

LIFE DURING LOCKDOWN

# The Post Covid-19 Consumer



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## How the fundraising experience needs to evolve to meet the wants and needs of the Post Covid-19 Consumer.

In only a matter of weeks Covid-19 has turned our lives upside down, forcing us to re-evaluate what it means to be an employee, a citizen, a global consumer. When we eventually do return to our 'day-to-day' lives, we'll be returning to a **new normality**, shaped by changing behaviours and attitudes born from this crisis.

As part of our '**Life During Lockdown**' series, we explore **5 key emerging behavioural trends** that CMO's/senior fundraisers in the charity space will need to consider when interacting with the Post Covid-19 Consumer (PCC).

- 1. Crisis of confidence**
- 2. Virtual living**
- 3. Tipping point for print media**
- 4. Health & wellbeing**
- 5. Keeping things local**

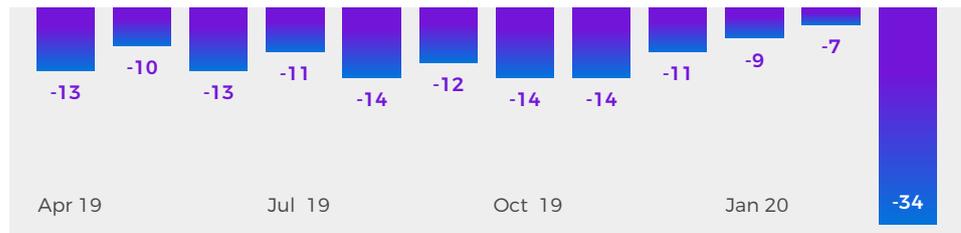
**Getting ready for the PCC / Get in touch**

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## 1. Crisis of confidence

Consumer confidence has taken a huge hit since the middle of March 2020. This erosion of confidence is going to make brand trust more important as people crave security and look to avoid risk. Brands will need to focus on building confidence through every consumer touchpoint while finding new ways to reach those audiences most impacted.

The scale of the shift can be seen in the **GfK consumer confidence index** below, with a drop to -34 in late March 2020. This represents the biggest fall in more than 45 years.



GfK's research also shows that households' willingness to make major purchases has deteriorated sharply, this is despite a spike in demand for freezers, televisions and home office equipment as consumers prepared to spend most of their time at home.

With more than 6 million on furlough, rising job losses and working hours being slashed, measures of personal financial health have also taken a tumble.

**The Guardian** identified the harsh reality of the economic fallout as far back as late March, when half a million people put claims in for universal credit in only 9 days.

How deep and for how long these economic issues will last is unknown, but it will be the young and low earners who will almost certainly be hit hardest. Lower earners have so far been twice as likely to lose their jobs as high earners, while 12% of under-30s report being unemployed because of this crisis, against only 6% of those aged 40-55.



### What this means for charities

Consumer confidence is closely linked to charitable giving, **About Loyalty's Sentiment Tracker** shows that up to 30% of people intend to stop or reduce their donations since Covid-19.

This is driven largely by younger age groups, with half of under 35-year olds looking to reduce or stop their charitable donations. This reduction in giving from under 35's will likely be further compounded as these younger cohorts continue to face the brunt of reduced income and higher job losses. Those affected will likely be as much in need of support themselves as they will be in a position to continue to give.

## 2. Virtual living

Be it remote working from your garden, video-calling the grandparents, or home-schooling the kids, the UK lockdown has brought a return to the home as the epicentre of day-to-day life and ignited all areas of virtual living.

As the Nielson's study on '**Stability after Covid-19**' outlines, much of this shift to virtual is here to stay: "Most manufacturers will strive to reposition their offering to cater to the new needs emerging in their markets. These new consumer needs, or accelerators, will increasingly require localisation, quality, efficacy, transparency and technology to be part of their product offering." The signs are that retailers will need to continually embrace this virtual world and increase their digitised presence to ensure future sustainability.



### What this means for charities

This move to virtual raises a significant challenge for the sector, with many charities still heavily reliant on older, offline and quite traditional audiences. It will be crucial to develop an integrated strategy with a greater emphasis on digital engagement, which drives more relevant content and experiences to younger groups.

Many charities are beginning to embrace this change – as shown by the virtual **2.6 Challenge** in response to the cancellation of the 2020 London Marathon. With a broad digital and social aspect, this concept represented a fast and effective pivot to help fundraisers recoup some of this otherwise lost income.

