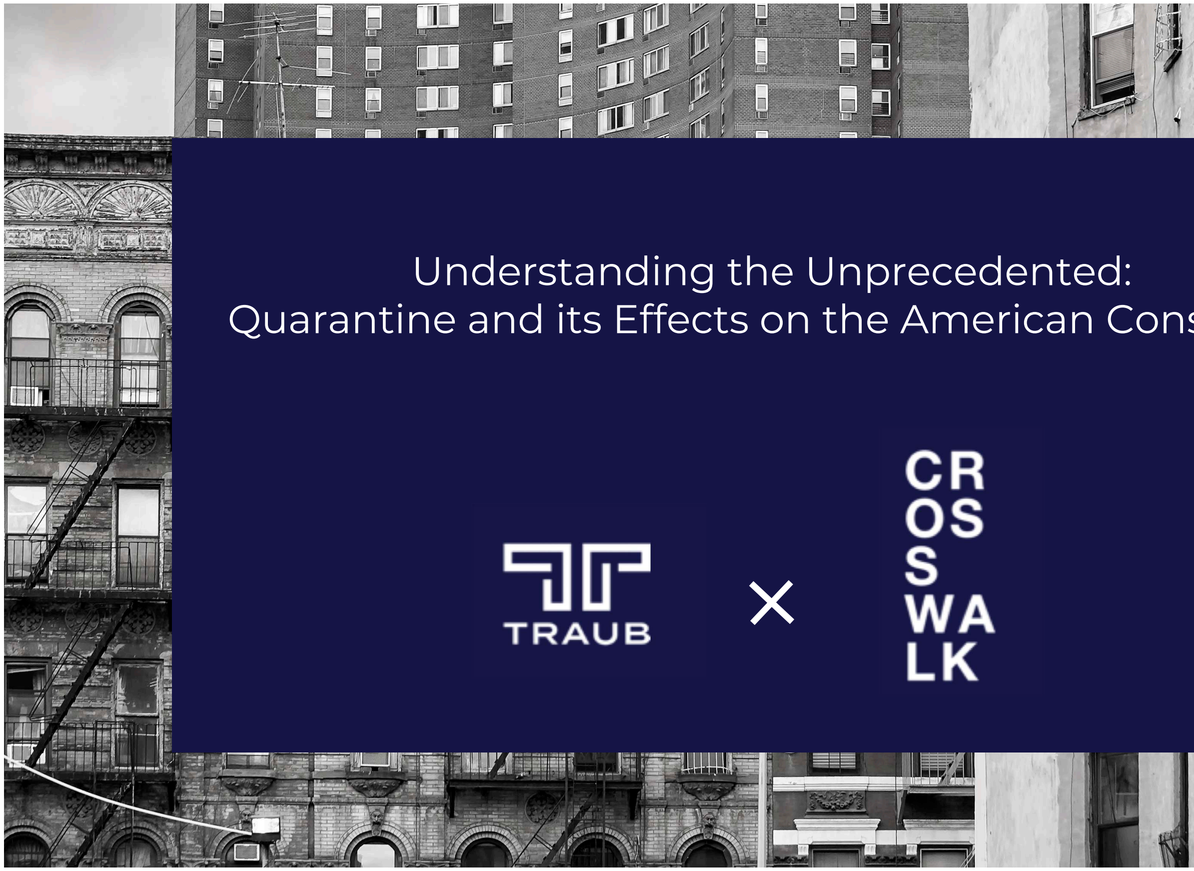


Understanding the Unprecedented: Quarantine and its Effects on the American Consumer

TRAUB × CROSSWALK

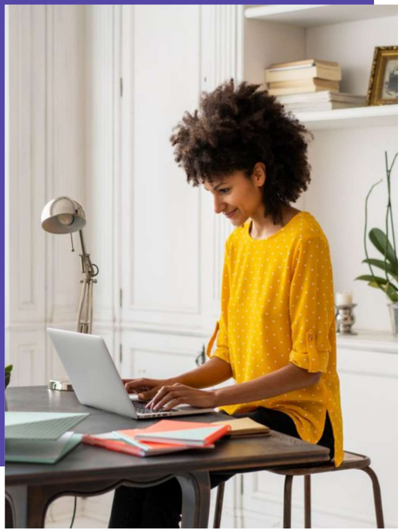
Overview

As the Coronavirus crisis takes its toll on both the psyche and wallets of Americans, we conducted a study to address its impact on the consumer. In our first edition of the Coronavirus Consumer Report we addressed the following questions:

1. How has the Coronavirus and related crisis impacted the ways in which consumers engage in digital content and make purchase decisions?

