

HOW COVID SHAPED THE FUTURE:
**Three Consumer Trends
That Are Here To Stay**

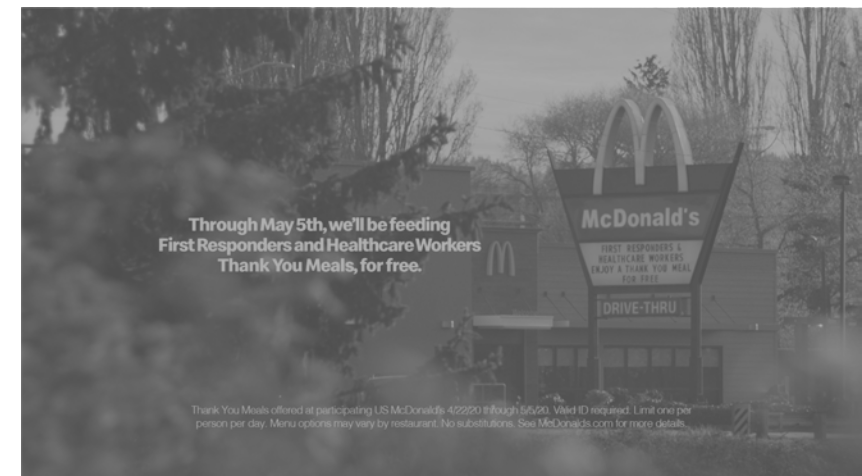
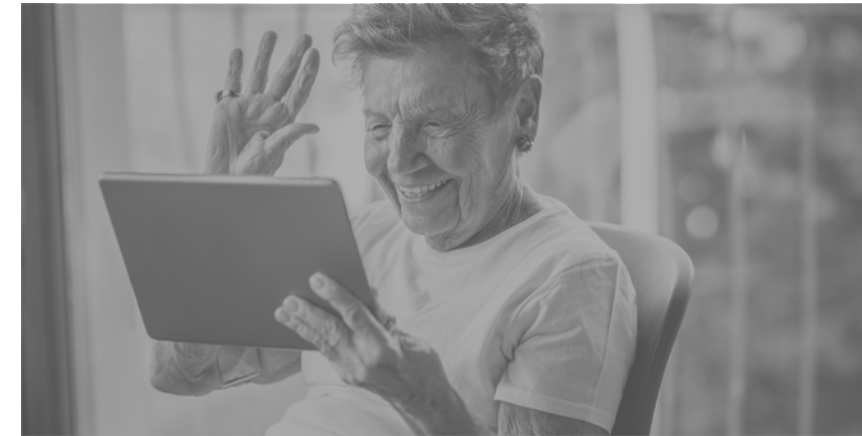
NBCUniversal

The pandemic has reminded us that we are all human.

Every company and every consumer had to adapt to new rules, new routines, new ways of connecting, a new reality.

How should brands respond to the changes we have all experienced?

By putting people – not just consumers – at the center.



Thank You Meals offered at participating US McDonald's 4/22/20 through 5/5/20. Valid ID required. Limit one per person per day. Menu options may vary by restaurant. No substitutions. See McDonalds.com for more details.

THREE CONSUMER TRENDS THAT ARE HERE TO STAY:

89% of consumers say they will continue with behaviors they picked up during the pandemic.

But we asked ourselves, which would stick?

1



Digitization
of Interactions

2



Rethinking
Health and Life

3



Desire for
Social Change


AS CONSUMERS HAVE SHIFTED THEIR BEHAVIOR, BRANDS HAVE PIVOTED AND ADAPTED TO THE NEW NORMAL



Walmart moved to **convert retail space** to distribution centers



Instacart saw **210% increase** in app downloads



Zoom's **revenue grew 314%**, growing faster in three months than the prior three years



Collective **office week-off** to unplug and recharge



On-site **program for employee children** to help with virtual classes



Access to **20 mental health therapy sessions** per year for employees working 20 hours/wk



P&G **forcefully weighs in on racial injustice**



Tim Cook **weighs in on voting rights** in GA



Sephora joins the **15percentpledge** supporting Black businesses



DIGITIZATION OF INTERACTIONS

Isolated, people looked to connect with friends and loved ones. The need to connect forced people to adopt new technologies and businesses to offer new ways to connect that digitized their interactions across the board.



