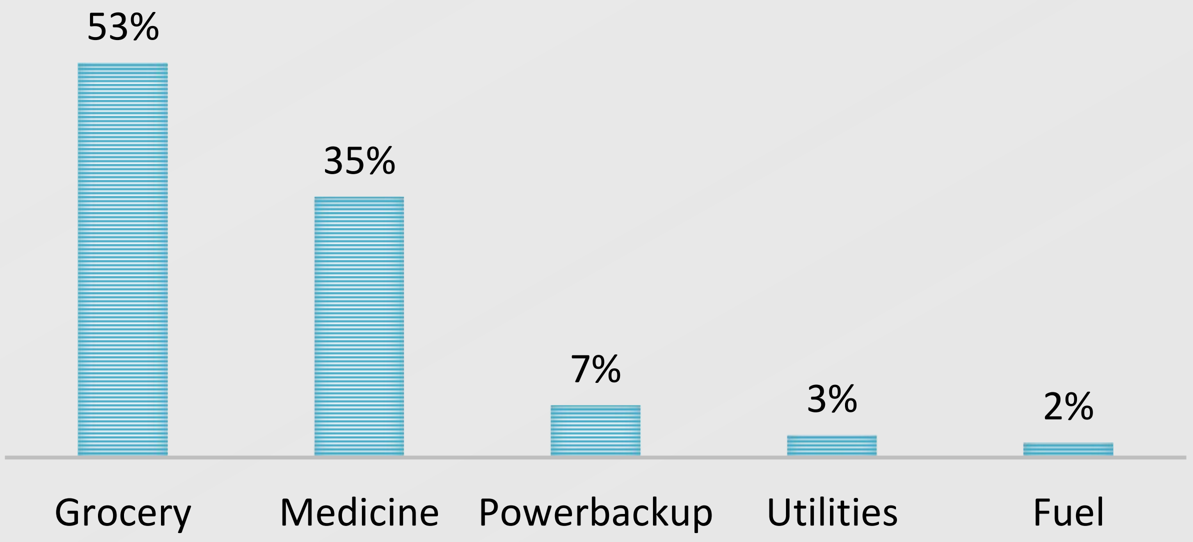
People have stockpiled on both groceries and medication as response to the pandemic.
Along with that, a few have also stocked up on power back-ups (power banks/batteries) and other utilities

How many people stock-up



Base: 4773

Categories stocked



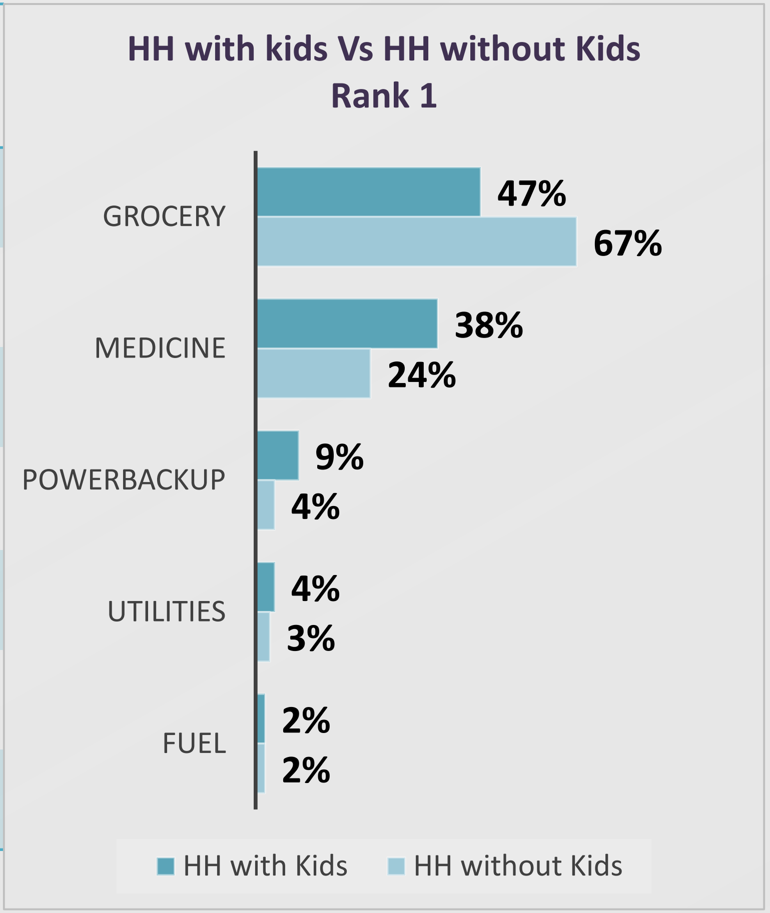
Base: 2497

Q. Given the current outbreak, did you buy more of any items and or stock up on items?
Q. Please RANK the below Items in order of priority that you have stored as back up

Stockpiling

The incidence of stockpiling is higher in developing markets than developed ones. Households with children have stocked up on medication more while those without have stocked on groceries. FMCG brands should continue to focus across segments. Healthcare, electronics and power back-ups (power banks/batteries) are particularly relevant to consumers in Middle Eastern markets and hence brands should focus on these regions.

