dentsu Recovery Navigator

Since the start of the COVID-19 outbreak, marketers, advertisers and consumers have sought to figure out how their lives would be changed. Now, almost a year later, our lives haven’t changed – they are changing, and will continue to do so.

• Dentsu is conducting monthly consumer surveys

• This is the 16th wave

• Read previous waves on www.dentsu.com

Survey Methodology

• Administered through an online research panel, Toluna, on February 10, 2021

• Random sample of 1,000 US respondents

• Age 18-70 years old

• Nationally representative weighting across gender and ethnicity (using latest publicly available US Census numbers)
(Re)Checking the Pulse on Brands & Racial Equality

This past June, as hundreds of thousands of protesters marched globally in response to the systemic racism at play in the death of George Floyd and many others in the Black community, dentsu released a special edition of the Navigator report covering consumer sentiment towards racial inequality and injustice in America, as well as attitudes on brand responses.

Eight months later, and marking Black History Month, we are circling back to see if and how consumer sentiment has shifted, with an eye towards how brands can create constructive change in support of racial equality for Black Americans.
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Recapping Recent Events

New Administration Ramps Up National Response & Vaccinations

Biden raises the bar on vaccines and suggests US will get to 1.5 million a day

By Megan Vazquez and Betty Klein, CNN
Updated 8:32 PM ET, Mon. January 18, 2021

Race Against More Effective Variants

What you need to know about the coronavirus variants

Black History Month Reflects on the Conversations of the Past Year

‘Black history is American history’: How to educate yourself and work toward racial equity this month (and beyond)

Last Updated: Feb. 12, 2021 at 10:51 p.m. ET
First Published: Feb. 9, 2021 at 8:46 a.m. ET
Executive Summary

Macro-level Concern, but Micro-level Stability

While macro concerns about the pandemic remain, on a personal level consumers feel things are stabilizing—they express a slightly more optimistic outlook and have started to resume more activities outside the home.

News has played a pivotal role in helping consumers navigate these trying times. Consumers are reading more news during the pandemic and consider it to play a crucial role in American society. They believe that brands who support news organizations through advertising play a role in spreading critical information.

Ending the Year as We Started, With Uncertainty

As we near the end of the year, we ask consumers to reflect on their outlook compared to the beginning of the pandemic, as well as speculate how their behaviors may change in the future.

All signs point to the US approaching a significant tipping point in the pandemic. American consumers feel the worst is yet to come, while feeling a significant send of fatigue and mental stress. Continued distrust in a vaccine despite recent announcements of successful trials illustrate failing confidence in the US. And may result in subdued activity even after a vaccine is available.

A tumultuous election cycle, that has yet to come to a full resolution, has not resolved consumer uncertainty. One thing is clear—consumers will continue to expect brands to step up to issues in society.

New Year, Little Change

As the U.S. reaches another grim milestone in the coronavirus pandemic, Americans continue to feel the worst is ahead of them. Health risks are still of concern for home-bound consumers, however, concern for economic health is greater.

Amid disrupted routines, many consumers are taking solace in more time spent with loved ones, on hobbies and in the outdoors. It is clear that while we crave a return to familiarity, people have found silver linings.

Technology has been a driving force of our ‘new normal’ during the pandemic and is playing new, more positive roles in consumers’ lives.

Recovery Still Eludes Americans

Consumers react to the lessening US case count optimistically, however, they remain highly concerned about the risks of the pandemic to their health and the economy. Most anticipate that a return to normal will be a gradual and cautious process even after the virus has been subdued.

This month we debut a new framework to consider how ready different consumer segments are to return to normal. The four Segments analyze differences in demographics, attitudes and shopping habits.

And during Black History Month, consumers tell us they continue to expect brands to provide ongoing support for racial equality in the US.
Charting consumer sentiment over the course of the pandemic

Since we first asked consumers which stage within our Crisis Response Framework they identified with back in March 2020, there has been a constant fluctuation between feeling a sense of routine and normalcy, only for another surge in cases to send people back into shock. In this latest wave, we do see a slight softening of those in ‘Initial Shock’ shifting into later stages including ‘Moving into Recovery’.