2. How will these trends shift as the crisis continues and we settle into our “new normal”? The first two weeks of the crisis were a shock to the system. What will the next phase look like from a consumer perspective?

3. Will these trends or some of these trends achieve a level of permanence even after the crisis abates?



In order to answer these questions, we partnered with data insights analytics firm, Crosswalk, to analyze the digital data of over 5 million consumers. This edition of the Coronavirus Consumer Report covers the first two weeks of the crisis when Americans went from living what were essentially their normal lives to sheltering at home or a version of it within the span of days. We plan to provide pulse check updates throughout the crisis to see how the trends evolve over time.

For this report, Traub and Crosswalk conducted a study of 5.29M consumers who provided self-identified information via social media platforms. We sourced parsed data from digital networks, consumption trends, habits, and language. We then applied our proprietary funnel system to filter the data and assign inferences based on proven correlations between specific data points and demographically known characteristics. The study analyzed **4.9M active online retail consumers across the United States, split between Gen Z (2.5M), Millennials (915K), Gen X (880K) and Baby Boomers (1M).**

Key Takeaways

The effects of the Coronavirus crisis and quarantine were immediate and drastic across all aspects of consumer behavior in both **content** and **commerce**

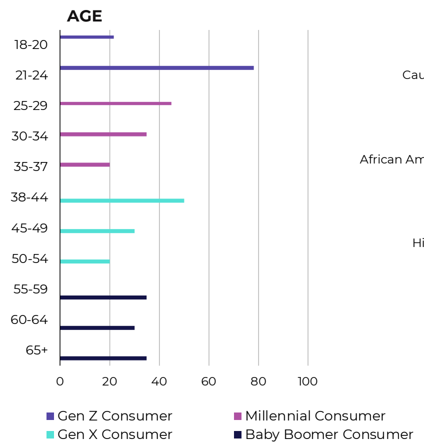
1. **Content:** Across the board, consumers turned to content that would either help them stay current in the face of a constantly changing news cycle or that would occupy and enrich their time spent at home. News media, food content, fitness content and streaming all saw large increases in popularity, while interest in fashion & style and beauty content drastically decreased.

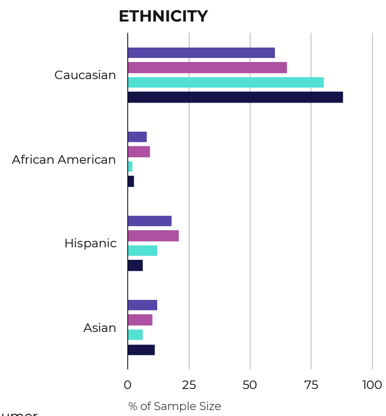
2. **Wallet Share:** Consumers shifted their wallet share from spending on "wants" such as Apparel, Beauty and Accessories to spending on "needs" such as Grocery Products/CPG and Cleaning Products.

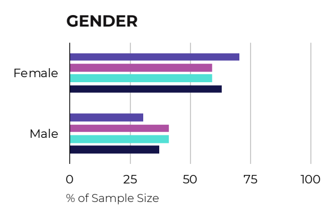
3. **Subscriptions:** Before the crisis, most consumers used subscriptions primarily for apparel (i.e. Rent the Runway and Stitch Fix). In the first two weeks of the crisis, fitness subscriptions exploded. Consumers are reading more fitness related content, continuing to spend money on fitness products (including athleisure to wear for work from home) and subscribing to fitness apps and programs.

The crisis will end eventually, and the brands that have figured out how to connect with consumers in a respectful, helpful and enjoyable way are going to emerge on the other side with extremely loyal, thankful and devoted customers.