### Keeping track of the PCC

A foundation for all charities weathering this crisis will be in tracking and reporting, ensuring you can monitor your performance against revised COVID-19 targets as well as any shifts in supporter sentiment. This will ensure you can isolate and manage those areas most impacted by the crisis over the longer term.

Social listening and panel research are also great ways to tap into the feelings and attitudes of supporters, whilst deeper insight and research will help you unpack problem areas and fast-track new activities, products and propositions.



### 3. Tipping point for print media

Whilst the sustained impact of the current crisis on print advertising is still unclear, John Arlidge in **The Sunday Times** highlights that certain sections of traditional print media are heading for very rocky times.

“Consumption of news and entertainment has soared since the lockdown with most media websites reporting between a 100% - 500% increase in traffic. Consumers are also watching a third more TV; viewing is topping at Christmas levels.

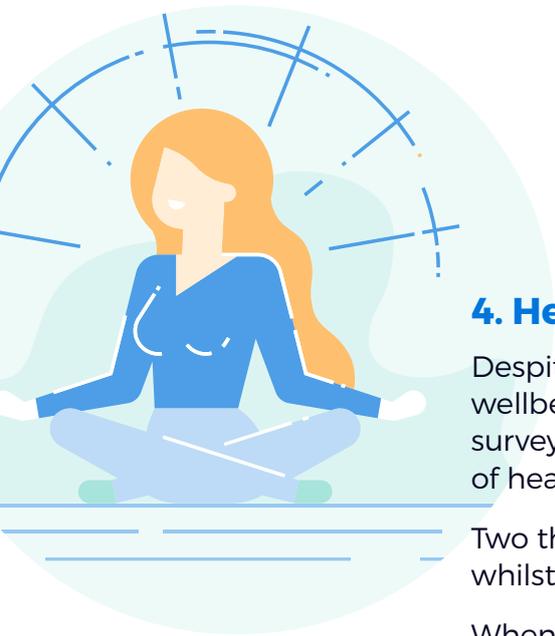
The problem though is with advertising, which has plummeted. Print media is set to drop by 30% and TV by as much as 40% by the end of the year.

Whilst broadcasting could recover thanks to streaming services, the hit to magazines and newspapers could be much harder – potentially pushing many titles off the cliff for good.”



#### What this means for charities

It will be survival of the fittest in print media, especially for some of the niche titles that charities historically might have turned to for inserts and print ads. Whilst all should be branching further into digital media, charities will need to keep an eye on the health of certain titles and focus on those most resilient to downward shocks.



## 4. Health & wellbeing

Despite Joe Wickes workouts, record levels of joggers and wellbeing app downloads, the Global Web Index April Health survey results show the current crisis has brought a worrying wave of health concerns.

Two thirds of all respondents remain worried about becoming sick, whilst just over half are very worried for loved ones.

When it comes to age, younger groups are seeing the most dramatic changes to their health behaviors at this time. They're more likely than their older counterparts to be sleeping less, eating less healthy and less regular meals, as well as keeping in touch with their loved ones less often.

The report also highlights growing mental health concerns, particularly around anxiety, depression and issues fueled by prolonged isolation. The NHS has launched a range of tips for supporting those at home, and the good news is that many people are aware of the impact that the crisis is having and they're taking active measures to mitigate against it.

Nine in every 10 surveyed adults have taken up some kind of activity to look after their mental wellbeing while at home, with looking for the support of friends and family topping the list among all demographic groups and segments.



### What this means for charities

Where possible, a renewed focus on events and fundraising initiatives that ensure experiences that compliment this renewed focus on health & wellbeing will be a must. Editorial content and stories about helping those in your community weather this crisis will be well received.

