Consumer Sentiment: COVID-19

Report of Findings

March 2020

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Objectives and Methodology

Objectives:

- With today's current climate and COVID-19 impacting businesses and consumers, it is imperative for us to understand how this novel virus influences consumers' attitudes about their life as well as brands and industries
- As consumer sentiment shifts, likely significantly, from week to week, having a finger on the pulse will allow brands to identify their next best action in the market place
- Insights within, reflect CMB's proprietary online Sentiment Pulse conducted on 3/17/20

Sample

- 498 US adults, 18+
- Nationally representative sample (for age and gender)

Executive Summary

- The impact of COVID-19 depends upon who you are, where you are, and which sources you trust. As of March 17th, most Americans are feeling positive about their lives overall, apart from Coronavirus. As of this writing, however, sentiment has likely already shifted, reflecting more closures of businesses and laying off of workers. There is clear correlation between number of cases of COVID-19 in a given region and sentiment.
- Coronavirus, specifically, is negatively impacting nearly half of Americans while one-in-three claim a positive impact. Most Americans are concerned about long-term recession, followed by their health and the health of their community. Their own economic health (paying bills, job loss, etc.) is a significantly smaller concern, though this will undoubtedly shift over the following weeks.
- Generational differences exist in terms of current "resting pulse" for overall positive or negative feelings, perceived impact of COVID-19, trusted sources of information (Gen Z and Millennials are looking to brands not news sources), and optimism about returning to normalcy. All of these factors must be considered as brands craft a response and on-going messaging to their customers
- Businesses should look to get in front of increasing concerns over health and financial wellness and proactively communicate messages to assuage concerns, to the extent possible, and short-term plans for caring for customers.

Current Sentiment About Life

To understand how people feel, we measure the two core dimensions of emotion

> VALENCE is the intensity of a positive or negative feeling

> ACTIVATION is the amount of physical energy associated with it

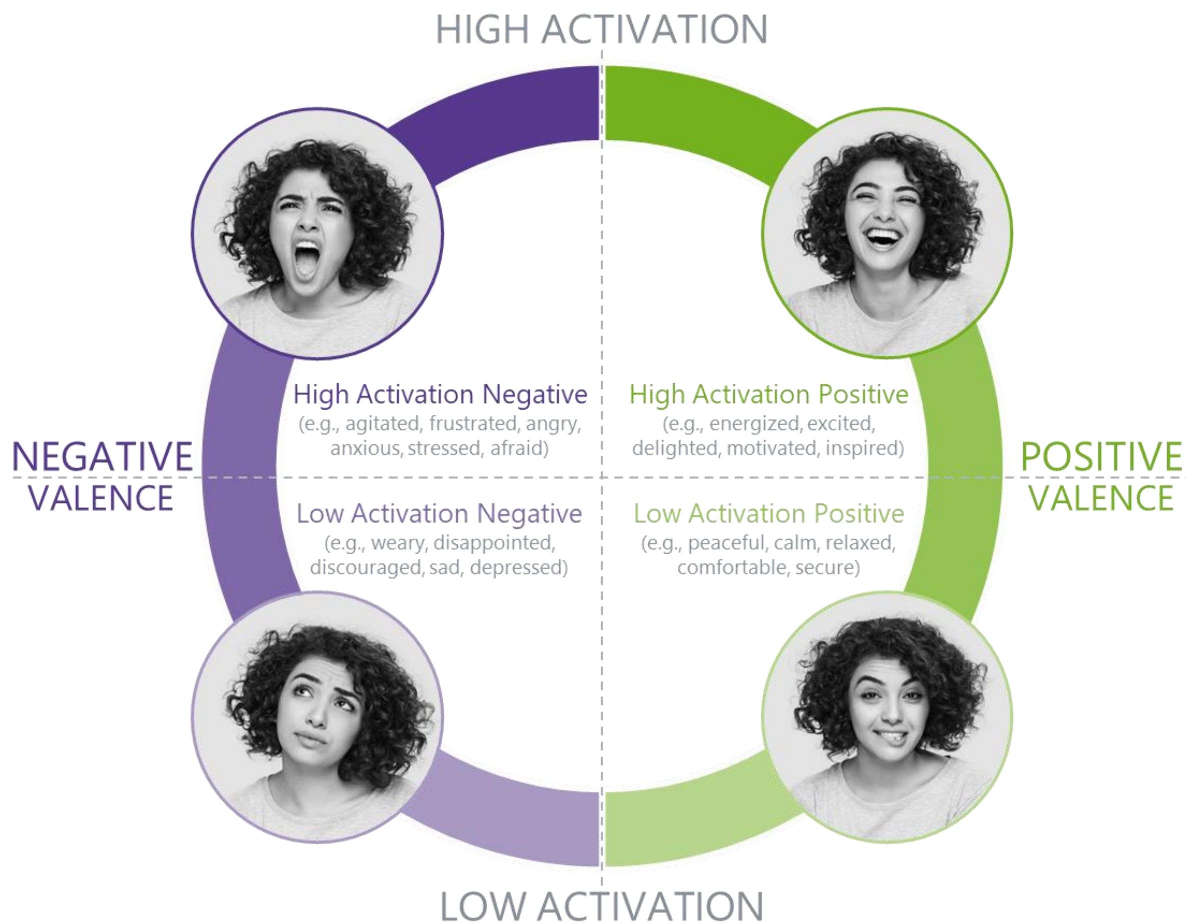
Valence and activation are often correlated, but they are not the same.

For example: Anger and sadness can feel *equally* and *intensely* bad in terms of valence.

However, anger is *high* in activation. It's agitating and makes people want to *act*.

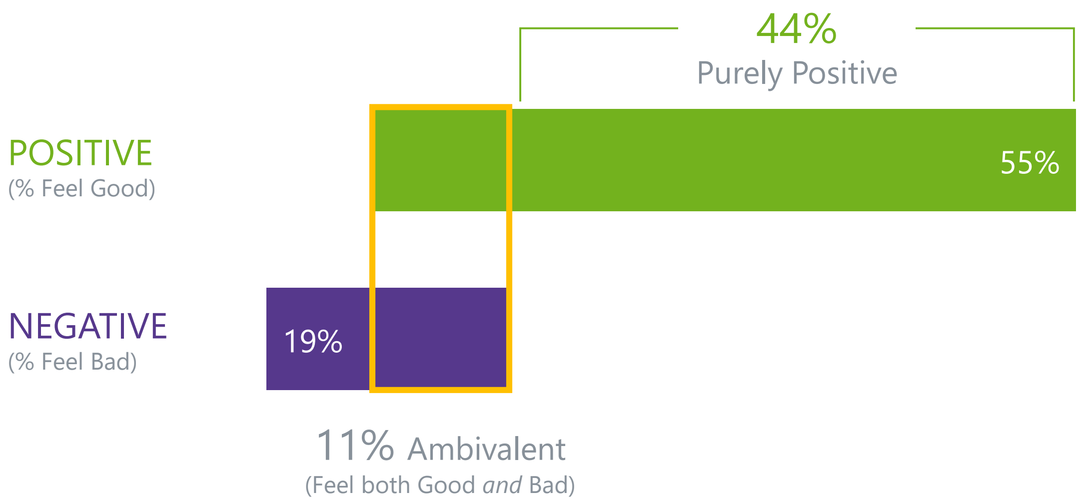
By contrast, sadness is *low* in activation. It's wearying and makes people want to *withdraw*.