Demographic Breakdown of Our Study





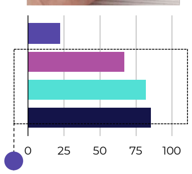


CONTENT

Content Engagement

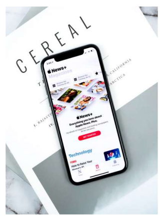
NEWS

Reading News Media; General Interest in Politics; Current Events



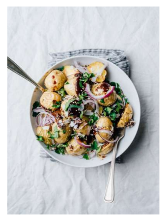
STREAMING

Primarily Talk Show; Reality TV; Comedy; Drama; Documentary



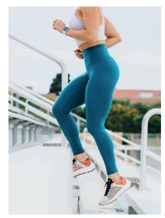
FOOD

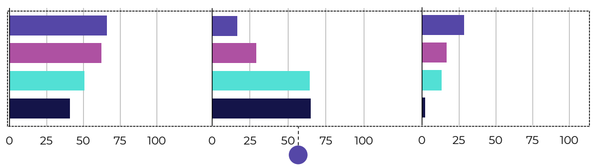
Reading Recipe Blogs & Media; Grocery; Fast Food; Snack Foods; General Interest in Cooking & Baking



FITNESS

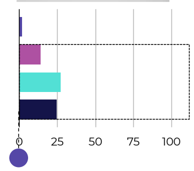
General Interest in Fitness; Workout Programs; Cycling; Jogging; Nutrition & Weight Loss





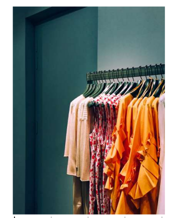
TECH

Reading Tech Media; General Interest in Tech Products and Work from Home Options



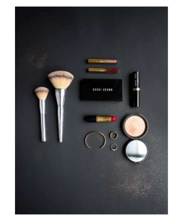
FASHION & STYLE

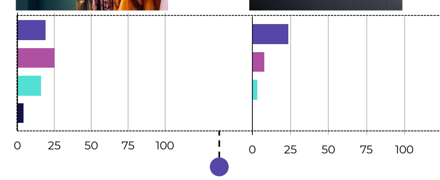
Reading Fashion/ Style Media; General Interest in Shopping Various Brands; Retailers



BEAUTY

Reading Beauty Related Media; Shopping Various Beauty Brands; Makeup; Skin Care





The speed with which daily life was upended during the crisis drove consumers to the news. News content does not typically register as an interest for any age group in similar studies yet was now the most popular form of content for consumers over 24.

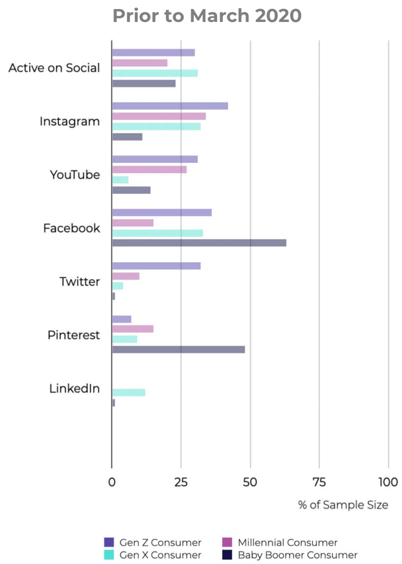
Once the various forms of quarantine began and people were essentially confined to their homes they turned to content to entertain, enrich and occupy their time. Streaming, food content and fitness content were places consumers turned for ways to entertain themselves and their families (without spending too much extra money) during this long confinement in their homes.

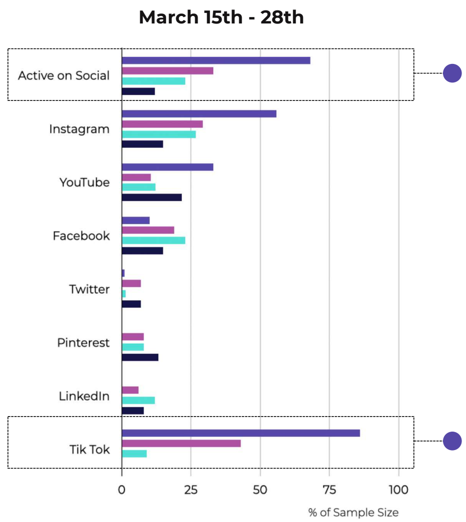
Consumers who were forced into WFH home situations turned to the internet to research the best tech and tech set-ups to smooth out the transition.