<table>
<thead>
<tr>
<th>INITIAL SHOCK</th>
<th>COMING TO GRIPS</th>
<th>LIVING THE NEW NORMAL</th>
<th>MOVING INTO RECOVERY</th>
<th>POST-COVID LIFE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outbreak is spreading. Feeling confusion, fear or anger about how will impact my life</td>
<td>Modifying daily routine. Many moments of frustration and anxiety, focusing on what I can control</td>
<td>Starting to settle into a new routine, adapting to the evolving crisis</td>
<td>There has been progress to mitigate the outbreak in my community and the nation</td>
<td>Fully reconnected to work and life without the threat of the outbreak hanging over me</td>
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<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Wave 4</th>
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<tbody>
<tr>
<td>24%</td>
<td>33%</td>
<td>26%</td>
<td>10%</td>
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<td>19%</td>
<td>26%</td>
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<td>11%</td>
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<td>23%</td>
<td>26%</td>
<td>25%</td>
<td>14%</td>
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</table>

Since we first asked consumers which stage within our Crisis Response Framework they identified with back in March 2020, there has been a constant fluctuation between feeling a sense of routine and normalcy, only for another surge in cases to send people back into shock. In this latest wave, we do see a slight softening of those in ‘Initial Shock’ shifting into later stages including ‘Moving into Recovery’.
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Promising trends seed optimism, but consumers still wary of health risks

There is a cautious optimism among consumers. While 57% still feel the pandemic is either ‘out of control’ or ‘getting worse’, that is a 15-point decrease from January. Still, 90% remain at least ‘somewhat’ concerned about posed health risks.

Q1: Which of the following statements best describes how you feel about the trajectory of the pandemic in the US. Q2: How concerned are you about the risks of the pandemic to your health?

![Consumer Outlook on the Trajectory of the Pandemic](chart)

- Out of control
- Getting worse, but controllable
- Getting better
- Under-control
- It’s over

Jan '21

<table>
<thead>
<tr>
<th>Statement</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>Out of control</td>
<td>34%</td>
</tr>
<tr>
<td>Getting worse, but controllable</td>
<td>38%</td>
</tr>
<tr>
<td>Getting better</td>
<td>16%</td>
</tr>
<tr>
<td>Under-control</td>
<td>7%</td>
</tr>
<tr>
<td>It's over</td>
<td>5%</td>
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</tbody>
</table>

Feb '21

<table>
<thead>
<tr>
<th>Statement</th>
<th>%</th>
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<tbody>
<tr>
<td>Out of control</td>
<td>26%</td>
</tr>
<tr>
<td>Getting worse, but controllable</td>
<td>31%</td>
</tr>
<tr>
<td>Getting better</td>
<td>30%</td>
</tr>
<tr>
<td>Under-control</td>
<td>8%</td>
</tr>
<tr>
<td>It's over</td>
<td>4%</td>
</tr>
</tbody>
</table>

Decreased 15 points from 72% to 57%

![Concern About Risks to Their Health](chart)

- Extremely Concerned
- Very Concerned
- Somewhat Concerned
- Not Concerned

No substantial change since January
Consumer hesitancy in public may be exacerbated by new virus variants

While consumers were starting to feel more comfortable in public spaces during the summer and into fall, current comfort levels are more reflective of levels seen in early April. It is possible the spread of new virus variants is contributing to heightened discomfort.

Q: In the context of COVID-19, how comfortable are you currently going out in public?
Specific activities are deemed ‘safe’ or ‘worth the risk’

Many of the activities consumers are more comfortable doing are necessities—like attending health appointments or shopping for groceries. Others are activities they have more control over—such as traveling domestically and socializing.

Q: Which of the following things, if any, do you currently do outside of the home and what is your level of comfort?

Activity-Specific Comfort Levels

- I don’t do this
- I do this but feel uncomfortable
- I do this and feel fine

<table>
<thead>
<tr>
<th>Activity</th>
<th>I don’t do this</th>
<th>I do this but feel uncomfortable</th>
<th>I do this and feel fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty Appts</td>
<td>42%</td>
<td>18%</td>
<td>37%</td>
</tr>
<tr>
<td>Health Appts</td>
<td>36%</td>
<td>10%</td>
<td>42%</td>
</tr>
<tr>
<td>Non-grocery Shopping</td>
<td>24%</td>
<td>29%</td>
<td>47%</td>
</tr>
<tr>
<td>Grocery Shopping</td>
<td>10%</td>
<td>38%</td>
<td>52%</td>
</tr>
<tr>
<td>International travel</td>
<td>15%</td>
<td>24%</td>
<td>52%</td>
</tr>
<tr>
<td>Domestic travel</td>
<td>35%</td>
<td>18%</td>
<td>47%</td>
</tr>
<tr>
<td>Dining Out</td>
<td>23%</td>
<td>40%</td>
<td>37%</td>
</tr>
<tr>
<td>Socializing</td>
<td>26%</td>
<td>43%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Q: Which of the following things, if any, do you currently do outside of the home and what is your level of comfort?
Trust in the vaccines increases, as does share of people vaccinated

Compared to January, when we saw increased mistrust as the US vaccine campaign hit many snags including a sluggish start and publicity around healthcare workers spurning inoculations, consumer attitudes have shifted favorably. 44% now say they ‘completely’ trust the vaccines and there has been an 8-point increase in those already vaccinated.

