

# EY Future Consumer Index: Will easing US lockdown restrictions return us to normal?

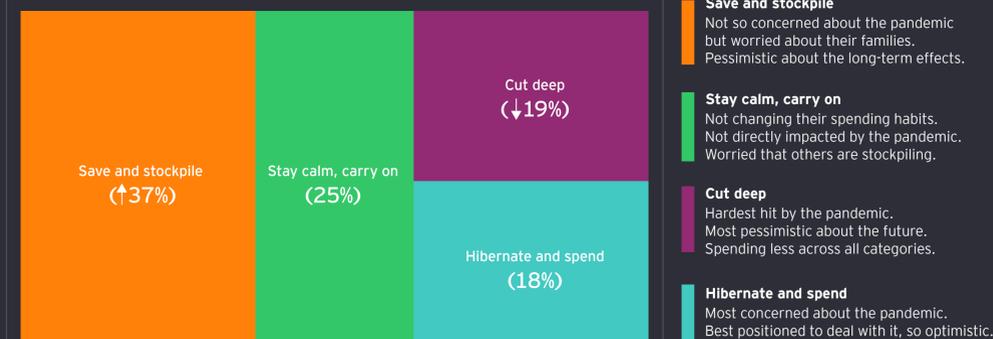


As daily life for Americans continues to evolve, some parts of the country are easing shelter-in-place restrictions, while others are seeing lockdowns extend into the summer months. With some Americans able to return to stores, restaurants and entertainment venues, will people fall back into old habits? Or will skepticism and safety concerns persist, creating an entirely new reality for consumers and companies?

The second edition of the Index shows that as consumers get back to some semblance of normalcy, many are still very uncomfortable doing the things they did prior to the pandemic.

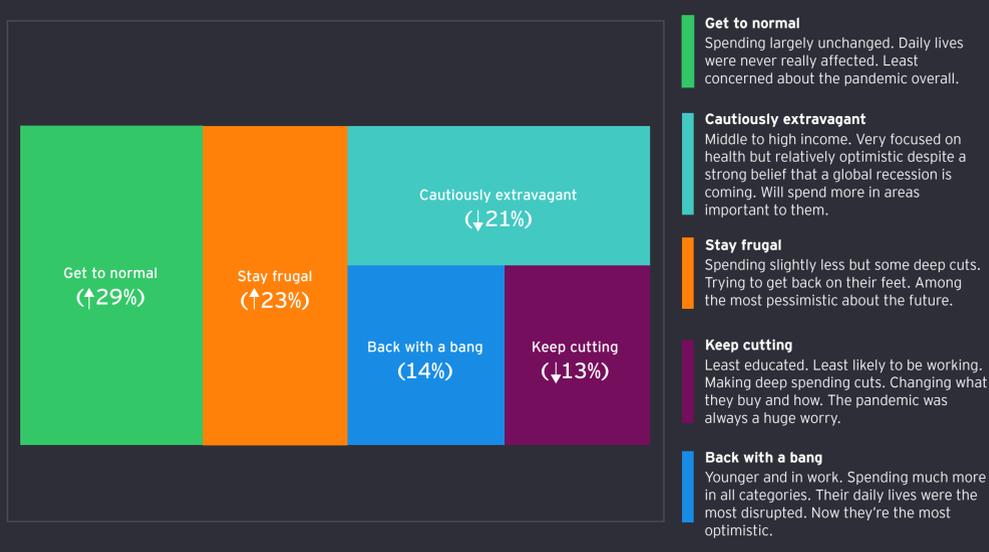
## Despite uncertainty, consumer segments settle into a new normal

The first wave of our Index data uncovered four distinct consumer segments emerging from the COVID-19 pandemic. With the second set of data tracking how consumer behavior and sentiment are changing over time, an interesting reality emerged: those consumers who were most pessimistic about the pandemic may be settling into the current reality.



## The same is true when you look at the segments US consumers might move into next

This month, you see consumers' expectations of their post-COVID-19 behaviors start to level out from the extremes of cutting or overspending.



Despite a sense of acceptance and settling into what's happening, there's still an indication that it is and will be a very different normal, with anticipation of the next outbreak in the not-so-distant future and more skepticism about how long returning to normal will really take since last month. The majority of US consumers (78%) think there will be another outbreak within one year, and 53% of those think it'll be within the next 1 to 6 months.

As consumers accept that the current reality might press on for some time, how will retailers and brands shift their business models to follow suit? It starts with addressing consumers' increased preferences for staying home, using digital and relying on trusted relationships.

## 1 Will stay-at-home be the choice when it's not the requirement?

As many states transition into their reopening plans, this month's data tracked consumer sentiment based on their lockdown status including full lockdown (52%), partial lockdown (26%), eased restrictions (18%) and no restrictions (4%). Perhaps the most interesting indicator of what's to come is even when US consumers no longer have to stay home, they may still do so anyway.

The majority of respondents reported that it would be months, years or perhaps never to feel comfortable flying on a plane, going to bars and pubs, exercising in fitness clubs and going to restaurants.

Consumers in cities and states that are now partially or fully reopen are just as likely to feel this discomfort as those still in lockdown.

Even for consumers who are seeing restrictions eased, they're still shopping from home with a digital-first mentality.

## 2 Is trust the new currency?

With the exception of health care providers, the vast majority of US consumers lack trust in all major institutions. In fact, only 18% of respondents said they fully trust the national government and 30% said they fully trust state and local governments. This consumer distrust extends to brands as well - only 21% said they trust brands and 20% fully trust retailers. When it comes to what they'll trust in the future, consumers will prioritize brands they know and be influenced by authenticity and transparency.

Retailers and brands would be wise to turn their attention to what consumers are placing their trust and value in now.

Reinforce the authenticity of your message

Consider what parts of your value chain should be local or domestic

Develop a shorter, more transparent supply chain

## 3 Can digital bridge the gap between today and tomorrow?

The data is clear that even with easing restrictions, the escalated transition to digital platforms isn't slowing down anytime soon. Thirty-eight percent say their shopping frequency will increase at online retailers in the next month. Even consumers who prefer the in-store experience are using digital platforms first. But, there's a symbiotic relationship between the physical and digital. When physical is less of an option, what should companies consider in order to use digital to their advantage?

Evaluate the profitability of online channels and how to increase basket size to that of what's in-store

Understand and action the operating model implications across the supply chain, inventory, warehousing and distribution

Consider the physical implications of digital operations, such as the impact of buy online, pick up in store (BOPIS) and the buy online, return in store (BORIS) and the increase of reverse logistics

To read the full point of view for the second edition of the EY Future Consumer Index in the US, visit [https://www.ey.com/en\\_us/consumer-products-retail/covid-19-and-the-consumer-how-a-pandemic-changes-consumer-behaviors](https://www.ey.com/en_us/consumer-products-retail/covid-19-and-the-consumer-how-a-pandemic-changes-consumer-behaviors)



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## About the survey

This second edition of the EY Future Consumer Index is based on a survey of 12,843 consumers across the US, Canada, the UK, France, Germany, China, Brazil, Japan, Australia, New Zealand, India, UAE and Saudi Arabia in early May. Of those, the survey above focuses on the 1,022 US respondents. The survey questionnaire covered current behaviors, sentiment and intent. The data reported here relates to US respondents only.