While usually the most popular categories, interest in fashion & style and beauty content dropped dramatically as consumers turned to more quarantine related content

- Gen Z Consumer
- Millennial Consumer
- Gen X Consumer
- Baby Boomer Consumer

Social Media Consumption





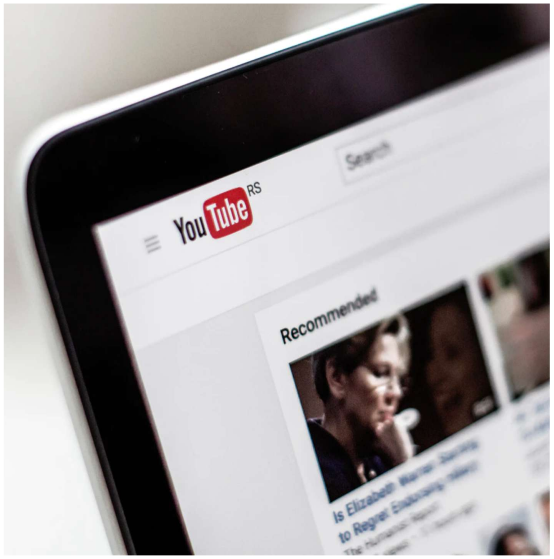
***Note: Tik Tok was not tracked prior to March 2020*

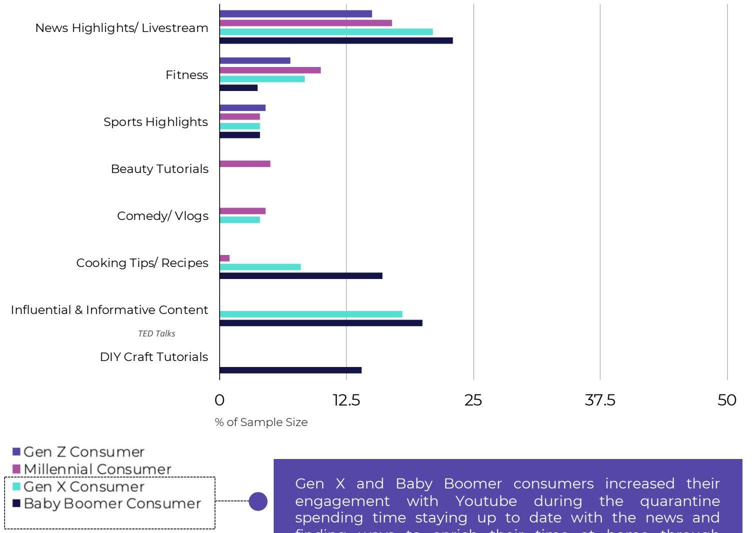
Gen Z and Millennial consumers increased their time spent on social media probably as a way to counter their boredom of being stuck inside. On the other hand, Gen X decreased their time spent on social media as they found themselves now spending time juggling working from home, homeschooling and entertaining their children and keeping their houses clean.

Gen Z and Millennial consumers (and even some Gen X) are turning to TikTok as a fun and mindless way to pass time at home.

Youtube Breakdown

Breakdown of content the streaming Consumer is consuming/ viewing on streaming platforms.





Gen X and Baby Boomer consumers increased their engagement with Youtube during the quarantine spending time staying up to date with the news and finding ways to enrich their time at home through cooking tips, TED Talks and DIY Craft Tutorials

MEDIA VISITED

Media Visited

GEN Z CONSUMER

Throughout the study it became clear that while the Coronavirus crisis had an immediate impact on the mindset and media habits of the three older demographic groups (Millennials, Gen X and Baby Boomers), **Gen Z was primarily carrying on with life as usual. Most of Gen Z are still dependents of their parents and were either living at home or in college prior to the crisis.** While their parents were consuming COVID-19 related media and stocking their homes to weather the storm, most of Gen Z did not have those responsibilities and continued to engage with media for entertainment rather than news.