Q1: Considering everything you know about the roll out of the Pfizer and Moderna COVID-19 vaccines in the US, how much do you ‘trust’ the safety and efficacy of those vaccines? Q2: Once the COVID-19 vaccine is available to people like you (if it isn’t already), when will you be willing to get vaccinated?
Even post-pandemic, most Americans expect a gradual return to normal

Once safe to do so, over a third of respondents say they will return to normal life immediately. Another third plan to take a more nuanced approach, picking some habits back up while waiting on others. Almost a quarter say they will take and even more cautious approach to resuming activities and 1 in 10 respondents say they are quite content with life as is.

How Quickly Consumers Will Pick Back Up Routines Once Safe

- **I will return to my normal life immediately**: 36%
- **I will return to SOME aspects of normal life right away but wait to return to others**: 34%
- **I will wait to see whether it is truly safe before resuming any aspect of my normal life**: 22%
- **I am fairly content with life right now and plan to continue many habits even after the pandemic is over**: 9%

**Q**: Once it is deemed safe by experts to return to your pre-pandemic life and routines, how quickly do you expect to pick things back up?
Emotional sentiment continues to pick up in 2021

There are several emotional indicators that consumers are feeling better about compared to the end of 2020, including feeling more hopeful, calm and connected. While consumers continue to struggle with boredom, we do see a trend towards engagement since January.

Q: For each of the following pairs of emotions, please select the one that best describes how you currently feel right now.
Implications for Marketers

- **Signs of prolonged recovery, even after virus contained.** While consumers are reacting positively to the decreasing trend of COVID cases in the US, they remain highly concerned about the continued risks to their health and are yet to feel truly comfortable out in public. Even once safe to do so, many plan to return to their lives gradually and cautiously. Marketers and advertisers must be aware that after experiencing almost a year of the pandemic, normalcy will not be flipping a switch.

- **Engaging consumers on-their-own-terms, providing control key to comfort.** While consumers have continued to conduct certain public activities out of necessity during the pandemic (i.e. grocery shopping), others they have resumed once they felt they could control their safety and pre-cautions (i.e. socializing). Marketers should take heed that consumers will likely feel more comfortable post-pandemic if activities and experiences are on-their-own-terms.

- **Promising vaccine uptick ahead of contagious variants.** Trust in vaccines and momentum of vaccinations is finally gaining steam! This is great news for recovery and is key to keeping more contagious variants contained. But again, while vaccinations are one aspect of recovery, we will likely need to track a range of indicators to assess when consumers will be ready to rejoin normal life.
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Most Americans concerned for the US economy, many struggling financially themselves

76% of respondents are highly (‘very’ or ‘extremely’) concerned about the risks the pandemic poses to the US economy, while 56% are highly concerned about their own financial situation right now.

Q1: How concerned are you about the risks of the pandemic to the American economy? Q2: How concerned are you about your personal finances right now?
Consumers expect to continue or increase spending on essentials

Positively, less than one-third of consumers expect their spending to decrease across any category. The most deprioritized categories are restaurants/take-out (conversely, grocery will see steady or increased spend), alcohol (more consumers expect to invest in health & fitness or personal care) and home furnishings/décor (we do see spend go towards electronics).

**Projected Change in Spending Over Next 3 Months**

*Ranked based on those spending ‘less’ per category*

- **Groceries**
  - More: 51%
  - The same: 41%
  - Less: 8%

- **Household goods**
  - More: 51%
  - The same: 40%
  - Less: 9%

- **Personal Care**
  - More: 48%
  - The same: 41%
  - Less: 11%

- **Health & Fitness**
  - More: 45%
  - The same: 42%
  - Less: 14%

- **Electronics**
  - More: 41%
  - The same: 42%
  - Less: 17%

- **Clothing & Footwear**
  - More: 41%
  - The same: 40%
  - Less: 19%

- **Entertainment**
  - More: 44%
  - The same: 34%
  - Less: 22%

- **Beauty**
  - More: 27%
  - The same: 43%
  - Less: 20%

- **Home furnishings/décor**
  - More: 36%
  - The same: 39%
  - Less: 25%

- **Alcohol**
  - More: 34%
  - The same: 41%
  - Less: 25%

- **Restaurants/Take-out**
  - More: 41%
  - The same: 32%
  - Less: 27%

Q: How do you expect your spending on the following items to change over the next three months compared to the last three months?
A mix of shopping channels are being utilized during the pandemic

For all categories, at least or just under half of consumers continue to purchase products in-store. However, most consumers are using multiple shopping channels. For example, while not one of the bigger online categories, grocery shopping sees 50% of consumers use online shopping. Of that 50%, 27% are ordering online and picking up in store, while 23% are receiving delivery.