Category	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
% of people stocking	52%	38%	58%	46%	64%	64%	58%	66%	18%
Grocery	77%	81%	1%	89%	1%	65%	62%	73%	84%
Medicine	15%	13%	79%	10%	68%	20%	32%	22%	10%
Power batteries / Power Bank	2%	4%	17%		23%	3%	2%	4%	
Utilities	3%	2%	2%	1%	6%	6%	3%	2%	6%
Fuel	3%	1%	1%		3%	5%	1%	1%	
Base	229	197	332	288	386	357	299	397	81

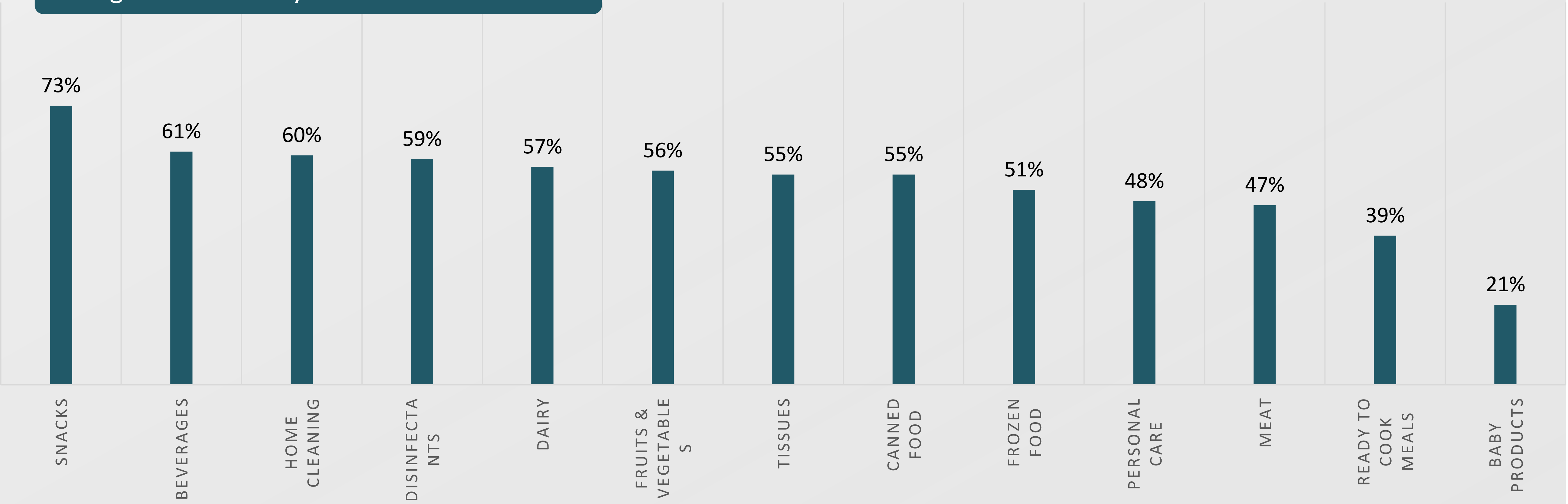


Q5. Q. Please RANK the below Items in order of priority that you have stored as back up
Base: 2497

Stockpiling

Surprisingly the category stocked up on the most is snacks. Beverages and perishables also show a high incidence, as do home cleaners, disinfectants and tissues. Bundling offerings together could help consumers to buy more efficiently and easily.