Prior to March 2020

GQ:	48% - 29 visits x month
New York Times:	45% - 27 visits x month
MSNBC:	41% - 34 visits x month
Refinery29:	38% - 30 visits x month
Vogue:	37% - 19 visits x month
ESPN:	35% - 23 visits x month
People:	31% - 26 visits x month
Elle:	30% - 21 visits x month
HuffPost:	24% - 17 visits x month
CNN:	22% - 18 visits x month
InStyle:	21% - 9 visits x month
Esquire:	21% - 15 visits x month
Marie Claire	17% - 8 visits x month

March 15th - 28th

	OUTLET		FREQUENCY	
★	TMZ	26%	29	Visits x Month
	ESPN	25%	27	Visits x Month
	Buzzfeed	23%	22	Visits x Month
	People	18%	14	Visits x Month
	E! Online	16%	11	Visits x Month
↓	NY Times	15%	9	Visits x Month
↓	MSNBC	14%	8	Visits x Month
	Fox	13%	7	Visits x Month
↓	Refinery29	13%	7	Visits x Month

★ Newcomers
↑ Increase
↓ Decrease

Outlet & Frequency: Percentage indicates aggregate number of unique pings back from the participant group during our study. 1 ping = 1 user. Frequency: This measures the average aggregate user pings or more simply put, the average number of times a user visited each site during the course of the study.

Media Visited

MILLENNIAL CONSUMER

Once the crisis hit, Millennial consumers immediately pivoted from entertainment based media to more sober news media. While the New York Times was already the most popular media site for Millennials the frequency with which they visited the site skyrocketed (from 27 visits per month to 57) indicating that they were refreshing the news multiple times per day.

Prior to March 2020

New York Times:	57% - 27 visits x month
Vogue:	56% - 26 visits x month
Refinery29:	55% - 25 visits x month
Who What Wear:	49% - 21 visits x month
Elle:	50% - 21 visits x month
InStyle:	48% - 21 visits x month
Huff Post:	45% - 24 visits x month
WWD:	45% - 19 visits x month
Glamour:	43% - 14 visits x month
CNN:	38% - 10 visits x month
ESPN:	29% - 9 visits x month

March 15th - 28th

OUTLET		FREQUENCY	
New York Times	37%	↑ 57	Visits x Month
CNN	36%	↑ 54	Visits x Month
ESPN	29%	↑ 35	Visits x Month
Wall Street Journal	29%	34	Visits x Month
HuffPost	26%	28	Visits x Month
★ Mashable	23%	22	Visits x Month
★ The Onion	21%	18	Visits x Month
MSNBC	20%	17	Visits x Month
★ Wired	18%	13	Visits x Month
Fox	17%	12	Visits x Month

★ Newcomers
↑ Increase
↓ Decrease

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Media Visited

GEN X CONSUMER

Though Gen X heavily engaged with news media before the crisis, like Millennials **the frequency with which they engaged with news sources like the New York Times, CNN and Wall Street Journal increased dramatically during the crisis.**

Prior to March 2020

New York Times:	42% - 22 visits x month
CNN:	38% - 20 visits x month
ESPN:	29% - 10 visits x month
Wall Street Journal:	29% - 8 visits x month
Fox:	27% - 14 visits x month
Vogue:	26% - 11 visits x month
InStyle:	24% - 10 visits x month
Huff Post:	22% - 8 visits x month

March 15th - 28th

OUTLET		FREQUENCY	
New York Times	42%	⬆ 39	Visits x Month
CNN	38%	⬆ 32	Visits x Month
⬆ Wall Street Journal	37%	31	Visits x Month
MSNBC	31%	21	Visits x Month
★ Mashable	29%	19	Visits x Month
HuffPost	26%	15	Visits x Month
★ Fast Company	25%	14	Visits x Month
Los Angeles Times	23%	12	Visits x Month
Washington Post	23%	12	Visits x Month
ESPN	22%	11	Visits x Month

★ Newcomers
⬆ Increase
⬇ Decrease

Outlet & Frequency: Percentage indicates aggregate number of unique pings back from the participant group during our study. 1 ping = 1 user. Frequency: This measures the average aggregate user pings or more simply put, the average number of times a user visited each site during the course of the study.