We also account for the fact that experiences can feel *ambivalent*—i.e., they elicit both positive *and* negative emotions.

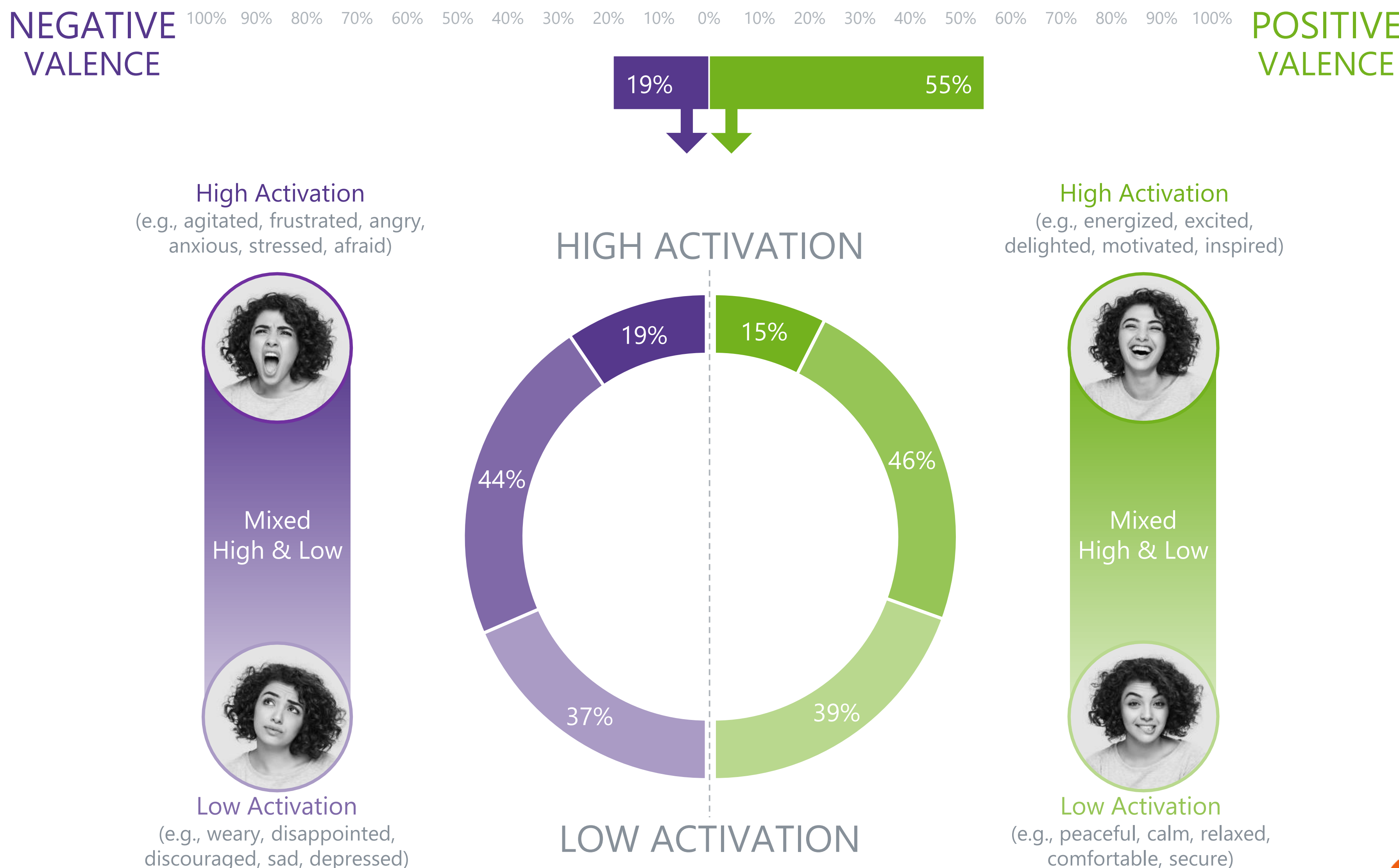


CMB's proprietary BrandFX sentiment analysis indicates a strong normalcy bias amid the COVID-19 environment. As of March 17th most people are feeling positively about their life situations

- Over half are feeling good; only a fifth are feeling bad, with overlap of 11% within each group for those who are feeling ambivalent (reported both good and bad feelings)
- A little less than half (44%) report purely positive emotion



The most prevalent feelings are low activation positive emotions, like peace and calm



Brands should offer messages acknowledging challenges and supporting consumer resilience

Those experiencing positive feelings about their life express gratitude for health and family, while those feeling negative about their life largely point to the current COVID-19 situation and economic uncertainty facing them and the country.

Older generations are more likely to feel mostly good about their current life situation

EMOTIONAL VALENCE – POSITIVE/NEGATIVE

"The ***coronavirus has caused a lot of upheaval in our lives*** with our vacation canceled and my son and daughters recitals canceled and graduations canceled." – Gen X

"Because of the situations going on around the whole world and ***not getting time with those people***." – Gen Z

"The ***economy has recently taken a turn for the worse*** and because of coronavirus, there are a lot of expenses I must now take care of." – Gen Z

"***I live on a fixed income*** paycheck to paycheck." – Baby Boomer/ Mature

"We are ***losing our retirement funds*** and we are close to retirement, we are ***worried about the COVID-19*** virus." – Baby Boomer/Mature

"***I do not have a job or any money*** and am trying to get on disability, but am afraid of what to do if it does not work out." – Gen X

"I currently ***don't have any work, almost no savings*** and our lifestyle doesn't look any better." – Baby Boomer/Mature

"The coronavirus is causing me stress, but I have a ***strong support system***." – Gen Z

"***Everyone in the family is healthy and safe***." – Baby Boomer/Mature

"The ***good things in my life outweigh the bad*** by a lot. I have a wife, kids. I have everything I need." – Millennial

"All ***my family is healthy***." – Baby Boomer/ Mature

"Life is pretty good currently, ***I have a lot to be thankful for***; of course there are also the bumps in the road which lead to difficulties but overall it is good." - Gen Z