Avg No. of Grocery Items stocked – 6.82



Q. You said that you have stocked Grocery post the outbreak. Please let us know what you have stocked up on.

Base: 2497

Stockpiling

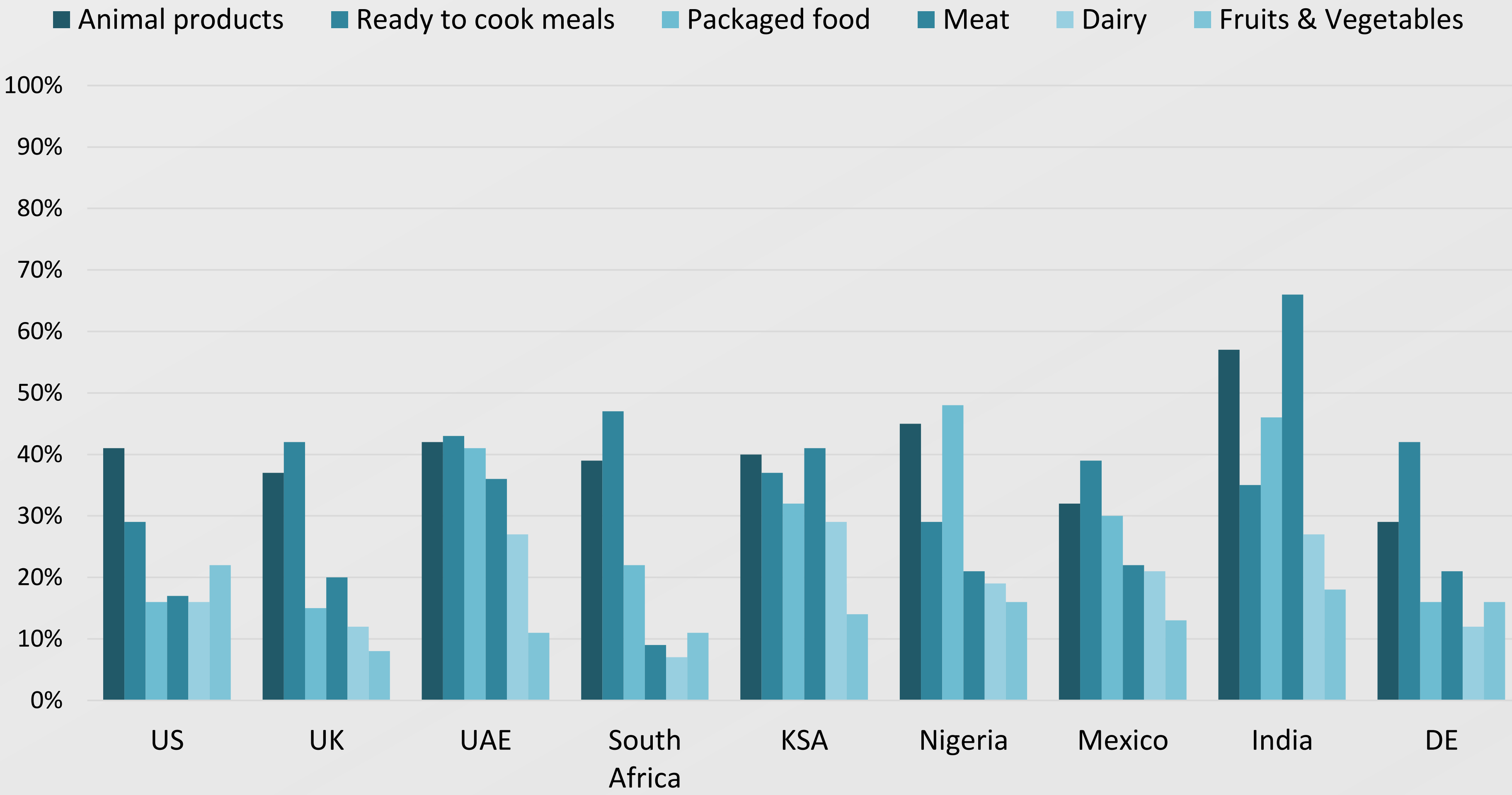
Developed markets are stocking up more on canned foods while developing markets focus more on healthcare products. It also helps for brands to customize offerings for each market.

Category	Global	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Snacks	73%	69%	66%	68%	87%	59%	86%	72%	77%	79%
Beverages	61%	**75%**	42%	53%	55%	59%	83%	60%	53%	67%
Home Cleaning products	60%	59%	46%	56%	67%	56%	62%	**69%**	65%	47%
Sanitizers/ disinfectants	59%	54%	35%	51%	**77%**	37%	**81%**	66%	**71%**	42%
Dairy	57%	59%	47%	58%	67%	49%	67%	51%	61%	51%
Fresh Fruits and Vegetables	56%	58%	41%	57%	56%	46%	55%	57%	**75%**	37%
Canned food	55%	**72%**	**65%**	52%	73%	56%	39%	61%	35%	**69%**
Tissues etc.	55%	66%	49%	42%	74%	36%	64%	64%	53%	**62%**
Frozen food	51%	63%	50%	55%	68%	55%	43%	48%	39%	44%
Personal Care	48%	39%	39%	43%	**66%**	41%	63%	44%	53%	42%
Fresh Meat, Chicken, Fish	47%	58%	37%	51%	**68%**	48%	**60%**	49%	23%	30%
Ready to cook meals	39%	41%	25%	35%	23%	**44%**	47%	26%	52%	37%
Baby Products	21%	10%	8%	22%	22%	25%	24%	12%	33%	10%
Base	2497	229	197	332	288	386	357	299	397	81

Q. You said that you have stocked Grocery post the outbreak. Please let us know what you have stocked up on.

Products with Low Demand

Across all markets people are avoiding animal products and ready-to-cook meals as a result of the pandemic. Consumers in the Middle East and India are avoiding meat products more than others