Media Visited

BABY BOOMER CONSUMER

The shift towards sober news media was even more apparent among the Baby Boomers. While Fox News was the most popular media site for that demographic prior to the crisis (and the New York Times didn't even register), **during the crisis period CNN, The Wall Street Journal and the New York Times became the three most popular media sites followed by Fox in fourth.** Aside from ESPN, all of the top media sites for Baby Boomers during the first two weeks of the crisis were some form of local or national news.

March 15th - 28th

OUTLET		FREQUENCY	
↑ CNN	43%	41	Visits x Month
↑ Wall Street Journal	38%	32	Visits x Month
↑ New York Times	37%	30	Visits x Month
Fox	37%	30	Visits x Month
ESPN	33%	24	Visits x Month
MSNBC	27%	16	Visits x Month
★ Forbes	27%	16	Visits x Month
★ Los Angeles Times	26%	13	Visits x Month
★ Washington Post	26%	13	Visits x Month

Prior to March 2020

Fox:	32% - 12 visits x month
Huff Post:	24% - 30 visits x month
InStyle:	19% - 20 visits x month
NBC: Today:	18% - 19 visits x month
People:	13% - 7 visits x month
Fox Sports:	12% - 5 visits x month

★ Newcomers
↑ Increase
↓ Decrease

Outlet & Frequency: Percentage indicates aggregate number of unique pings back from the participant group during our study. 1 ping = 1 user. Frequency: This measures the average aggregate user pings or more simply put, the average number of times a user visited each site during the course of the study.

Websites Visited

March 15th - 28th

GEN Z CONSUMER

Google	41%	24 x Month
Twitch	24%	36
Reddit	9%	39
Imgur	8%	21

MILLENNIAL CONSUMER

Google	25%	26 x Month
The Penny Hoarder	9%	5
Groupon	9%	5
Skinnytaste	8%	4
Labor . NY . GOV	5%	3
The Krazy Coupon Lady	4%	2

GEN X CONSUMER

Google	32%	37 x Month
Groupon	14%	8
Skinnytaste	13%	7
Clean Food Crush	8%	3
bookvip.com	8%	3
SBA . GOV	6%	2
The Betty Rocker	5%	2

BABY BOOMER CONSUMER

Google	25%	15 x Month
12 Tomatoes	18%	8
homemaking. com	15%	5
JumbleJoy.com	14%	5
SBA . GOV	8%	2
BookBub	8%	2
Medical Medium	7%	2

Likely indicates Millennials filing for unemployment due to the shutdown. We expect this number to continue to rise as the economic crisis deepens

Likely indicates small business owners filing for assistance due to the shutdown. We expect this number to continue to rise as the economic crisis deepens

COMMERCE

Consumers Immediately Shifted Wallet Share From "Wants" to "Needs"

How deep the economic crisis becomes will determine whether consumers start spending money on discretionary categories again. If the shutdown continues longer than expected and consumers across the economy continue to lose their sources of income their lack of discretionary wallet share will force them to continue prioritizing their "needs" over their "wants"

During the first two weeks of the Coronavirus crisis, consumers rejected their "wants" en masse. They immediately stopped spending on items like clothing, accessories and kids toys. These categories experienced the double effect of consumers hunkering down and focusing on meeting their needs and the decrease in discretionary income as many consumers lost their sources of income.

Once consumers felt their immediate needs of food and cleaning products were taken care of they then turned to items that would ensure a smooth transition to quarantine and enrich their time at home.