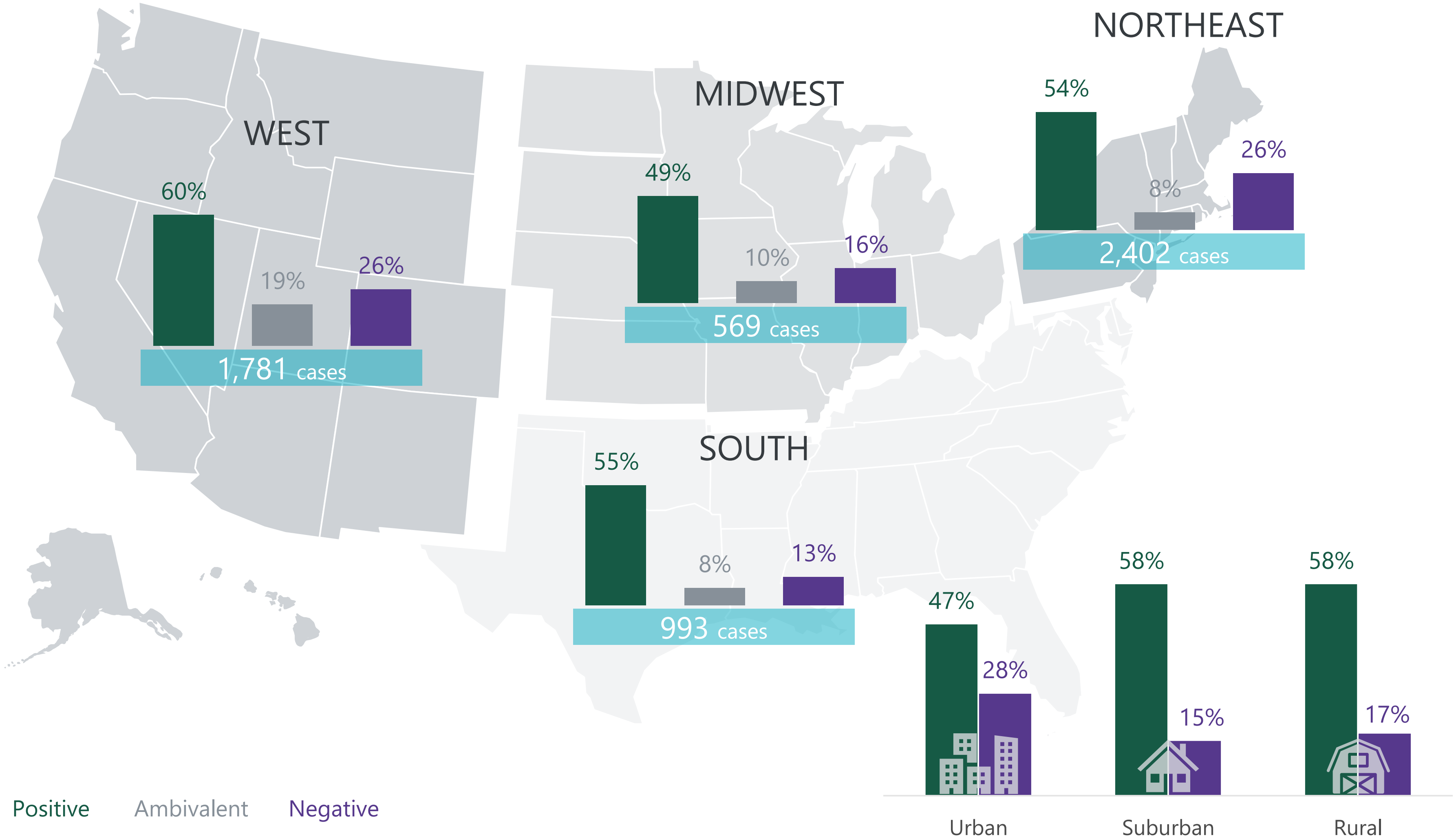
"Because I ***wake up with the expectancy and knowing that something good is going to happen*** to me today." – Gen X

"Because no matter how down life gets, ***I have many reasons to smile and feel blessed***." - Millennial

"***I'm an optimist*** and I tend to look at the glass as half full." – Gen X

Base: All respondents (n=498) ● Q3. Think about your **current life situation** (i.e., work, friends, family, health, hobbies, etc.), how good does your current situation make you feel? And how bad does it make you feel?

As might be expected, more cases correlates with more negative emotional valence; Suburbanites may be feeling safer than those in city centers

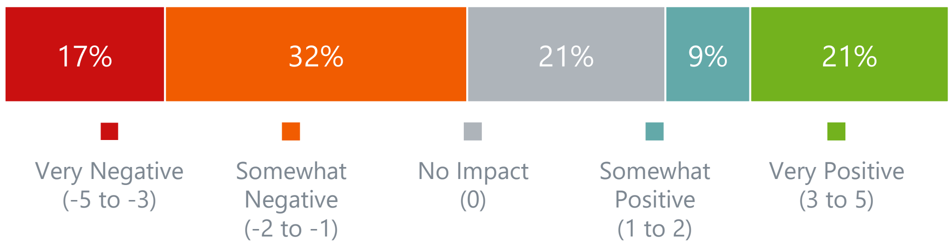


Base: West (n=120), Midwest (n=109), South (n=184), Northeast (n=85), Urban (n=132), Suburban (n=256), Rural (n=110) ● Q3: Think about your **current life situation** (i.e., work, friends, family, health, hobbies, etc.), how *good* does your current situation make you feel? And how *bad* does it make you feel?
COVID-19 positive cases as of 3/17/20. Source: https://covidtracking.com/data/ Historical data by state pulled on 3/24/20

Life in the Time of COVID-19

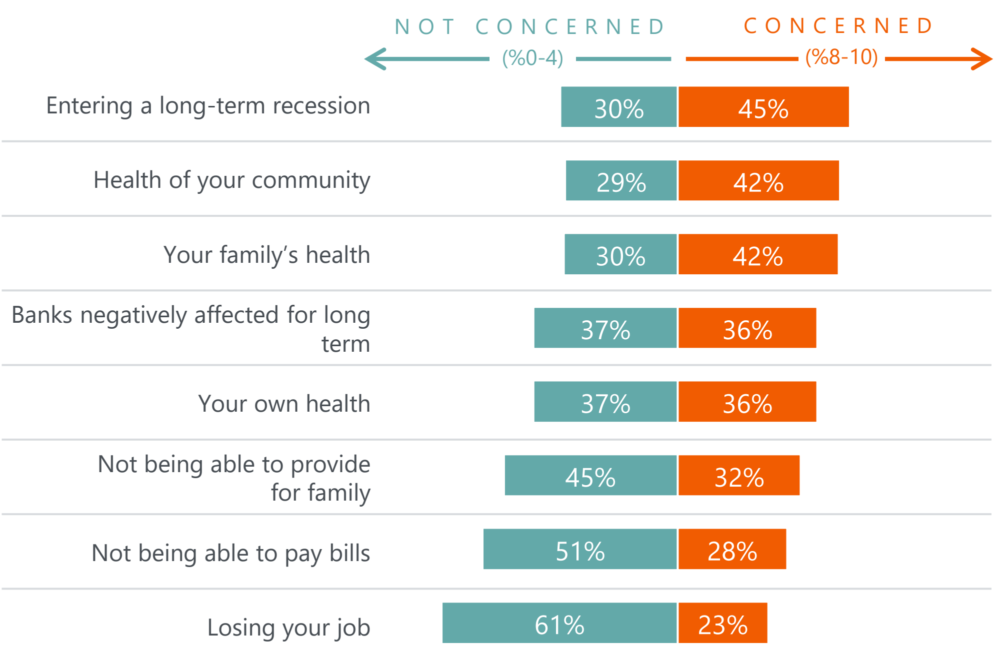
Specifically related to COVID-19, the majority of Americans as of 3/17/20 report positive to neutral impact on their lives. Understanding the positives more fully will allow brands to capitalize on the silver lining amid the crisis