Q: Which shopping channels do you intend to use while shopping for the following items? Please select all channels that apply.
Mapping Consumer Financial Security to Health Concerns

- **Squeezed**: 9% of respondents
- **Set-to-Go**: 26% of respondents
- **Strained**: 48% of respondents
- **Sheltering**: 17% of respondents
Consumer Segments: Overview

Low Concern for Health Risks

SQUEEZED
More likely to be Gen/Z Millennials living Rural or Urban areas

Routine
They are comfortable in public and eager to resume life fully; one third already have

Spending
Despite a limited budget, they are excited to spend on out-of-home activities like dining and entertainment

Brands
Want brands to offer safe, convenient ways to shop, and to support communities.

Set-to-Go
More likely to be Millennials or Boomers in the Suburbs

Routine
Despite high comfort in public, they feel less urgency around returning to normal life

Spending
Less likely to increase spend – those who do will spend on health/fitness, dining and entertainment

Brands
Want brands to return to normalcy while still offering new ways to shop and save

Strained
More likely to be Gen X Parents living in Urban areas

Routine
Appear to be frontline workers who must continue routines despite discomfort

Spending
Reducing trips to the store and stocking up instead. They plan to ramp up spend on necessities.

Brands
They want brands to show their support for people and communities.

Sheltering
More likely to be Boomers living in smaller HHs

Routine
Uneasy in public, they are expecting a long haul ahead of a cautious return

Spending
Less likely to increase spending – those who do will spend on in-home necessities and activities

Brands
Want brands to offer safe, convenient ways to shop, and to support communities.

High Concern for Finances

High Concern for Health Risks

Full profiles in the appendix.
Shopping Channel Habits

Segments with health concerns over-index for online shopping across categories, while segments with low health concerns tend to be in-store dominant while relying on online channels for convenience.

LOW CONCERN FOR HEALTH RISKS

HIGH CONCERN FOR FINANCES

SQUEEZED

LOW CONCERN FOR FINANCES

SET-TO-GO

SHELTERING

STRAINED

Q: Which shopping channels do you intend to use while shopping for the following items? Please select all channels that apply.
Successful Brand Examples

SQUEEZED

Walmart has solidified its position as a go-to value retailer during the pandemic with superior eComm, delivery and curbside services.

They’ve also catered to their customer base with initiatives like hiring 100k workers at the height of the jobs crisis and hosting free drive-in movies.

STRAINED

After it became clear that not only was the pandemic impacting many household’s finances, but also threatening the quality of children’s education, Cox launched Connect2Compete, affordable home internet for families in need.

SET-TO-GO

Airbnb launched their ‘Go Near’ campaign to encourage domestic travel and support local economies.

Taps into pandemic domestic travel trend. Touts revamped cleaning protocols and positive impact on economy.

SHELTERING

REI x West Elm created a collection and campaign encouraging people to “escape to their backyards.”

Clever collaboration combining REI’s legacy in fueling outdoor adventure and West Elm’s reputation for quality homeware.
Implications for Marketers

- **Online shopping will continue to accelerate for non-essential categories.** While many consumers have trialed services such as online grocery delivery, we are seeing the greatest eCommerce adoption in non-essential categories. Simultaneously, these categories are most vulnerable to a recession and more conservative spending habits. Superior eCommerce and digital CX will be key to capturing consumer spend for these often first-to-be-cut categories.

- **Personal health and financial security will dictate shifts in behavior and mindset.** While there will be macro changes to consumers’ behaviors and spending as the pandemic evolves in 2021, many will be making decisions based on their personal circumstances. Behaviors will diverge along the lines of fear and desire.
  
  - **Sheltering:** This group is looking to be uplifted. Focus on bringing your brand to consumers by integrating into at-home entertainment, fitness, education and work habits. Relate to their situation by reflecting pandemic life in ads.
  