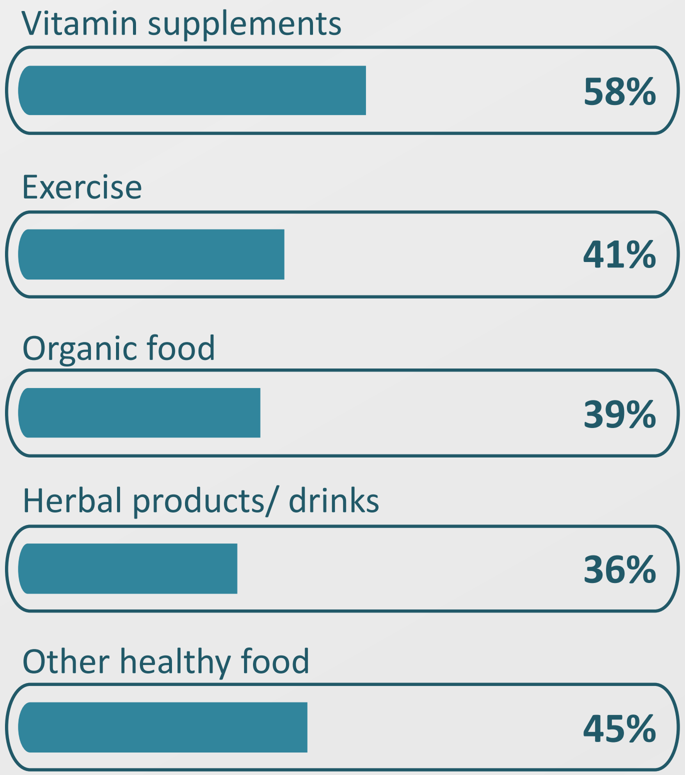


Q. Post the COVID 19 outbreak did you stop using any of the below products.

Base: 4900

Healthy Habits

People across the world are taking measures to boost their immunity. Consumers in the Middle East and India are showing an increase in organic food consumption. It is likely that these healthy trends will continue into the future, posing opportunities for brands to focus on healthier options.



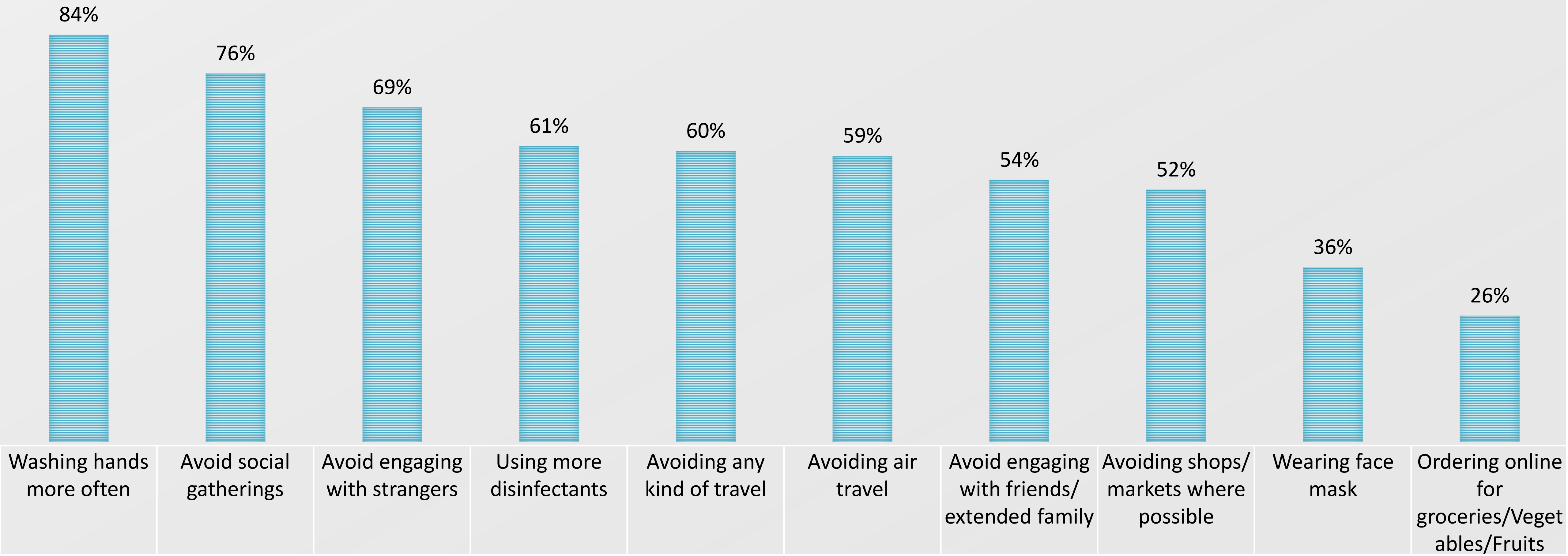
Healthy Habits/ Country	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Vitamin supplements	62%	37%	60%	74%	58%	72%	57%	62%	35%
Exercise	43%	46%	28%	50%	31%	53%	42%	49%	31%
Organic food	22%	18%	56%	26%	50%	45%	29%	66%	21%
Herbal products/ drinks	25%	17%	47%	30%	46%	47%	30%	53%	22%
Other healthy food	34%	34%	43%	41%	48%	61%	39%	58%	43%
Base	444	514	568	632	600	557	514	597	458

Base: 4773

Q. Post the outbreak are you eating/ drinking / using/ participating in any of the below for your health and immunity?

Actions and Reactions

Unsurprisingly, we see a positive change in hygiene related behaviour, with people globally washing their hands more frequently, and taking heed of health behaviour recommendations. It is thus anticipated that digital and contact-free sales processes will continue to grow in the future