POS/NEG IMPACT FROM COVID-19



Millennials are most positively impacted by COVID-19

LEVEL OF CONCERN

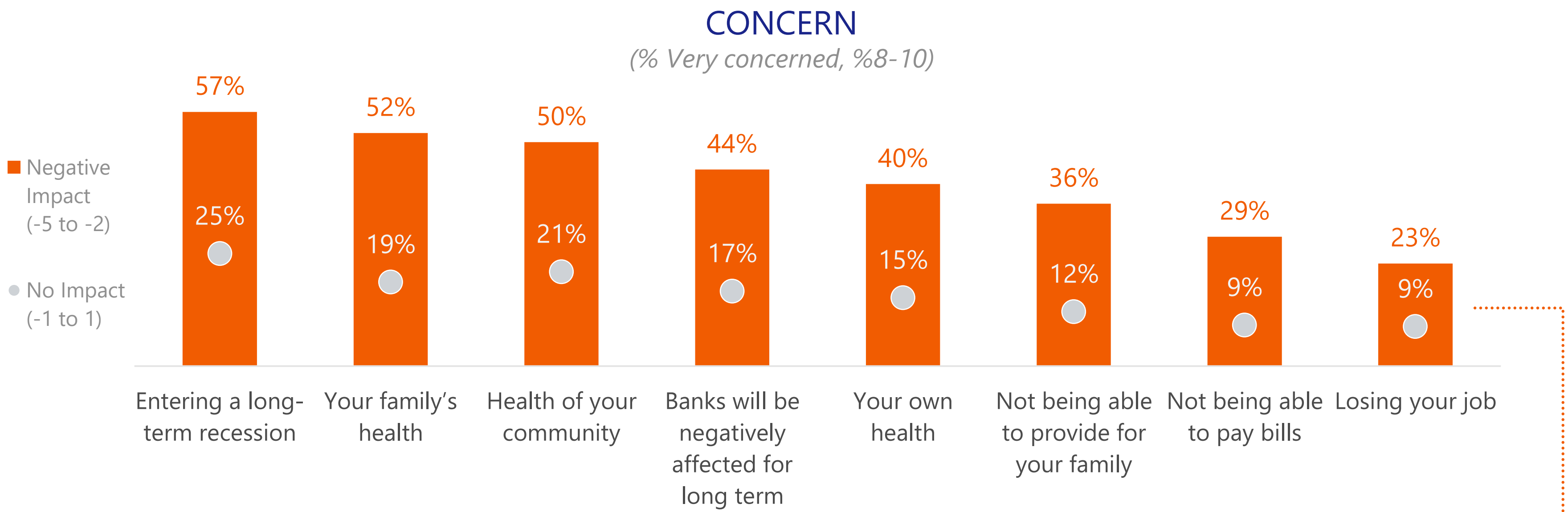


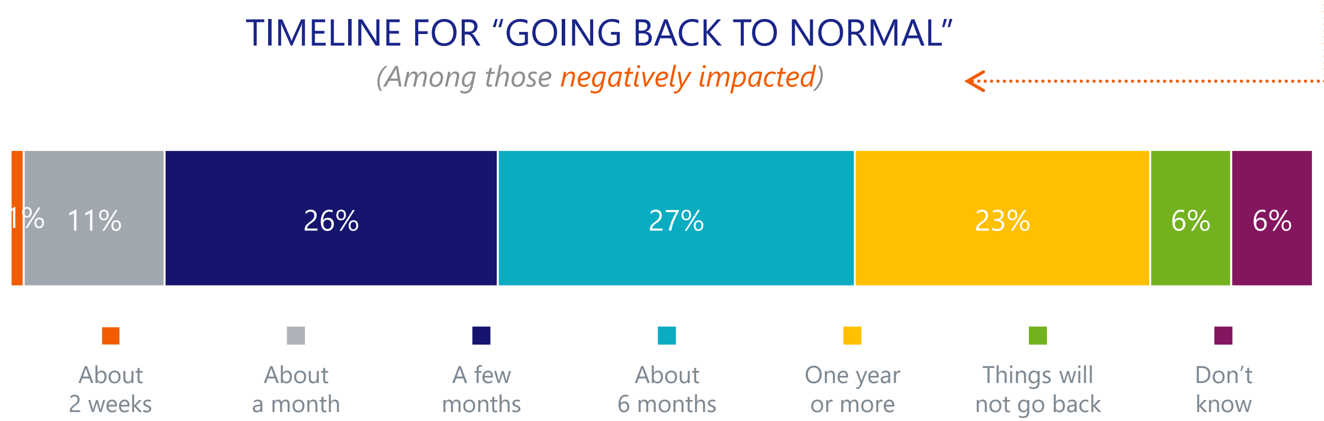
Baby Boomers are least concerned about their health and family's financial wellness

- Nearly half have felt a negative impact on their lives from COVID-19, something businesses must acknowledge
- Americans are most concerned about long-term recession, and perhaps surprisingly, equally concerned about community and family health
- Job loss is a concern for just one-in-five – a number that has likely shifted since March 17th

Base: All respondents (498) ● Q6: How much positive or negative impact are you experiencing right now in your life because of COVID-19? Q7: How concerned are you right now with each of the following?

As expected, those feeling a negative impact from COVID-19 are significantly more worried about each event, compared to those who have felt no impact. Americans feel as though they are in for the long-haul, a sentiment brands must recognize in order to relate to consumers' worries





Older generations are more likely to believe that it will be at least a year or more while Gen Z are more likely to believe that things will never go back to "normal"

Base: Those negatively impacted (198), Those not impacted (n=194) ● Q7: Very Concerned (%8-10) - How concerned are you right now with each of the following?
Q9: Approximately, how much longer do you feel it will be before things go back to normal?

Those positively and negatively impacted profile differently, with the latter older, more coastal, and higher income

VERY NEGATIVE IMPACT FROM COVID-19	VERY POSITIVE IMPACT FROM COVID-19
17%	21%

VERY NEGATIVE IMPACT FROM COVID-19 (17%)

- Male (59%) and Boomers/Matures (34%)
- Live in the Northeast (30%) and West (26%)
- More rural dwellers (24%)
- More likely to be retired (24%)
- Higher incomes (Average HH income $88K)
- More likely to believe it'll be a year or longer before life returns to normal (25%)

VERY POSITIVE IMPACT FROM COVID-19 (21%)

- Male (58%) and Millennials (46%)
- Have children living in the household (62%)
- Live in the Midwest (26%) and South (41%)
- More urban dwellers (34%)
- More likely to be employed (full-time and part-time) (78%)
- Lower incomes (Average HH income $67K)
- More likely to believe life will return to normal in about 2 weeks (28%)

Base: Very negative impact (-3 to -5) (n=99), Very positive impact (3 to 5) (n=82) ● Q6: How much positive or negative impact are you experiencing right now in your life because of COVID-19?