  - **Strained:** These parents appreciate improvements to their lives at-home and out in public – from managing busy schedules to safety & protection. Still working in their communities, this group is looking for local investment and support from brands.
  
  - **Squeezed:** Looking for solutions to their financial concerns, value brands or discounts will resonate with this group. Brands can also invest in their local economy, addressing long-term concerns.
  
  - **Set-to-Go:** Open to resuming activities (though still mindful of safety), this group is ready to be welcomed back by brands. Marketers can appeal to them through normal communications or offer safely modified versions of everyday experiences.
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Consumers continue to pay close attention to how brands respond to COVID

From the beginning, we have seen consumers expect more from brands. And throughout the pandemic, consumers have continued to pay close attention to what brands say and do.

**Initial Expectations for Brands**

**April 2020**

- 87% of consumers either expect a brand to respond to the outbreak or would think more of the brand for doing so

**Impact on Purchase Intent**

**June 2020**

- 58% In the future, I expect to start or continue purchasing certain brands because of how they responded to COVID-19

**Impact on Spending**

**Feb. 2021**

- 74% I am willing to spend more money on brands that have responded well to the crisis

Q1: If a brand did any of the following things how would it impact your perception of that brand? Q2: How much do you agree with the following statements
Younger generations are more likely to buy brands based on their pandemic responses

While all groups generally agree that they are more likely to purchase brands who have responded well during the crisis, Millennials and Gen X are significantly more likely to agree this is “very true” of them.

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
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<tbody>
<tr>
<td>VERY TRUE OF ME: I am willing to spend more money on brands that have responded well to the crisis</td>
<td>(46% vs. 35%)</td>
<td>(39% vs. 35%)</td>
<td>(19% vs. 35%)</td>
</tr>
</tbody>
</table>

Q: How much do you agree with the following statements:
Consumers want brands to put people first in crisis response

When asked how they think brands should respond to COVID-19 right now, consumers told us loud and clear that they want people put first – that means employee wellbeing, consumer safety and community investment. Only after that do they care about evolved product and service offerings or discounts.

**How Brands Should Respond to COVID**
Respondents asked to select all that apply

- **FIRST PRIORITY**
  - People & Community
    - Keep their employees safe and financially secure: 62%
    - Look after the safety of their customers: 57%
    - Support the local community: 50%

- **SECOND PRIORITY**
  - Shopping/Services
    - Offer discounts or promotions: 36%
    - Offer new ways to shop: 35%
    - Show how their products or services help improve consumer’s comfort, happiness or wellbeing right now: 32%

- **DANGER ZONE**
  - BAU
    - Commit to social justice initiatives: 27%
    - Portray pandemic life in ads: 25%
    - Help me and others contribute to crisis response: 22%
    - Advertise as normal: 18%
    - Conduct business as normal: 14%

Q: How do you think brands should be responding to the COVID-19 pandemic right now? Please select all that apply.
Beyond COVID, consumers believe brands should take stances on social issues

Consumer sentiment on whether brands should take stances on social issues has changed little since last fielded in June.

Complete the sentence: Companies should...

- Use their influence to stand up for social issues: 56%
- Stick to what they make: 44%

Q. How do you feel about brands taking public stands on pressing social issues?

- Favorably: 59%
- Unfavorably: 18%
- Not Sure: 22%

JUNE 2020

FEB. 2021
Younger consumers are more likely to feel favorably towards brands that support social causes. Boomers are more likely to be divided on the topic, or to be unsure about their opinion.

**Consumer Sentiment On Brands Taking Public Stands On Social Issues**

**Millennials**
- Favorably: 73%
- Unfavorably: 13%
- Not Sure: 14%

**Gen X**
- Favorably: 67%
- Unfavorably: 13%
- Not Sure: 20%

**Boomers**
- Favorably: 42%
- Unfavorably: 27%
- Not Sure: 31%

Q. How do you feel about brands taking public stands on pressing social issues?
Racial equality is a key issue, even while consumers feel less urgency than in June...

Compared to June - the height of national outrage over the death of George Floyd and others in the Black community – there has been a 10-point decrease in respondents who feel racial inequality is a ‘significant issue’ in the US. However, consumers continue to say it is ‘somewhat’ of an issue and only 8% say it is not an issue at all.

How Much Of An Unresolved Issue Is Racial Inequality In The US?

Q. To what degree do you feel that there is a persistent and underlying issue of racial inequality and injustice in the US?
Yet, expectations for brands to support racial equality remain

While not feeling the same sense of urgency around the issue as this summer, slightly more consumers say that brands should be supporting racial equality for Black Americans.