BY NECESSITY, CONSUMERS AND BUSINESSES ALIKE
ADOPTED NEW TECH AT UNPRECEDENTED GROWTH RATES

Growth In 2020:

DEMAND FOR
TELEMEDICINE

+65%



SALES IN
ECOMMERCE

+44%



TRANSACTION VALUE OF
MOBILE PAYMENTS

+31%



TIME SPENT PLAYING
VIDEO GAMES

+39%



SUBSCRIPTIONS IN
VIDEO STREAMING

+37%



APP DOWNLOADS
HEALTH & WELLNESS

+50%



**...AND THESE NEW
HABITS REMAIN AS
MORE CONSUMERS
BECOME COMFORTABLE
WITH TECHNOLOGY**
IN THEIR DAILY LIVES...

IN 2020...

64%

of Consumers
had Technology
Firsts

81%

will Continue
to Use New
Skills Post-Covid

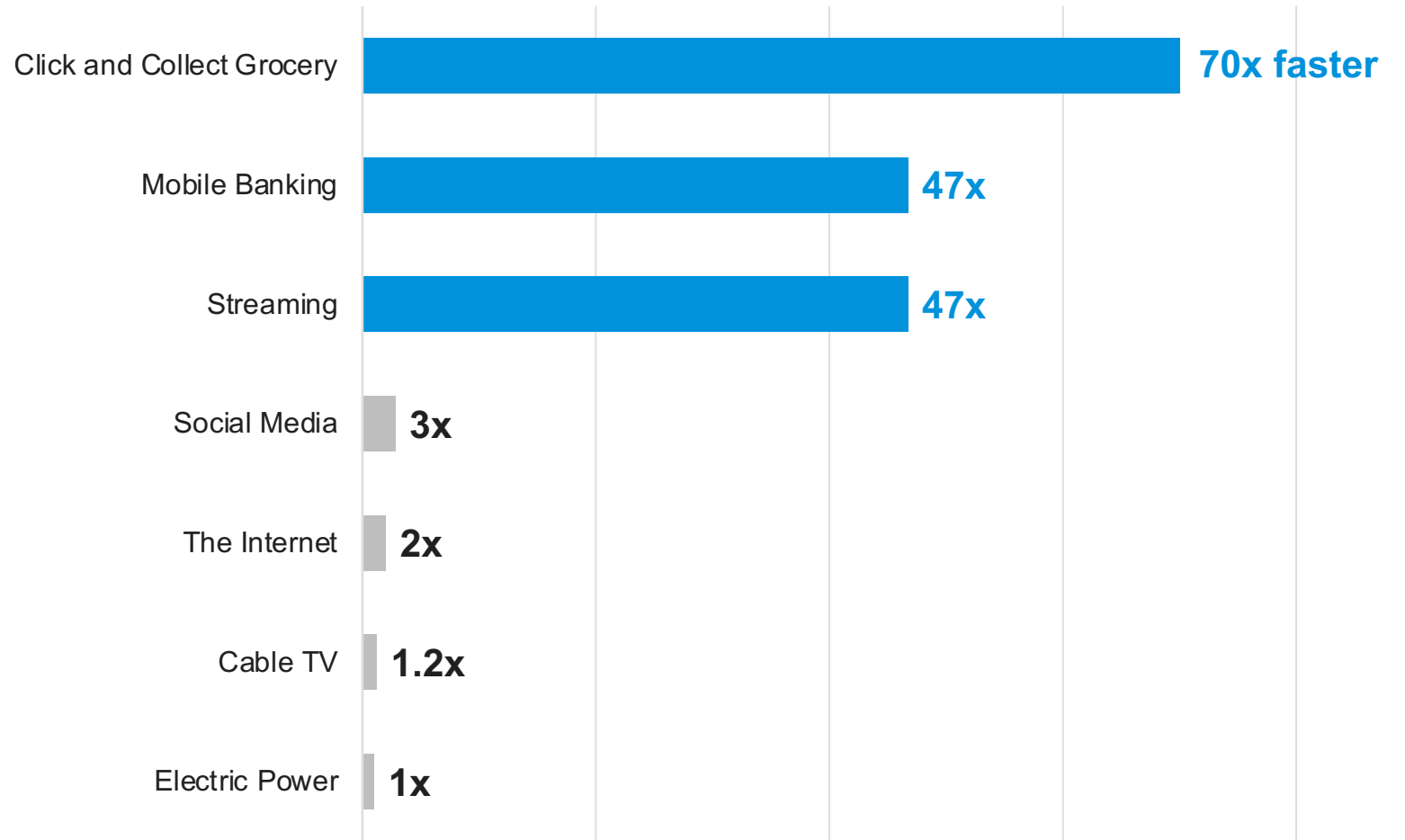


JUST HOW UNPRECEDENTED WAS THIS TECHNOLOGICAL GROWTH?

When we say unprecedented, we mean it literally never happened. **Ever.**

While Electric Power took 14 years to reach 30% adoption, **Click & Collect Grocery** took less than 3 months.