News and media outlets dominate as trusted sources of honest communication, followed by tech and consumer goods companies

TOTAL: Brands that are trusted to communicate honestly

Media/News mentions categorized into News Right Leaning (Fox News, Breitbart), News Left Leaning (The Washington Post, New York Times, CNN, NBC, ABC, CBS), and News Center/Neutral (USA Today, The Wall Street Journal, NPR, PBS, BBC, Bloomberg)

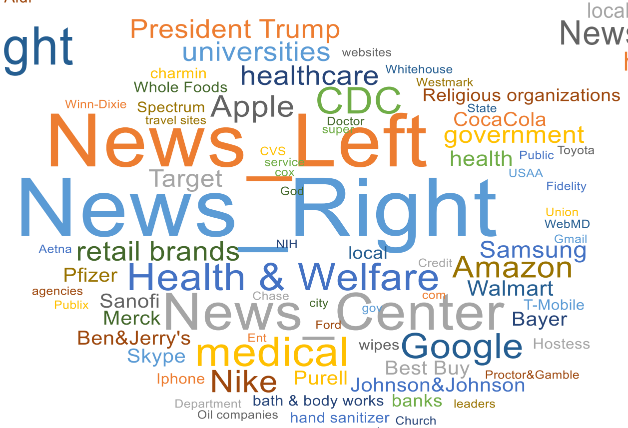
Base: All respondents responded with a brand (n=234) ● Q8: Which brands, if any, do you trust right now to communicate with you honestly?

Those positively impacted consider brands to be trusted sources of information. News, specifically left-leaning and center, correlate with a perceived negative impact from the virus

Brands Trusted to Communicate Honestly

Among those feeling negative impact from COVID-19

Among those feeling no impact from COVID-19



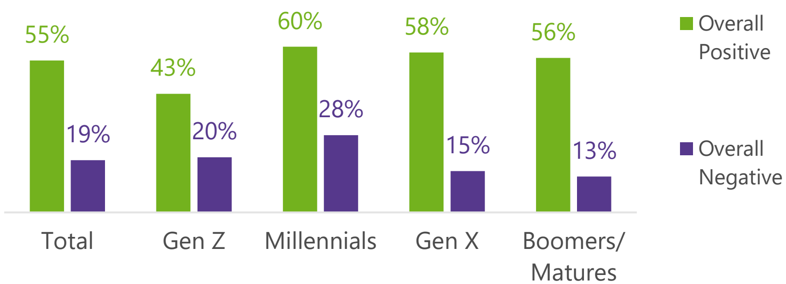
Among those feeling positive impact from COVID-19

Media/News mentions categorized into News Right Leaning (Fox News, Breitbart), News Left Leaning (The Washington Post, New York Times, CNN, NBC, ABC, CBS), and News Center/Neutral (USA Today, The Wall Street Journal, NPR, PBS, BBC, Bloomberg)

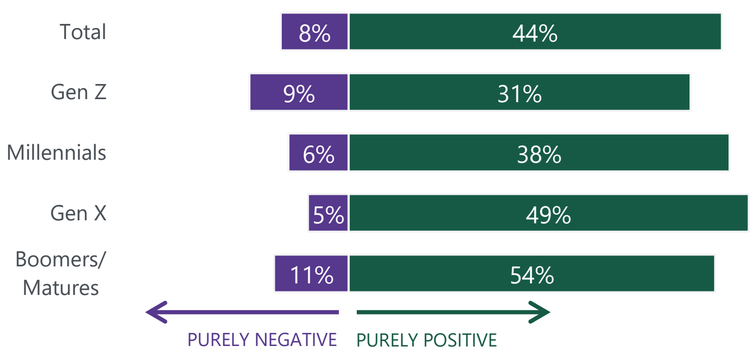
Base: Negative Impact responded with a brand (n=97), Neutral Impact responded with a brand (n=79), Positive Impact responded with a brand (n=58) ● Q8: Which brands, if any, do you trust right now to communicate with you honestly? *This analysis counts mentions for net news sources (e.g. if a respondent mentions two left-leaning news sources, they will both be counted toward News_Left net.*

Generational differences abound, with implications for how to support each generations amid COVID-19: Millennials have had the most positive impact and expect normalcy to resume shortly, while older gens feel differently

EMOTIONAL SENTIMENT

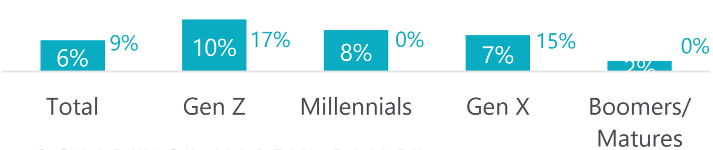


EMOTIONAL VALENCE – POSITIVE/NEGATIVE



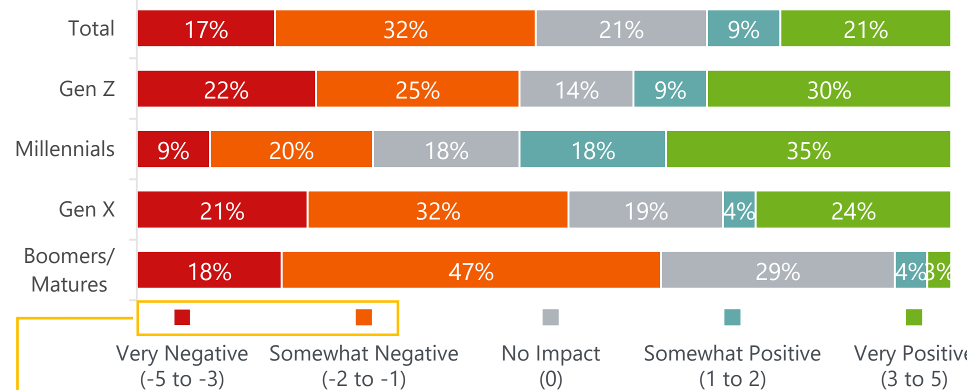
Gen Z are most recently unemployed, though this data has certainly shifted