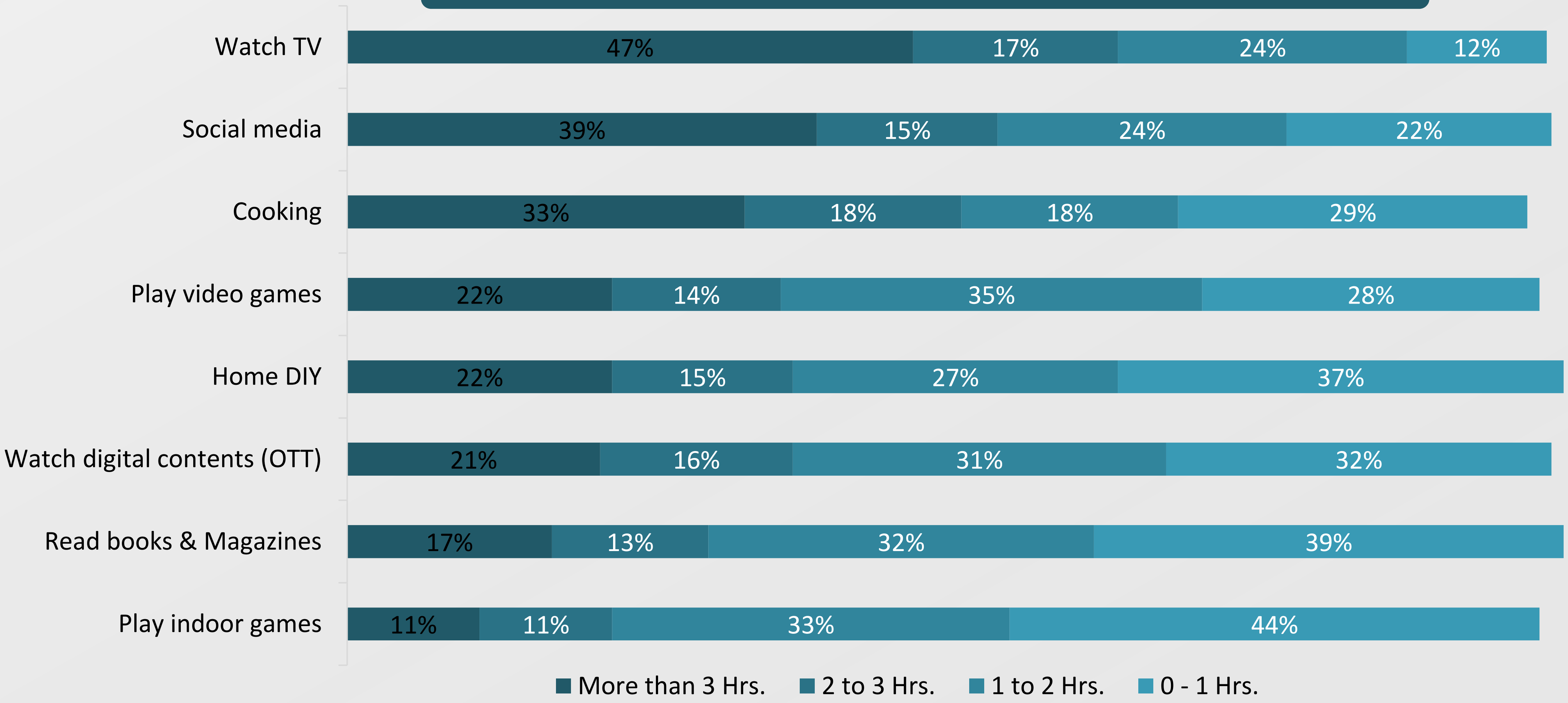
Q. From the below list please select all that you have been doing post the COVID-19 outbreak
Base: 4773

MEDIA & ENTERTAINMENT CONSUMPTION

Activities

Apart from watching more TV and using social media more, people are spending time cooking and playing video games.