Q. Do you think brands should take a stand in support of racial equality for Black Americans?

- Yes, Brands should get involved: 59% (Feb '21), 55% (June '20)
- No, brands should not get involved: 23% (Feb '21), 25% (June '20)
- No opinion: 18% (Feb '21), 20% (June '20)
Black Americans feel more urgency around the issue of racial equality and are most likely to want brands to show support.

**How Much Of An Unresolved Issue Is Racial Inequality In The US?**

- **Black adults:** 59% Significant, 29% Somewhat, 8% Not much, 4% Not an issue.
- **White adults:** 49% Significant, 34% Somewhat, 9% Not much, 8% Not an issue.
- **Hispanic adults:** 38% Significant, 41% Somewhat, 12% Not much, 8% Not an issue.

**Should Brands Stand In Support Of Racial Equality For Black Americans?**

- **Yes, Brands should get involved:** 66% Black adults, 59% White adults, 68% Hispanic adults.
- **No, brands should not get involved:** 16% Black adults, 25% White adults, 21% Hispanic adults.
- **No opinion:** 18% Black adults, 16% White adults, 21% Hispanic adults.

Q. To what degree do you feel that there is a persistent and underlying issue of racial inequality and injustice in the US?

Q. Do you think brands should take a stand in support of racial equality for Black Americans?
Consumers believe the good intentions of brands, but still want proof of ongoing impact

Consumers are more likely to believe brands are acting in the best interest of society rather than simply trying to benefit their bottom line. However, will quickly change their mind if they feel a brand is virtue signaling.

What Public Support for Racial Equality Says About a Brand
Respondents asked to select all that apply

- They are doing so because it’s the right thing to do: 41%
- They are acting to better society: 40%
- They are a fair & equitable place to work as an employee: 35%
- They care about people as more than consumers: 33%
- They are acting to benefit their bottom line: 32%
- They are only doing so because it’s ‘trendy’: 29%

88%

Q. What do you think it says about a brand if they show public support for racial equality for Black Americans? Please select all that apply.

AGREE: “Brands that issue a statement in support of racial equality need to follow it up with concrete action to avoid being seen by me as exploitative.”
A mix of brand initiatives can work to earn consumer trust

The good news is that most brand initiatives go a long way towards earning consumer trust. However, the key is to remember that consumers want to see a mix of communications and actions working as part of a larger, ongoing plan to support racial equality. The best place to start is at home with internal diversity practices.

**Impact of Brand Initiatives on Consumer’s Trust**

<table>
<thead>
<tr>
<th>Brand Initiative</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not at all important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement diversity practices within their own organization</td>
<td>53%</td>
<td>34%</td>
<td>13%</td>
</tr>
<tr>
<td>Educate the public about the issue</td>
<td>49%</td>
<td>34%</td>
<td>17%</td>
</tr>
<tr>
<td>Address root causes of racial inequality</td>
<td>49%</td>
<td>33%</td>
<td>18%</td>
</tr>
<tr>
<td>Visibly communicate support for racial equality</td>
<td>48%</td>
<td>36%</td>
<td>15%</td>
</tr>
<tr>
<td>Reflect diversity within their communications and advertisements</td>
<td>48%</td>
<td>37%</td>
<td>15%</td>
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<tr>
<td>Help consumers/employees to get involved</td>
<td>46%</td>
<td>38%</td>
<td>15%</td>
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Q: How important is it to increase your trust that a brand do each of the following to support racial equality for Black Americans?
To earn the trust of Black adults, brands must work to address racism, visibly show their support and help to educate the public on the issue.

Impact of Brand Initiatives on Black Respondent’s Trust

- **Address root causes of racism**
  - VERY IMPORTANT TO INCREASE TRUST:
    - 124i
    - (61% vs. 49%)

- **Visibly show support**
  - VERY IMPORTANT TO INCREASE TRUST:
    - 123i
    - (59% vs. 48%)

- **Educate the public**
  - VERY IMPORTANT TO INCREASE TRUST:
    - 114i
    - (56% vs. 49%)

Q: How important is it to increase your trust that a brand do each of the following to support racial equality for Black Americans?
Brands are expected to take on issues woven into society

In June we saw consumers want brands to speak up on the issues of the moment – police brutality and Black Lives Matter. While pressing and important, now eight months later we see more fundamental issues of equality, such as equal access to healthcare or education, rise as priorities. There is a desire to fix racist systems and brands to help spur change.