UNEMPLOYMENT

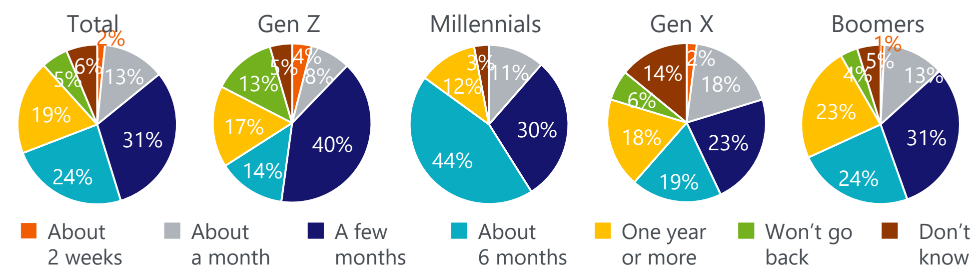


Occurred within the last two weeks

COVID-19 IMPACT ON YOU RIGHT NOW



TIMELINE FOR "GOING BACK TO NORMAL" *(Among those negatively impacted)*



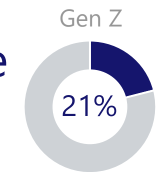
LEVEL OF CONCERN (Top 5)

	Total		Gen Z	Millennials	Gen X	Boomers/ Matures
Entering a long-term recession	30%	45%	34%	48%	48%	47%
Health of your community	29%	42%	37%	52%	44%	36%
Your family's health	30%	42%	40%	54%	50%	27%
Banks negatively affected for long term	37%	36%	27%	42%	37%	37%
Your own health	37%	36%	34%	47%	44%	24%

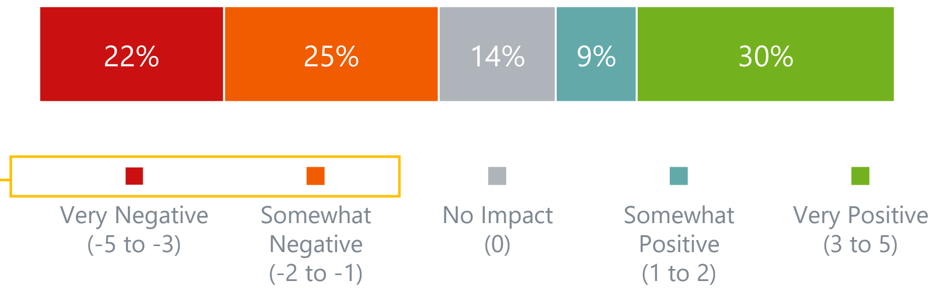
NOT CONCERNED (%0-4) CONCERNED (%8-10)

Subgroup Analysis

Gen Z is worried most about their community and family's well-being, and are less concerned about finances or a recession than other generations. Left-leaning media, retailers, and technology are Gen Z's trusted brands



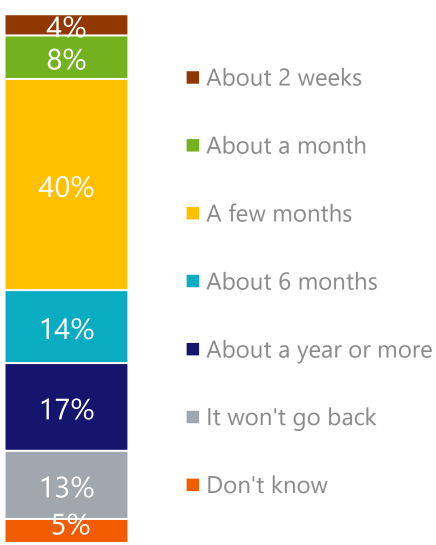
COVID-19 IMPACT ON YOU RIGHT NOW



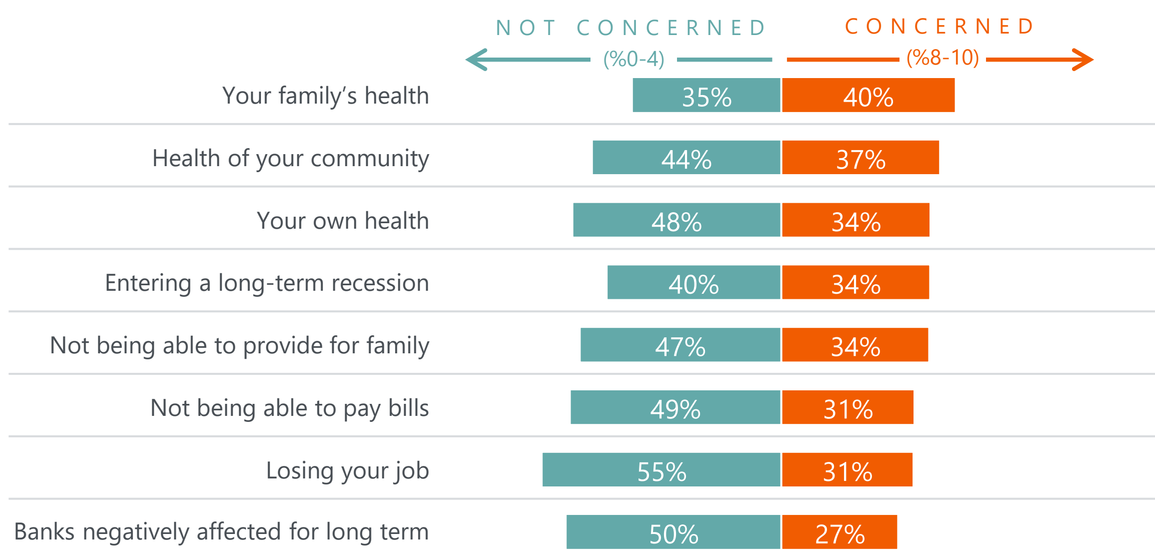
TRUSTED BRANDS DURING THIS TIME

TIMELINE FOR "GOING BACK TO NORMAL"

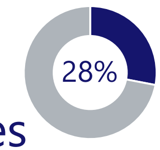
(Among those negatively impacted)



LEVEL OF CONCERN

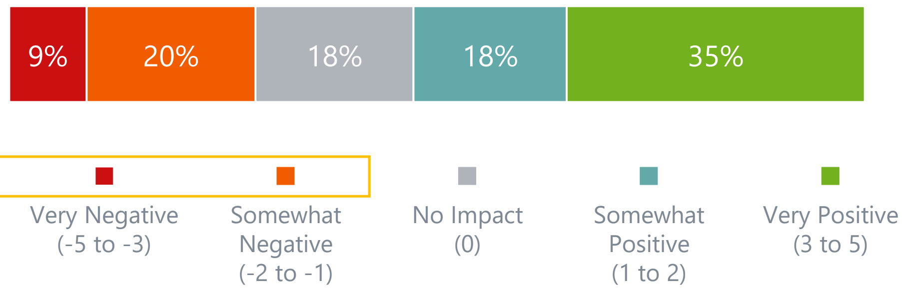


Base: Gen Z (n=126) ● Q6: Please think about how *your* life has been impacted so far, if at all, because of COVID-19 (also known as Coronavirus). How much positive or negative impact are you experiencing *right now* in your life because of COVID-19? Q7: How concerned are you right now with each of the following?
Base: Responded with a brand (n=51) ● Q8: Which brands, if any, do you trust right now to communicate with you honestly?
Base: Those negatively impacted (n=63) ● Q9: Approximately, how much longer do you feel it will be before things go back to normal?