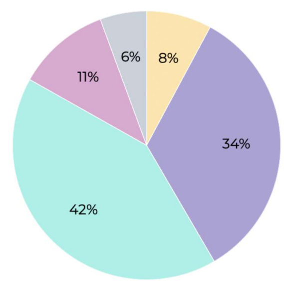
When in a panic, consumers tend to revert to ensuring their needs are met and ignoring their wants. This was evident in the shift in wallet share during the crisis period away from "wants" directly to "needs" such as grocery/ CPG and cleaning products.

Wallet Share

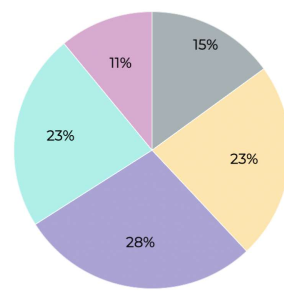
- **Accessories:** *Buying Workout Accessories; Footwear; Jewelry*
- **Apparel:** *Shopping Clothing Retailers, Various Clothing Brands*
- **Beauty:** *Shopping Beauty Retailers; Makeup Brands; Skincare Brands*
- **Cleaning Products:** *Shopping Big Box Retailers; Various Household Cleaning Products*
- **Fitness:** *Buying Fitness Programs; Gym Memberships*
- **Food:** *Encompasses Dining Out; Grocery; Fast Food*
- **Grocery/CPG:** *Shopping Grocery Supermarkets; Various CPG Brands*
- **House & Home Goods:** *Buying Home Décor; Home Appliances; Shopping Home Furniture Stores*
- **Kids Goods**: *Buying Children's Brand Products; Children's Toys*
- **Restaurants/Fast Food/ Take Out**
- **Technology (WFH):** *Shopping Electronic Retailers; Buying Tech Products; Software*
- **Video Games:** *Shopping Video Game/ Electronic Retailers*

Prior to March 2020

GEN Z CONSUMER



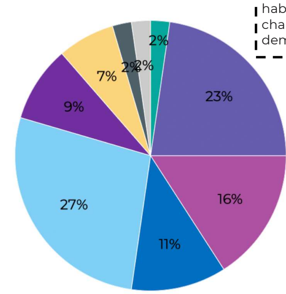
MILLENNIAL CONSUMER



March 15th - 28th

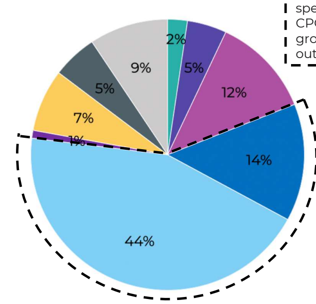
GEN Z CONSUMER

Gen Z's spending habits were the least changed of all demographic groups.



MILLENNIAL CONSUMER

58% of Millennial's wallet share was now spent on food and CPG (includes groceries and take out).

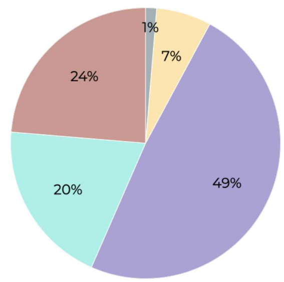


Wallet Share

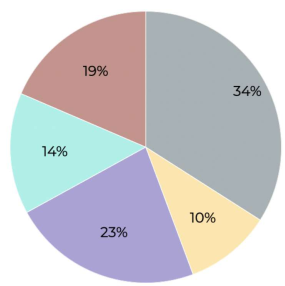
- **Accessories:** *Buying Workout Accessories; Footwear; Jewelry*
- **Apparel:** *Shopping Clothing Retailers, Various Clothing Brands*
- **Beauty:** *Shopping Beauty Retailers; Makeup Brands; Skincare Brands*
- **Cleaning Products:** *Shopping Big Box Retailers; Various Household Cleaning Products*
- **Fitness:** *Buying Fitness Programs; Gym Memberships*
- **Food:** *Encompasses Dining Out; Grocery; Fast Food*
- **Grocery/CPG:** *Shopping Grocery Supermarkets; Various CPG Brands*
- **House & Home Goods:** *Buying Home Décor; Home Appliances; Shopping Home Furniture Stores*
- **Kids Goods**: *Buying Children's Brand Products; Children's Toys*
- **Restaurants/Fast Food/ Take Out**
- **Technology (WFH):** *Shopping Electronic Retailers; Buying Tech Products; Software*
- **Video Games:** *Shopping Video Game/ Electronic Retailers*