Time Spent for Media and Entertainment Consumption on Daily Basis

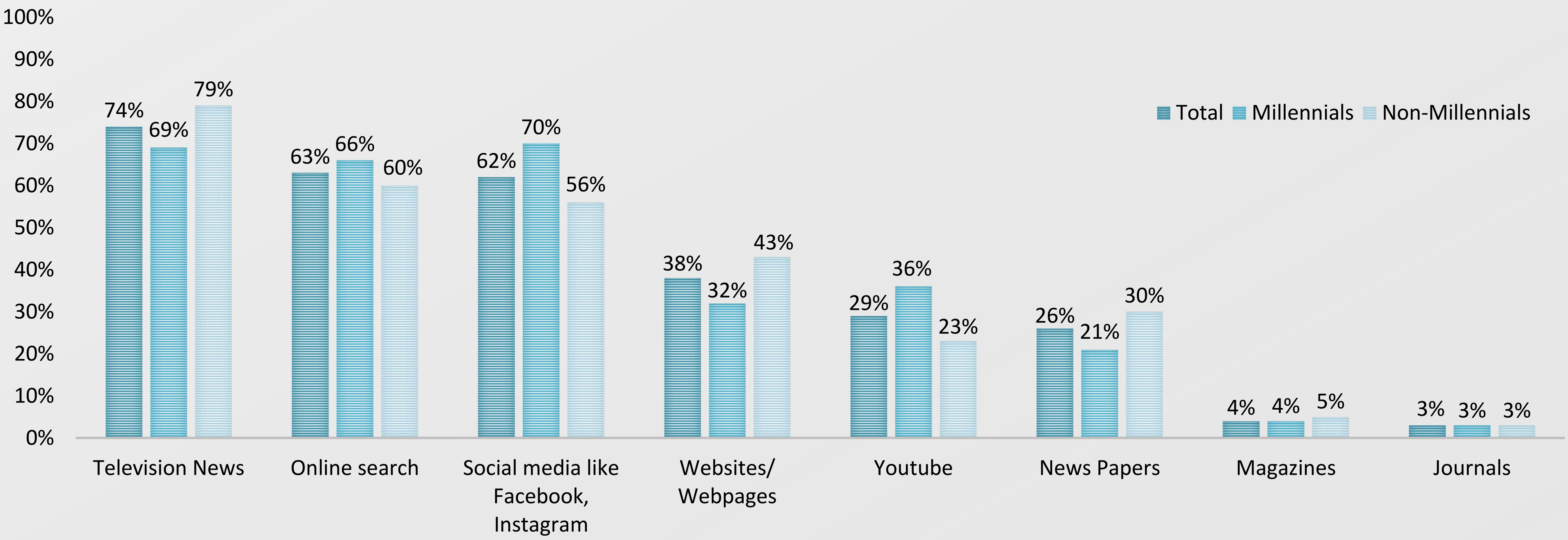


Q. Post the breakout of the COVID-19, please select what all do you do for entertainment? Rank TOP 5
Q. How much time do you spend in a day for the below

Base: 4773

Media Consumption

TV news and digital methodologies are the key sources of information for COVID-19 updates, making them prime mediums for advertising.
Print is naturally impacted due to delivery restrictions.



Q. What are your top 3 source of information that you are currently following closely? Rank TOP 3

HOW SHOULD BRANDS RESPOND DURING THESE TIMES

Key Factors While Shopping

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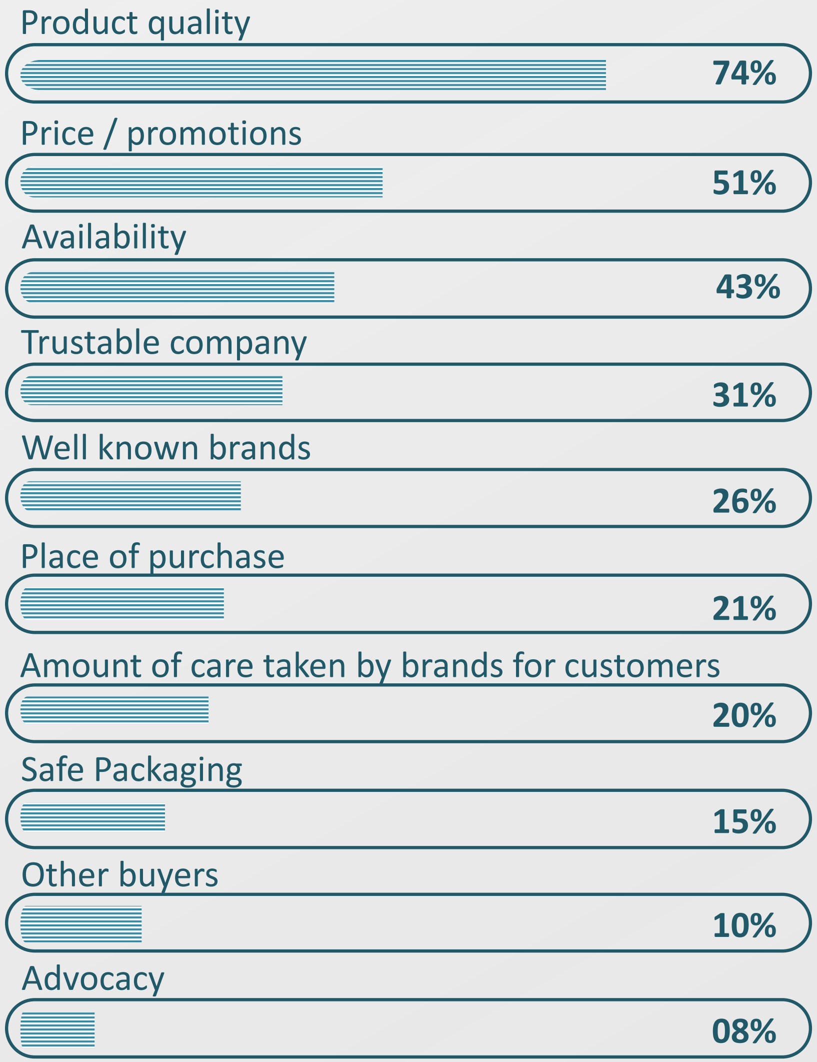
Overall quality is of utmost importance during these times. Along with that consumers are looking for promotions and availability of products. Brands should communicate their assurance of quality and availability. They should also provide promotions. Brands in the Middle East and India should also aim to instill a sense of trust in consumers.