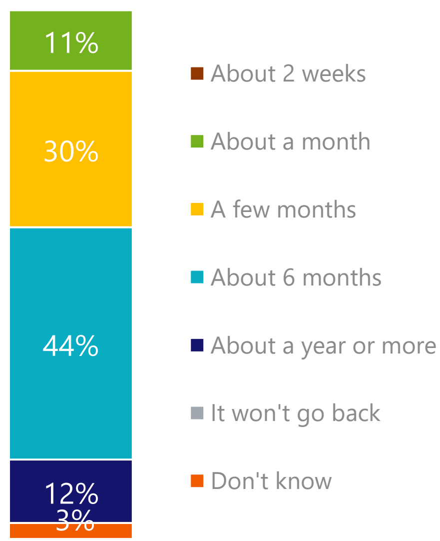
Millennials experience the greatest *positive* impact from COVID-19, but worry the most about health and entering a recession. They are most optimistic in how quickly things will return to normal. Consumer brands are trusted sources

COVID-19 IMPACT ON YOU RIGHT NOW



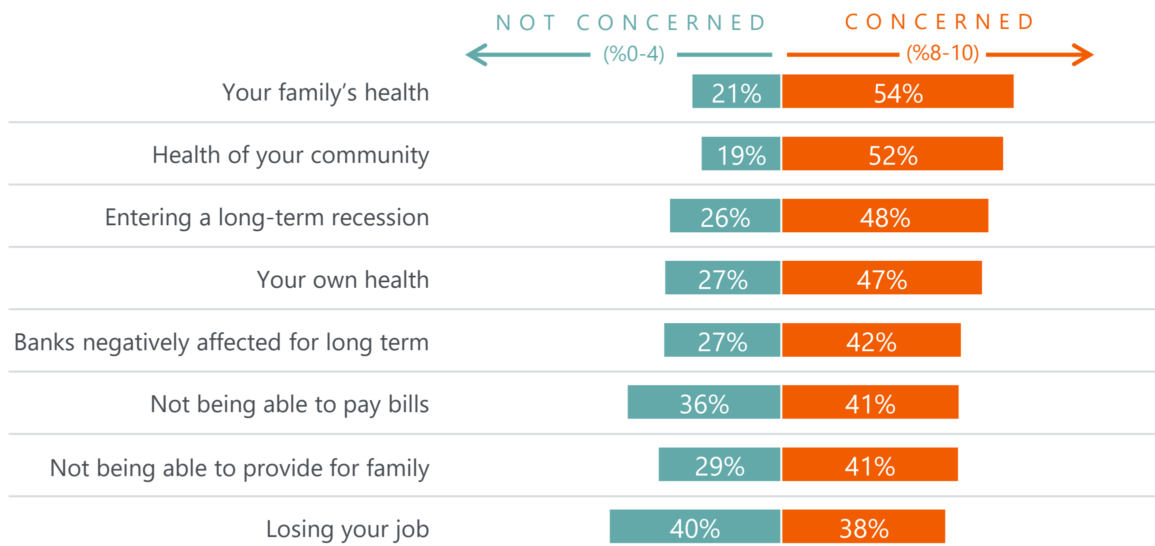
TIMELINE FOR "GOING BACK TO NORMAL"

(Among those negatively impacted)

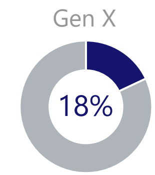


TRUSTED BRANDS DURING THIS TIME

LEVEL OF CONCERN

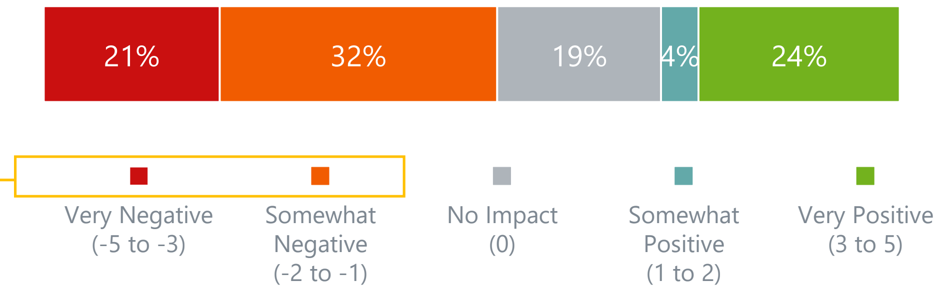


Base: Millennials (n=90) ● Q6: Please think about how *your* life has been impacted so far, if at all, because of COVID-19 (also known as Coronavirus). How much positive or negative impact are you experiencing *right now* in your life because of COVID-19? Q7: How concerned are you right now with each of the following?
Base: Responded with a brand (n=36) ● Q8: Which brands, if any, do you trust right now to communicate with you honestly?
Base: Those negatively impacted (n=33) ● Q9: Approximately, how much longer do you feel it will be before things go back to normal?



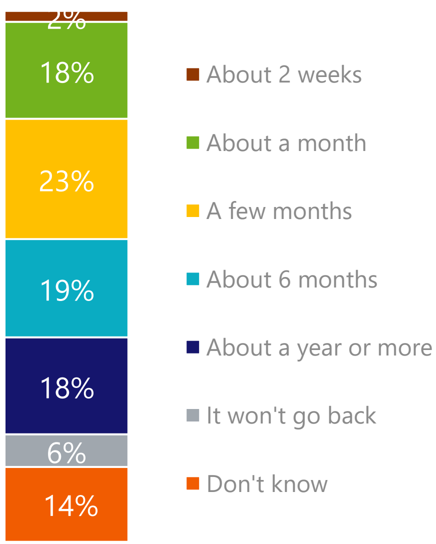
Gen X experience more negative impact and are among the most worried about their health and finances. Gen X trust media (center and right) and tech the most