| Aspects of Achieving Racial Equality Consumers Want Brands To Speak Up About & Drive Change |
|---------------------------------------------------------------|---------------------------------------------------------------|
| **FEB. ’21**                                                  | **JUNE ‘20**                                                  |
| #1 Equal access to healthcare                                 | Police brutality/reform                                       |
| #2 Equitable workplace practices                              | Black Lives Matter                                            |
| #3 Equal access to education                                  | Equal access to education                                     |
| #4 Black Lives Matter                                         | Equitable workplace practices                                 |
| #5 Community investment                                       | Equal access to healthcare                                    |

Q. Which aspects of achieving racial equality for Black Americans do you think BRANDS should speak up about and be part of driving an agenda of change? Please select all that apply.
For communities of color, continued support for Black Lives Matter is key

Both Black and Hispanic adults were more likely to want brands to support the Black Lives Matter, providing validation and recognition for the movement and those it represents. Additionally, Black adults were more likely to continue to want to see brand support for the issue of police brutality. White and Hispanic respondents were more likely to think brands could make a difference through fair media representation.

<table>
<thead>
<tr>
<th>Aspects of Achieving Racial Equality Consumers Want Brands To Speak Up About &amp; Drive Change</th>
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Q. Which aspects of achieving racial equality for Black Americans do you think BRANDS should speak up about and be part of driving an agenda of change? Please select all that apply.
Consumers more frequently vote with their wallets than other cause-related acts

Consumers report that they are more likely to purchase a brand (70%) or stop purchasing a brand due to values (65%) than they are to volunteer in their community (61%), contact local representatives (52%) and attend political events (46%).

Q: How often do you do, or would you consider doing, the following?

- **70%** Of consumers regularly **purchase brands** to show support for social issues
- **65%** Of consumers regularly **stop purchasing brands** because of their behaviors and values
- **61%** Of consumers regularly **volunteer or do outreach** in their local community
- **52%** Of consumers regularly **contact their local representatives** about issues
- **46%** Of consumers regularly **attend political events & protests**
This is true across generations

While Boomers are less likely than other generations to take any cause-driven action, half have purchased a brand to show support for a cause they support and 45% have stopped purchasing a brand due to values. These are the most likely actions taken for all generations.

Q: How often do you do, or would you consider doing, the following?
Brand activism is here to stay. Marketers have an opportunity to use their platform for real change. Throughout 2020 we saw consumers demand more – accountability, transparency, action – and brands respond in kind. This will continue into 2021 as many consumers do not want to ‘return to normal’ but to build a ‘better normal’ post-pandemic.

Tackle systemic problems, don’t just respond to issues of the moment. When it comes to supporting racial equality, it’s less about the specific actions a company takes and more about an ongoing, impactful commitment to change. Marketers should build a plan that incorporates both long-term commitments – donations, community outreach, program partnerships - as well as “tentpole” moments – Black History Month programming, for example. Not only will this progress racial equality, but it will also ensure that all brand actions are authentic.

Start with your internal values. Mindfully, any action plan marketers build should start at home and ensure they are supporting, growing and listening to diverse employees. Establishing these internal values and systems will help guide external actions and communications, as well as build consumer trust.
APPENDIX
Sheltering

Financially secure, yet highly concerned about the pandemic’s health risks, this group is staying home.

More likely to be:
- Boomers+ (43%, 159i)
- Or Millennials (27%), Gen X (24%)
- Mix of Urban (43%), Suburban (37%), Rural (20%)
- White (72%), Asian (10%), Black (15%), Hispanic (16%)
- Small HH, not parents: 61% have ≤3 people in HH, 61% are not parents
- Retired (22%, 147i)

They exhibit a high level of concern about the pandemic:
- 65% believe the pandemic is getting worse or out of control (114i)

They are anticipating a long-haul ahead and a cautious return:
- 63% are uneasy in public (121i)
- 43% (134i) plan to be first in line to get vaccinated (15% have been vaccinated already)
- 38% say normal is at least 12 months out, or longer (152i)
- 73% will wait to resume normal pre-pandemic activities even after it is deemed safe (130i)

Less likely than other groups to increase spending. Those that do plan to spend more will continue to spend on in-home necessities and activities:

Spending MORE on over next 3 months:
1. Groceries (37%)
2. Household goods (37%)
3. Personal care (36%)
4. Entertainment (32%)
5. Health & Fitness (30%)

They want brands to put people first and offer pandemic-friendly shopping:

Brands Should Respond to the Crisis By:
- Keeping employees safe/paid (70%, 113i)
- Keeping customers safe (66%, 114i)
- Offering new ways to shop (45%, 125i)
- Offering discounts (45%, 129i)