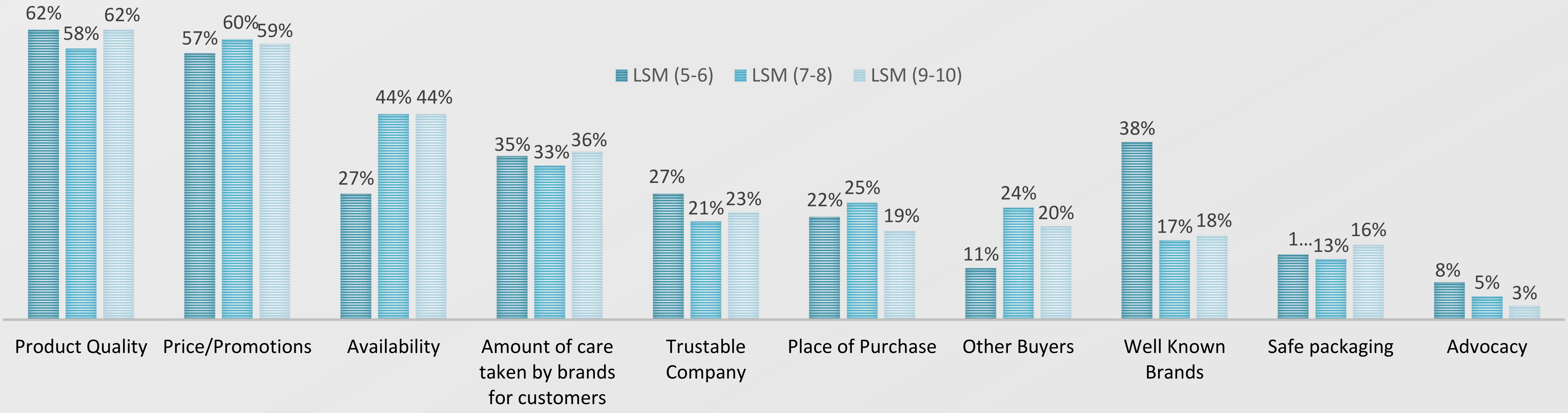


	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Product quality	59%	62%	79%	62%	80%	**85%**	73%	**83%**	75%
Promotions	**64%**	58%	55%	59%	47%	43%	50%	35%	59%
Availability	**63%**	**70%**	34%	43%	31%	31%	41%	30%	**58%**
Trustable company	21%	20%	**37%**	23%	**41%**	34%	26%	**42%**	24%
Well known brands	19%	17%	**37%**	19%	**40%**	28%	21%	**37%**	11%
Place of purchase	25%	28%	14%	20%	21%	15%	21%	14%	**39%**
Amount of care taken by brands	18%	15%	16%	**35%**	10%	24%	25%	26%	9%
Safe Packaging	12%	7%	14%	15%	13%	20%	17%	20%	11%
Other buyers	14%	19%	6%	20%	8%	7%	8%	7%	10%
Advocacy	6%	4%	8%	3%	8%	13%	**18%**	7%	5%

Q. What are the key factors that you are considering while shopping? Please Rank your TOP 3.
Base: 4773

Key Factors while Shopping – South Africa

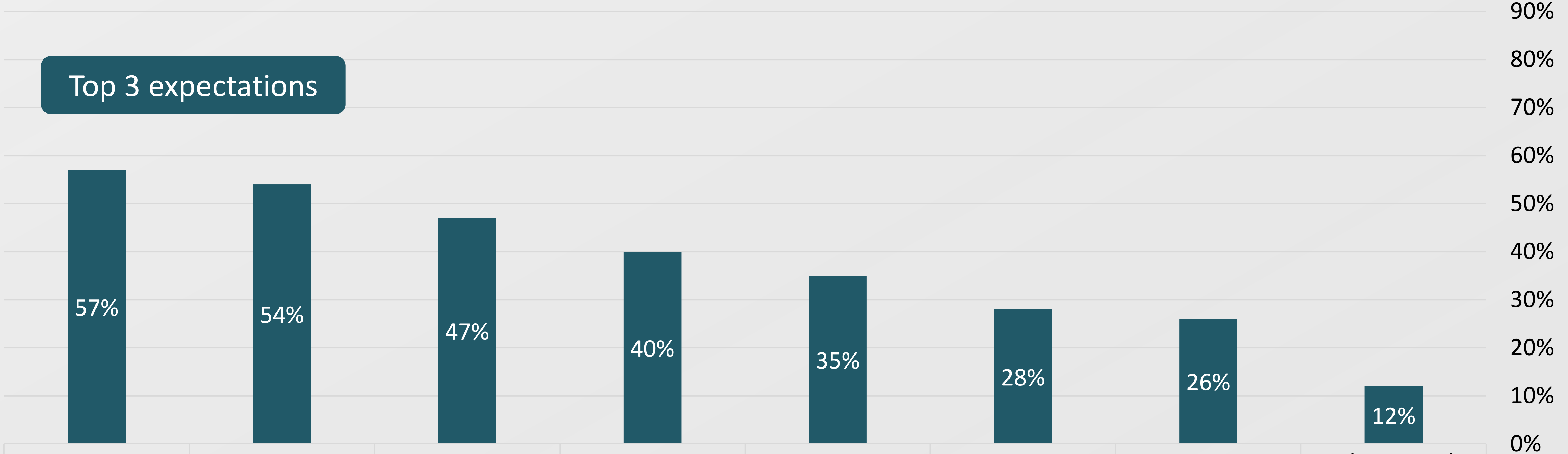
Product quality is paramount for South African consumers at a time like this. Price and promotions remains ever-critical, especially as many consumers experience reductions to their income.