COVID-19 IMPACT ON YOU RIGHT NOW



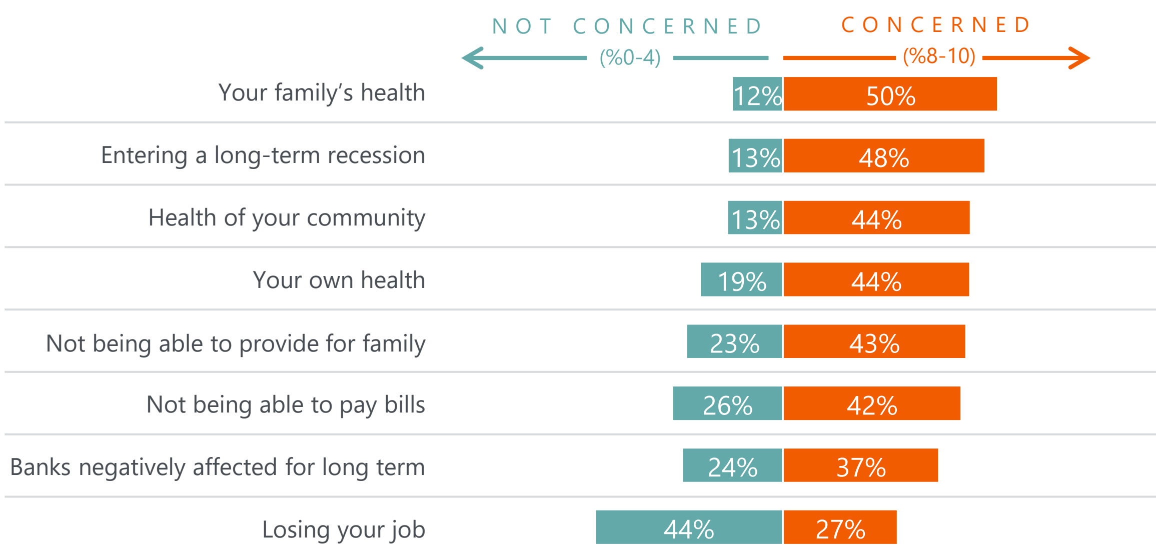
TIMELINE FOR "GOING BACK TO NORMAL"

(Among those negatively impacted)



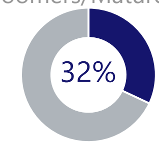
TRUSTED BRANDS DURING THIS TIME

LEVEL OF CONCERN

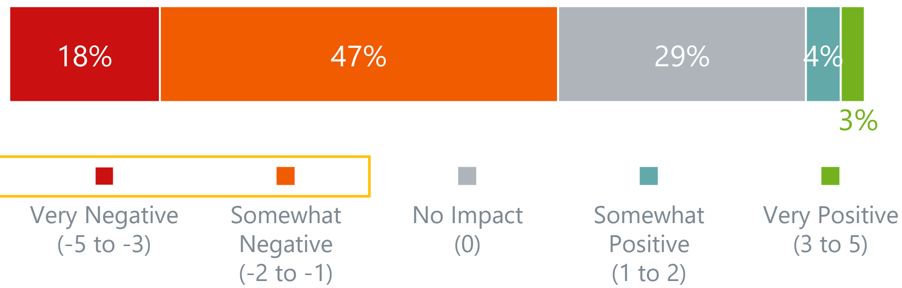


Base: Gen X (n=66) • Q6: Please think about how *your* life has been impacted so far, if at all, because of COVID-19 (also known as Coronavirus). How much positive or negative impact are you experiencing *right now* in your life because of COVID-19? Q7: How concerned are you right now with each of the following?
Base: Responded with a brand (n=31) • Q8: Which brands, if any, do you trust right now to communicate with you honestly?
Base: Those negatively impacted (n=40) • Q9: Approximately, how much longer do you feel it will be before things go back to normal?

Boomers express the most negative impact from the virus, likely due to recession concerns. Most trusted brands are news and media, across all political spectrums



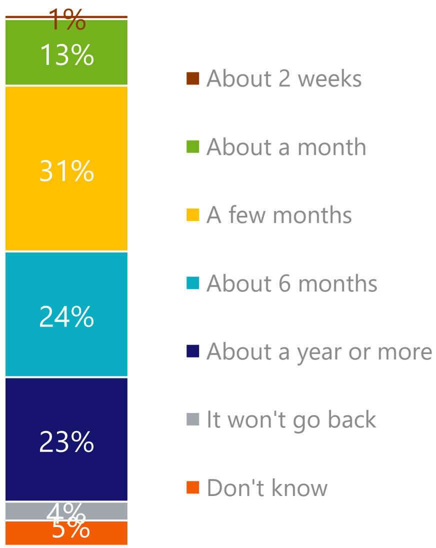
COVID-19 IMPACT ON YOU RIGHT NOW



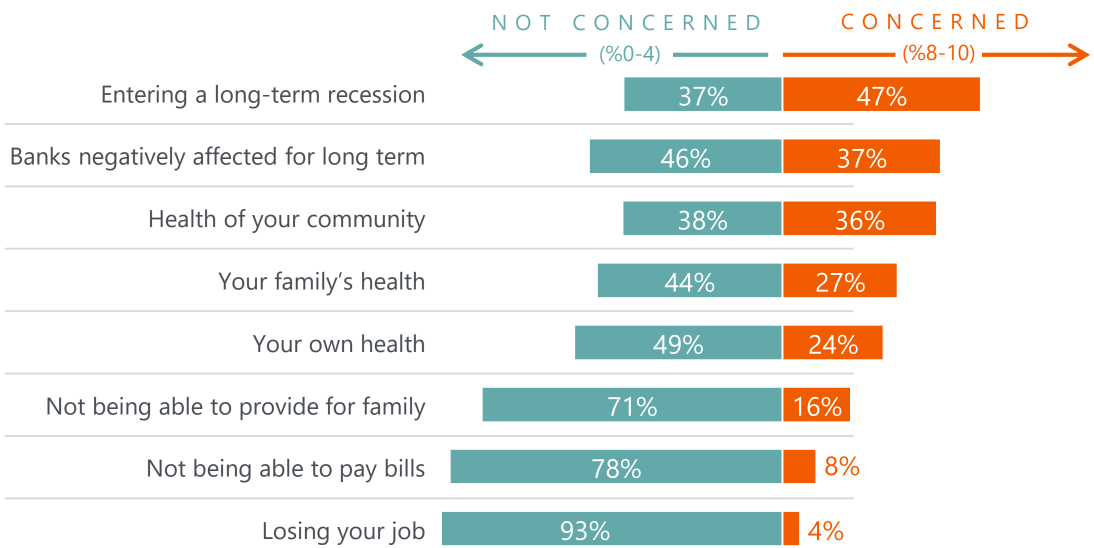
TRUSTED BRANDS DURING THIS TIME

TIMELINE FOR "GOING BACK TO NORMAL"

(Among those negatively impacted)



LEVEL OF CONCERN



Base: Baby Boomers/Matures (n=216) • Q6: Please think about how *your* life has been impacted so far, if at all, because of COVID-19 (also known as Coronavirus). How much positive or negative impact are you experiencing *right now* in your life because of COVID-19? Q7: How concerned are you right now with each of the following?
Base: Responded with a brand (n=116) • Q8: Which brands, if any, do you trust right now to communicate with you honestly?
Base: Those negatively impacted (n=152) • Q9: Approximately, how much longer do you feel it will be before things go back to normal?

Next Steps

Contact your Primary CMB Research Partner or Julie Kurd
to be included in the next wave of this research

Learn more about:

Additional questions and custom sample for future waves

Additional analysis with demographic profiling

Options for running trending studies

CMB: Innovative. Decision-centric. Collaborative.

CMB partners with a select group of world leading brands to deliver critical insights for confident, strategic decision making

- We are known for our:
  - Business decision focus
  - Advanced analytics
  - Collaborative and expert staff
  - Rock-solid execution
  - Storytelling
- Facts:
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  - Mid-sized (~100 employees)

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