How Much Faster Was a Behavior Adopted Compared to the Adoption of Electric Power?



HOW WE THINK THIS WILL EVOLVE HUMAN BEHAVIOR

From expectation to necessity

Change

The pandemic accelerated change because technology didn't just facilitate ease and convenience but became a necessary way for people to interact with businesses, family, and friends.

Consequence

Consumers and brands are more aligned on the innovations they can respectively use and offer. As a result, we should expect the accelerated rate of technological adoption to continue.





RETHINKING HEALTH AND LIFE

The pandemic taught people there is a natural interconnectivity between health, work and family.

COVID HAS HAD A PROFOUND IMPACT ON HEALTH & WELLBEING

PEOPLE HAVE PRIORITIZED PHYSICAL HEALTH, MENTAL WELLBEING & EMOTIONAL CONNECTIONS

GOOD INTENTIONS ABOUT HEALTH

42%



of Consumers Intend to Take Their Health More Seriously Post-Covid

HIGHER LEVELS OF WORK-LIFE BALANCE

73%



of Employees Reported Having a Better Work-life Balance From Home

PUTTING FAMILY FIRST AFTER LAST YEAR

84%



of Consumers Report the 1st People They will Visit Will be Immediate or Extended Family

HIGHER LEVELS OF ANXIETY & DEPRESSION

+30pp



Average Share of Adults Reporting Symptoms of Anxiety / Depression

EMPLOYEE EXPECTATIONS SHIFTED

74%



of Professionals Expect Remote Work to Become Standard

MENTAL HEALTH NO LONGER STIGMATIZED

+200%



Increase In Mental Health App Downloads

PEOPLE ACKNOWLEDGED THE IMPORTANCE OF EMOTIONAL CONNECTIONS

Extended periods of quarantine and isolation led many to **reexamine and reemphasize the importance of connection with loved ones.**

Source: PRNewswire; MRI, December 2020
COVID Study; Flexjobs



Pet ownership is at
71 Million HH
– its highest EVER

FROM
PETS
TO
PEOPLE



>2/3
of consumers plan to stay in closer
touch with their families post-Covid



>49%
of employees miss seeing
their colleagues and other
office social interactions

AND COMPANIES REALIZED PEOPLE'S WELL-BEING IS CRUCIAL FOR EVERYONE'S SUCCESS

WORKPLACE STRESS WAS A COSTLY ISSUE PRE-PANDEMIC

Employers are spending

\$120-\$190B

annually in additional healthcare costs related to employee burnout

The U.S. economy incurs

>\$500B

annually in costs related to workplace stress

COMPANIES ARE IMPLEMENTING SOLUTIONS RECOGNIZING INDIVIDUAL NEEDS



“An **immersive workspace** is no longer **limited to a desk** in our Towers; the 9-to-5 workday is dead.”

- **BRENT HYDER**
Salesforce Chief People Officer



“What we think is most valuable right now is time for all of us **to collectively walk away.**”

- **TEUILA HANSON**
LinkedIn Chief People Officer

AS WE SEEK MENTAL,
PHYSICAL, AND SOCIAL
WELL BEING

BRANDS, PRODUCTS, AND SERVICES SEEK TO CAPITALIZE

Health and wellness is no longer about just about ingredients or physical well-being. It's now a larger, more holistic conversation – mind, body, and soul. Stigmas are being broken down.

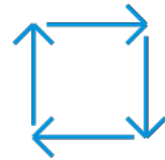


EVOLVING CONSUMER VIEWS

Previously stigmatized topics such as mental health, and products such as CBD are becoming increasingly normalized

CBD's Range of Applications Helps Reshape Public Opinion

How COVID-19 Changed the Way People Are Viewing Mental Health



EMERGING & REPOSITIONING CATEGORIES

Rise of new brands and repositioning of existing ones to lean into the health and wellness space

PepsiCo Wants to Calm a Stressed Nation With Driftwell

PETCO PUSHES ITS HEALTH AND WELLNESS TRANSFORMATION IN FIRST WORK FROM DRUGS



HOW WE THINK THIS WILL EVOLVE HUMAN BEHAVIOR

Products can no longer be divorced from essential lifestyle

Change

The pandemic has revealed that health, wellbeing, and community are essential needs.

Consequence

Going forward, essential needs will be redefined to be more wholistic, integrating physical health, mental wellbeing, emotional connections. Brands will take notice, ensuring their products are reframed as essential to lifestyle.





DESIRE FOR SOCIAL CHANGE

While the pandemic did not start people's need for change, it laid bare the urgency of that desire. People have asked companies to be at the center of that change, shaping today for a better tomorrow.