Q. What are the key factors that you are considering while shopping? Please Rank your TOP 3.
Base: 632

Expectations from Brands

It follows that people are expecting the same three elements from brands, namely quality, availability, and promotions. Some people also expect brands to help those in need.



	High quality standards- manufacturing	Making products available	Reducing price / offering promotions	High quality standards- selling / distribution	Spreading awareness to tackle epidemic	Providing aid to the people	Communication to ensure safety	Teaching retailers / distributors on things to be taken care of
Top 3 Rank	57%	54%	47%	40%	35%	28%	26%	12%

Q. Given that current situation, what are the top 3 things do you expect from companies / various Brands?
Base: 4773

Expectations from Brands

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Different strategies are indicated in different markets. Consumers in developed markets expect availability and helping the needy while those in developing markets look for quality of manufacturing and distribution, and promotions.

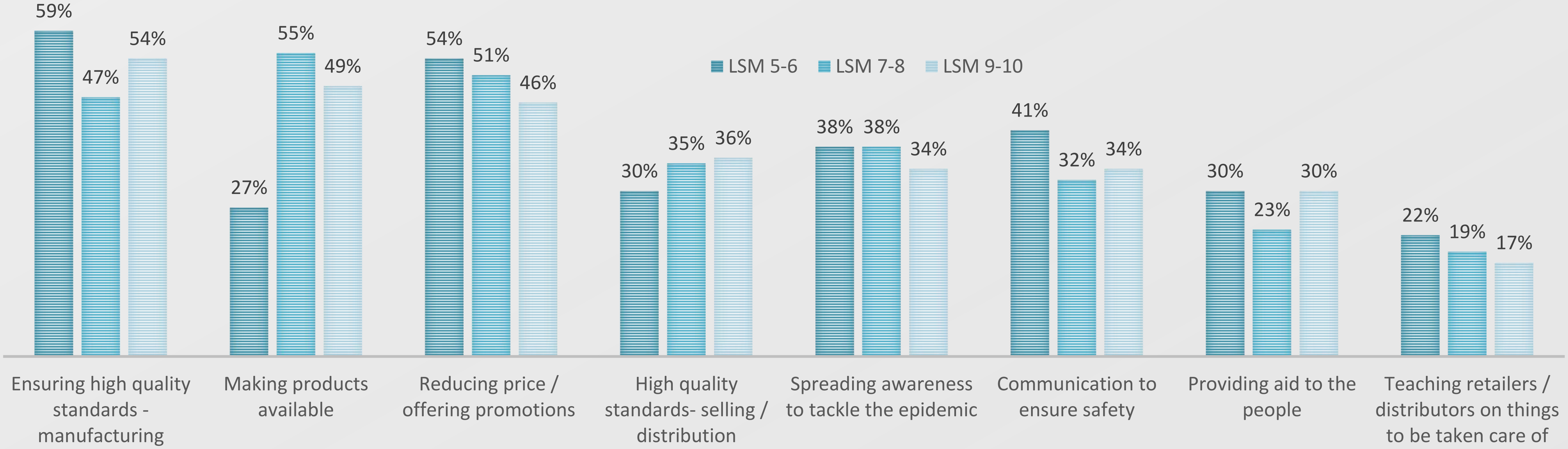
Activities	Global	USA	UK	UAE	RSA	KSA	Nigeria	Mexico	India	Germany
Ensuring high quality standards are followed during product manufacturing	59%	49%	48%	**65%**	53%	**66%**	**70%**	47%	**63%**	43%
Making products available	54%	**66%**	**70%**	46%	49%	51%	44%	55%	51%	**62%**
Reducing price / offering promotions of necessary items	49%	50%	37%	**57%**	47%	**58%**	43%	55%	43%	32%
Ensuring high quality standards are followed during selling / distribution	41%	41%	43%	46%	35%	47%	33%	37%	47%	29%
Spreading awareness to tackle the epidemic	34%	26%	34%	29%	35%	29%	**45%**	38%	37%	**44%**
Communication on what they are dong to ensure safety	26%	29%	28%	21%	34%	22%	29%	25%	21%	23%
Providing aid to the people who have suffered	25%	**31%**	**31%**	24%	29%	17%	24%	27%	23%	**55%**
Teaching retailers / distributors on things to be taken care of	12%	7%	9%	11%	**18%**	9%	12%	15%	14%	12%

Q. Given that current situation, what are the top 3 things do you expect from companies / various Brands?

Expectations from Brands- South Africa

South Africans want their brands to ensure high quality of manufacturing and not to compromise during this time. This is particularly driven by LSM’s 5-6. Availability is more important to higher LSM’s who are already used to products being easily accessible.

Top 3 expectations



Q. Given that current situation, what are the top 3 things do you expect from companies / various Brands?
Base: 632

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