They want to see pandemic life reflected
- Show how products/services help improve consumer’s comfort, happiness or wellbeing (37%, 116i)
- Portray pandemic life in ads (36%, 138i)
Strained
Both concerned about their personal finances and the pandemic, this cohort is stressed on two angles

More likely to be:
- Gen X (37%, 137i)
- Or Millennials (40%), Boomers (17%)
- Urban (61%, 117i)
- White (73%), Black (16%), Hispanic (18%)
- Larger HH, parents: 49% have <3 people in HH, 68% are parents

Data suggests they are likely frontline or essential workers who must continue normal routines despite discomfort:
- 75% are actively employed (117i)
- 30% have already been vaccinated (136i)
- 59% are uneasy in public (113i), with 22% of those citing “total discomfort” (138i)
- 29% (126i) say they have already returned to their normal routines, 27% (117i) say they expect to within 3 months
- 37% believe the pandemic is out of control (142i)

They are reducing trips to the store and stocking up to providing for larger families:
- 88% tend to stock their homes with more necessities than they immediately need (114i)

Most plan to increase spend on necessities, perhaps ramping up after period of budgeting
Spending MORE on over next 3 months:
1. Household goods (69%)
2. Personal care (64%)
3. Groceries (64%)
4. Medicine (58%)
5. Clothing/footwear (54%)

They want brands to show their support for people and communities
Brands Should Respond to the Crisis By:
- Keeping employees safe/paid (63%, 102i)
- Supporting local community (50%, 100i)
- Committing to social justice initiatives (27%, 100i)
- Helping me and others contribute to the crisis (23%, 105i)
Squeezed
This group is more concerned about their financial situation than they are about the pandemic

More likely to be:
- Gen Z/Millennial (53%, 118i)
- Or Boomers+ (31%)
- Rural (23%, 144i) or Urban (51%)
- Hispanic (26%), Black (20%), White (68%)
- Smaller HH, not parents: 55% have <3 people in HH, 57% are not parents

This cohort is more comfortable in public than the average American and eager to resume life fully:
- 58% believe the pandemic is getting better or is already under control (135i)
- 54% are currently comfortable in public (116i)
- 29% (126i) say they have already returned to their normal routines, 27% (117i) say they expect to within 3 months
- 45% say they will return to their normal pre-pandemic activities immediately once deemed safe by experts (125i)

Despite a limited budget, they are excited to spend more on out-of-home experiences like restaurants and entertainment:

Spending MORE on over next 3 months:
1. Groceries (46%)
2. Household goods (46%)
3. Restaurants/ Take-out (42%)
4. Personal Care (41%)
5. Entertainment (40%)

They want brands to offer safe, easy and convenient ways to shop

Brands Should Respond to the Crisis By:
- Keeping employees safe/paid (65%, 105i)
- Offering new ways to shop (44%, 125i)
- Offering discounts (43%, 119i)

...and they want to see how brands are supporting communities
- Supporting local community (53%, 106i)
- Committing to social justice initiatives (35%, 130i)
Set-to-Go

Neither concerned about finances or the pandemic, this group has been minimally challenged

More likely to be:
- Millennial (37%, 100) or Boomers (32%, 128i)
- With some Gen X (16%) and Gen Z (11%)
- Suburban (40%, 125i) or Urban (43%)
- White (72%), Asian (11%), Hispanic (18%) or Black. (12%)
- Smaller HH, not parents: 60% have <3 people in HH, 58% are not parents

Despite comfort in public, this group feels less urgency around returning to normal life perhaps because they aren’t as stressed:
- 71% believe the pandemic is getting better or is already under control (165i)
- 69% are currently comfortable in public (141i)
- But only 20% (87i) say they have already returned to their normal routines, with another 20% (87i) expecting to within 3 months
- Only 34% say they will return to their normal pre-pandemic activities immediately once deemed safe by experts (94i)

Less likely than other groups to increase spending. Those that do plan to spend more will spend on health, restaurants and entertainment.

Spending MORE on over next 3 months:
1. Groceries (35%)
2. Health & Fitness (34%)
3. Restaurants/Take-out(32%)
4. Household goods (31%)
5. Entertainment (31%)

Brands Should Respond to the Crisis By:
- Offering new ways to shop (39%, 109i)
- Offering discounts (40%, 111i)
- Show how products/services help improve consumer’s comfort, happiness or wellbeing (35%, 109i)
- Advertise as normal (23%, 127i)
- Conduct business as usual (26%, 186i)

Return to BAU, while offering new way to shop and save