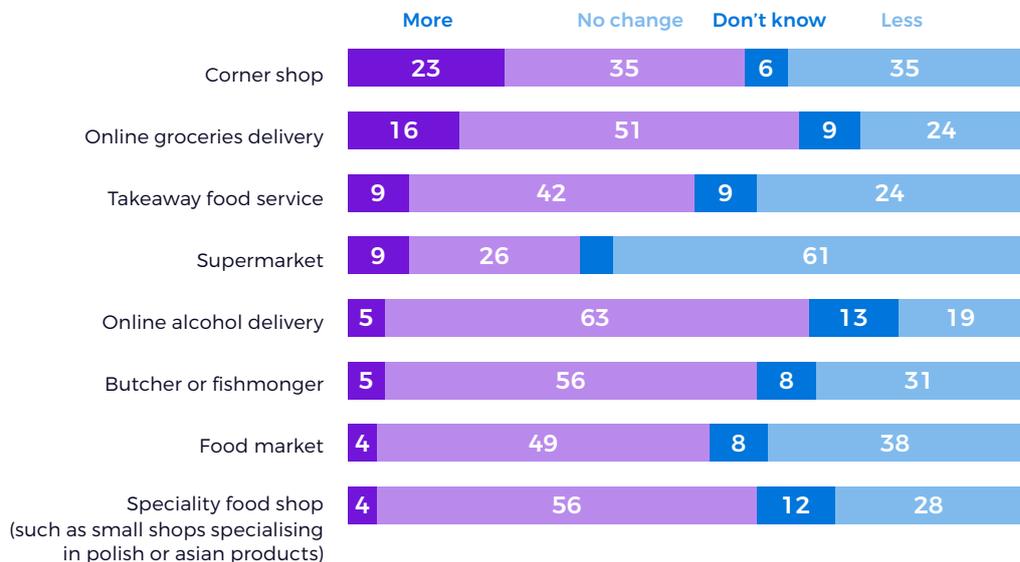
Everyone is being impacted so any content around mind and body wellbeing for your supporters will be universally well received; consider tips around cooking, meditating and journaling to resonate with younger groups, while decluttering, gardening and reaching out to friends/family (as well as the community) for older groups.

## 5. Keeping things local

While your nearby high street chains (think Oasis, Warehouse and Debenhams) tip over the edge, there is some good news for local retailers, **YouGov** notes a 23% increase in purchasing at corner stores and a concerted shift with consumers to home grown, home-made or locally sourced goods and services. For local retailers to prevail a community outlook and giving back approach will be well regarded and, likely, well rewarded.

### Nearly a quarter of Brits have used corner shops more since the lockdown

*Since the start of the Government-imposed lockdown (23 March), have you visited/used the following more or less frequently than you normally would? %*



### What this means for charities

You only have to poke your head out of your front door every Thursday at 8pm to see the renewed appreciation for those in key-worker sectors of the economy and to witness a renewed wave of community spirit.

**About Loyalty's Sentiment Tracker** highlights that charities not associated with Covid-19 might be deemed of lower importance, with elderly, community support and health deemed of greater importance across all age groups.

Irrespective of your cause, PCC charity shoppers will be looking for an interaction where they are 'helping me to do my bit and give back'. For those charities with a retail presence, sign-posting local community work as well as re-educating around charitable roles in the UK economy will be essential.

## Getting ready for the PCC

Hopefully this outline provides some inspiration on what's ahead and where and how you can evolve to meet the needs of the PCC.

A good place to start is to gather an understanding of the implications of Covid-19 on your business now and in the near future. You can do this through a process of listening, pivoting, learning and reassessing.

You can then kick-start your PCC response by running a Scenario Planning & Response Workshop that's cross functional, so you can gather inputs and information from a wide range of sources. At this workshop you can start to:

- Make an assessment of a reasonable worst-case scenario across your fundraising operation.
- Identify key potential risks and impacts around: income, retention, governance, reputation, fulfilment, people and technology and then prioritise where the efforts are going to have the most impact.
- Complete rapid response planning to work out the actions required and owners of delivering the priorities.
- Set up the measurement and tracking of what KPIs you want to report on.

## Get In Touch

We hope this article has also highlighted that now is a critical time to start accelerating your post crisis planning.

At Signal we have extensive experience supporting a wide range of charity clients and we are working with many right now to get ready for the PCC – so please do get in touch if you'd like more information.

Connect with [Sam Poole](#) on LinkedIn

## **Links**

### **Crisis of confidence**

[Trading Economics](#)

[Covid-19 Sentiment Tracker](#) (Registration needed)

[Universal Credit Claims Almost Impossible](#)

### **Virtual living**

[Getting Ready For Stability After Covid-19](#)

[The 2.6 Challenge](#)

### **Tipping Point For Print Media**

[Bad News for the Media](#)

[Just Giving 2.6 Challenge](#)

### **Health & wellbeing**

[NHS Staying at Home Tips](#)

[GWI Survey](#)

### **Keeping things local**

[Brits Turn to Corner Shops for Essentials](#)