

Insights for the Future:

Navigating Social Change During and After COVID-19





Introduction

Despite our collective longing to return to normal life, COVID-19 has clearly irradicably transformed American society. The process of trying to control the outbreak will likely continue to affect daily life for time to come.

Many have predicted that COVID-19 will be a lasting part of daily life until a vaccine is developed, which could take 12 to 18 months. Though restrictive measures like social distancing might slow the spread and enable some to reemerge into public life, we could potentially undergo multiple periods of social distancing.

Large scale changes have taken place very rapidly and will likely continue to occur over the coming months or years. Within this white paper, we explore some emerging trends and what they might tell us about our uncertain future. We leverage findings from recent research studies and anthropological theory to illustrate the current state of consumer needs and expectations. We hope this future-focused insight will help businesses and people navigate new cultural and social developments.



Findings

CPG

Sweeping Changes in American CPG Consumption

The outbreak has radically altered how Americans cook, eat and source food. At this time, stocking challenges for grocers have been well-documented. With the absence of restaurants and concerns about the future of supply chains, Americans have worked to fill their pantries.

Consumers turning to Food for Comfort

Beyond the practicalities of long-lasting pantry items, Americans have also shifted their consumption habits for emotional reasons. Although recent years have seen a shift in preferences for healthier food that spurred the growth of chains like Chipotle and Sweetgreen, consumers are now increasingly reaching for the comfort of junk food. This is a trend that might self-correct as consumers increasingly adjust to the stress and uncertainty brought on by COVID-19, but one that might return repeatedly if we enter a cycle of social distancing measures.

Changes in Food Sourcing and Preparation

Many Americans have now gone beyond pantry-stocking, with some looking to expand on how they previously sourced food. For instance, Google searches for “how to raise chickens” increased by 75% in March and “house farming” increased by 50%. Americans are also spending more time on food preparation, such as making sourdough bread. Nielson reported that sales of yeast increased by nearly 650% at the end of March. Food preparation might also likely provide the sense of ritual that is deeply comforting to humans during times of distress. Anthropologists have found that rituals tend to increase in frequency during disasters and other periods of uncertainty.

¹ Though research has shown that food supply chains are not in danger of being affected by COVID-19.



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TELECOMMUNICATIONS

Increase in Data Consumption

Unsurprisingly, data usage has increased, with data consumption in March having increased around 18% percent from consumption levels last year. Even older consumers previously uncomfortable with making online purchases have adopted new digital consumption habits to avoid brick-and-mortar stores. For instance, 74% of American consumers anticipated being likely to purchase groceries online due to social distancing measures, according to a survey conducted in late March.

Rise of the Phone Call

Of course, though many anticipated a shift toward high internet use during the pandemic, few anticipated the rise of phone calls, which have been declining for years.

Nonetheless, phone calls have resurged in popularity. Verizon claims to now be managing an average of 800 million wireless calls a day, which is twice the number typically made on Mother's Day (historically a day with the highest number of calls). The length of calls has increased by around 33 percent, whereas internet traffic has only increased around 20 to 25 percent from normal daily patterns.

The rise of phone calls is doubtlessly triggered by our need for human connection during a time of social distancing. Before the spread of COVID-19 and the implementation of social distancing, phone calls typically peaked before and after work, falling during the workday. Nowadays, phone calls continue throughout the day.

ENTERTAINMENT AND LEISURE

Growing Consumption of Digital Entertainment

Coinciding with the overall increase in data consumption, content streaming has increased tremendously. Daytime viewing in particular has increased rapidly by around 40% compared to two weeks prior.

Virtual entertainment will likely experience continued growth as consumers look to pass time at home. History provides evidence for this outcome: following the end of World War I and the disastrous 1918-19 Spanish flu, people sought out sources of relief, pleasure and community. The economy rebounded and carefree entertainment was facilitated through widespread adoption of cars and the radio.

Consumption of Traditional Entertainment also Rising

Demand has also risen for more traditional forms of entertainment. At the end of March, toy sales in the United States experienced 26% growth. The fastest-growing categories included games and puzzles, followed by building sets, and arts and crafts. Sales of outdoor and sports toys have also grown by 20%.



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FINANCE

Consumers Worried About Financial Distress

An Ipsos poll conducted across 12 countries found that consumers are more worried about the impact of COVID-19 on the economy than their personal health. Young Americans are particularly apt to feel that COVID-19 is primarily a threat to their financial wellbeing, over their physical wellbeing, according to the Pew Research Center.

Doubtlessly, the full scope of the economic impact triggered by COVID-19 will only be revealed with time. However, many have already been plunged into a state of financial distress. They require guidance on how to access financial relief resources, leniency on paying debts, and mental health support services.

Expanding Vision for Economic Sustainability

The FDIC has encouraged financial institutions to help meet the needs of those economically affected by COVID-19. Banks have stepped up by deferring loan payments, and waiving fees.

Economic anthropologists have hypothesized that we could be seeing a trend in which financial institutions and businesses expand their vision and goals beyond immediate profits, towards more long-term economic sustainability (while also acknowledging the likelihood for exacerbated social and economic inequalities).

Beyond banking, there is evidence that, despite our social distancing, the COVID-19 outbreak might trigger a more communal spirit amongst people because it has highlighted the dangers of hyper-individualistic behaviors. Social distancing has been marked as an action of social solidarity, despite its inherent lack of social interaction.