BRANDS HAVE AN OPPORTUNITY TO LEAD CHANGE

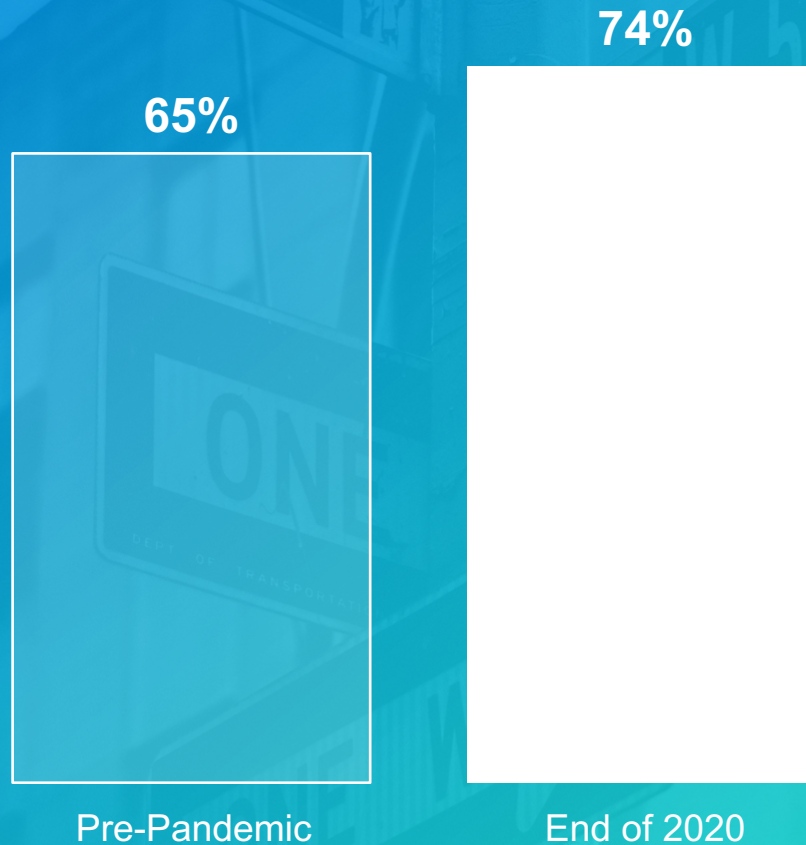
Frustrated with government response, American's increasingly turned to corporations to help change the future. 73% of people believe companies have an opportunity to shape the future.

Source: Edelman Trust Barometer; Pew Research – Economic Inequality in the United States



CEOs Should Take the Lead on Social Change

(% of American's who believe that is true)





WHICH HAS REAL CONSEQUENCES FOR BRANDS THAT LEAN IN

Companies that have leaned into the moment were seen as more trustworthy. People supported the brands they trusted, spending nearly 10x on those brands.

Sources: Kantar Top 100 Global Brands 2020; McKinsey & Company "The great consumer shift ten charts that show how US Shopping behavior is changing"

Average Revenue Growth Top 100 Brands During the Pandemic (Most trusted vs. average growth rate)



-  Average of most trusted brands in the US
-  Average of top brands in the US

BUT SOCIAL CHANGE IS HARD WON AND
CONSUMERS HAVE HIGH EXPECTATIONS FOR BRANDS

98%

**CEO'S AS
LEADERS**

Percent of people who believe **CEO's have** an **obligation** to speak out on social issues

76%

**ACT
ETHICALLY**

3 in 4 leading factors are related to ethics; brands are expected to **act ethically**

2%

**IT
TAKES TIME**

Addressing change requires trust. 2% of the most trusted companies founded in the last **20 years**. **The majority were founded before 1951.**

THE NEW BRAND IS POLITICAL AND VOCAL

From the sidelines to center stage

Change

People fundamentally believe businesses and brands have a role in changing society.

Consequence

Brands will be faced with difficult decisions, often with high risk. Navigating difficult social issues will become the next normal.



WHAT COMES NEXT?

Go all in on the issues that best align with a brand's identity. Commit to those issues through action and advertising.



DIGITAL FLATTENS THE CONSUMER JOURNEY

Invest in digital media that effectively addresses the whole funnel and where possible, offer ecomm/shoppable components



WELLNESS BECOMES PART OF PERSONAL IDENTITY

Develop creative that showcases a brand's ability to address functional and emotional needs



ACTIONS SPEAK VOLUMES, SO DOES INACTION

Pick a few issues to go all-in that align well with a brand's identity. Commit to those issues through action and advertising



WE'RE HERE TO HELP!



Gina Reduto
SVP, Client Strategy
Gina.Reduto@nbcuni.com