HEALTHCARE

Growing Need for Mental Health Services

Cut off from human contact during a time of uncertainty, populations under lockdown are experiencing a growth in mental-health problems. Mental health hotlines have already reported an increase in calls since the beginning of the outbreak. Incidents of domestic violence and child abuse have also been on the rise as some have no choice but remain in unsafe homes. The scale of available services will have to expand to meet this increasingly urgent need.

Increasing Adoption of Telemedicine

Telemedicine is a prime example of how disasters often increase the pace of changes already in motion. The growth of telemedicine was already underway before the crisis but will now become much more of a necessity. Remote healthcare services will also be an important means of meeting the growing need for mental health services.



“Cut off from human contact during a time of uncertainty, populations under lockdown are experiencing a growth in mental-health problems.”

SUMMARY OF FINDINGS



1. **Consumers are turning to long-lasting pantry items and junk food staples that provide nostalgic comfort.** Many have also gone beyond pantry-stocking, looking to new ways of sourcing and preparing food (e.g. raising chickens, house farming, bread making, etc.)



2. **Along with an expected rise in data consumption, phone calls have also resurged in popularity after years of decline.** This rise is doubtlessly triggered by our need for human connection during a time of social distancing.



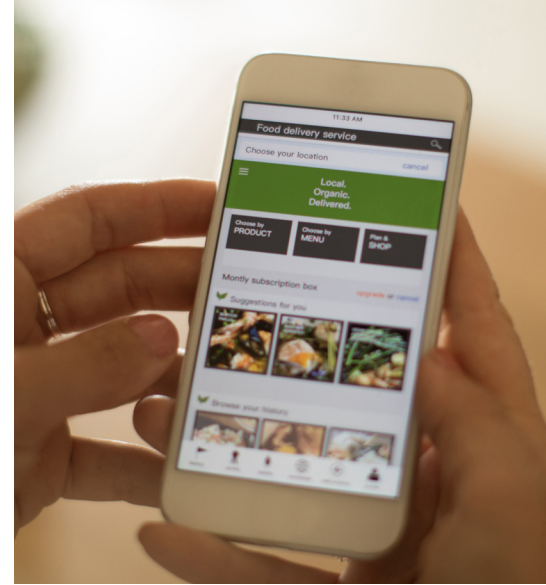
3. **Daytime content streaming increased rapidly at the end of March, and demand for more traditional forms of entertainment** – games and puzzles, building sets, and arts and crafts – has also grown. This demand reflects the human need for sources of relief, pleasure and community.



4. **Consumers are more worried about the financial impact of COVID-19 than their personal health,** particularly young Americans. They seek guidance on how to access financial relief resources and leniency on paying debts.



5. **Americans under lockdown have been experiencing a growth of mental-health issues and a rise in domestic abuse.** Services like telemedicine will play an increasingly important role in relieving overburdened healthcare systems for both mental and physical health.



RECOMMENDATIONS FOR NAVIGATING SOCIAL CHANGE

The sweeping social and cultural changes brought on by COVID-19 will require significant adaptation from consumers and businesses alike. Digital transformation is doubtlessly paramount. Telemedicine will play an increasing role for healthcare, just as digital banking will be of increased importance for financial institutions.

Beyond the practicalities of managing consumer relationships remotely, many businesses will have to adapt to changes in consumers' behavior and expectations. Many of these changes were perhaps already underway – expectations for digital interactions are hardly new – but they are happening much more rapidly than normal. Anthropologists studying disasters have long demonstrated that events like COVID-19 often expedite ongoing changes.

The question remains, how can businesses best navigate the current state of rapid and uncertain change?

RECOMMENDATIONS FOR NAVIGATING SOCIAL CHANGE

Solidarity

Anthropologists have long argued that solidarity is necessary for coping with change and ensuring survival during disasters. In our current circumstances, expressions of solidarity include supporting those most at need – consumers who have lost their jobs and struggle financially – and those on the frontlines of the pandemic – healthcare workers, cashiers, cleaning staff, and others.

Acting in solidarity also means supporting current employees and colleagues and maintaining positive relationships despite unforeseen challenges. Economists have argued that maintaining the structure of relationships will enable a faster recovery once social restrictions can be lifted.

Creativity

Creativity will be needed to navigate the necessary transformations required by current events. Past recessions have demonstrated that businesses typically benefit from payoffs in profitability and growth when they invest more in R&D during recessions.

Anthropologists have also found the uniquely uncertain circumstances created by disasters often feed creativity in positive ways. Social structures and patterns of daily life that once might have constricted creativity have been disrupted. The “liminal” periods that occur during or after disasters provide space and opportunity for creativity.



RECOMMENDATIONS FOR NAVIGATING SOCIAL CHANGE

Understanding and Empathy

Changes in consumer attitudes and behavior will also continue to require businesses to exercise understanding and empathy. Backlash against celebrity culture and the “Imagine” cover demonstrates the dangers of miscalculating current attitudes and priorities amongst consumers. Brands will need to shift to a new set of expectations amongst consumers whose lives have been radically altered.

The findings outlined in this review illustrate some of the more extreme changes that have already taken place. As current events continue to unfold, further unforeseen changes could continue to alter consumer expectations and needs.

METHODOLOGY

MDRG conducted a review of existing research results drawn from news publications, research organizations, and academic journals.



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Looking for deeper insights on how COVID-19 is or will affect your market? Contact us today to learn about customized COVID-19 consumer research.

SOURCES

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