Prior to March 2020

GEN X CONSUMER



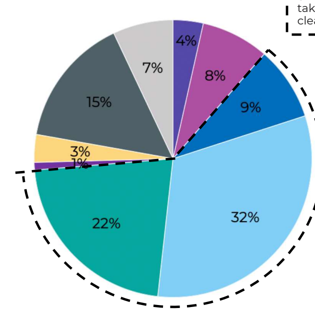
BABY BOOMER CONSUMER



March 15th - 28th

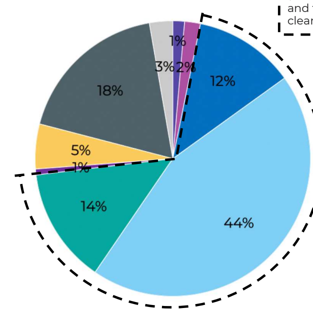
GEN X CONSUMER

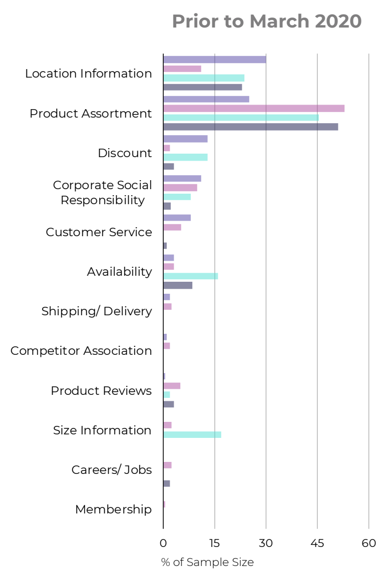
63% of Gen X's wallet share was now spent on food (includes groceries and takeout), CPG and cleaning products

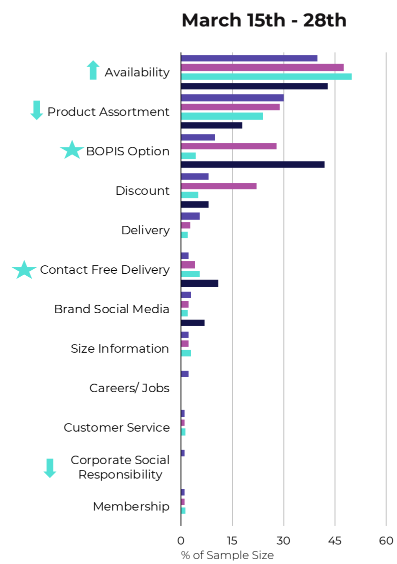


BABY BOOMER CONSUMER

70% of Baby Boomer's wallet share was now spent on food (includes groceries and takeout), CPG and cleaning products







Purchasing Factors

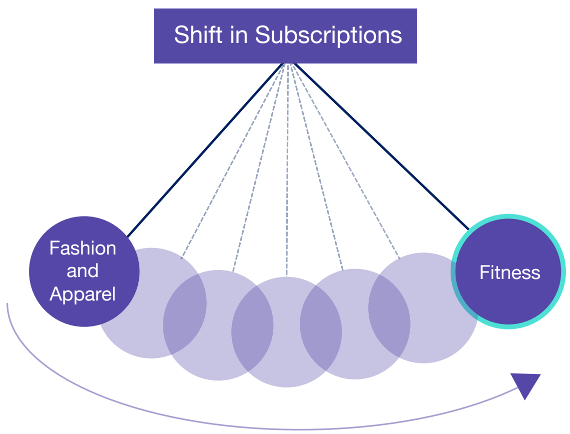
Things that drive positive sentiment amongst consumers ultimately leading them to purchase.

During the first two weeks of the crisis, consumers were most concerned with getting any available version of the products they needed as safely as possible (BOPIS, Contact Free Delivery). As we extend into Phase Two of the quarantine, we expect consumers to begin caring more about the product assortment and brand names of the product they purchase.

SUBSCRIPTIONS

Fitness Now Dominates Subscriptions

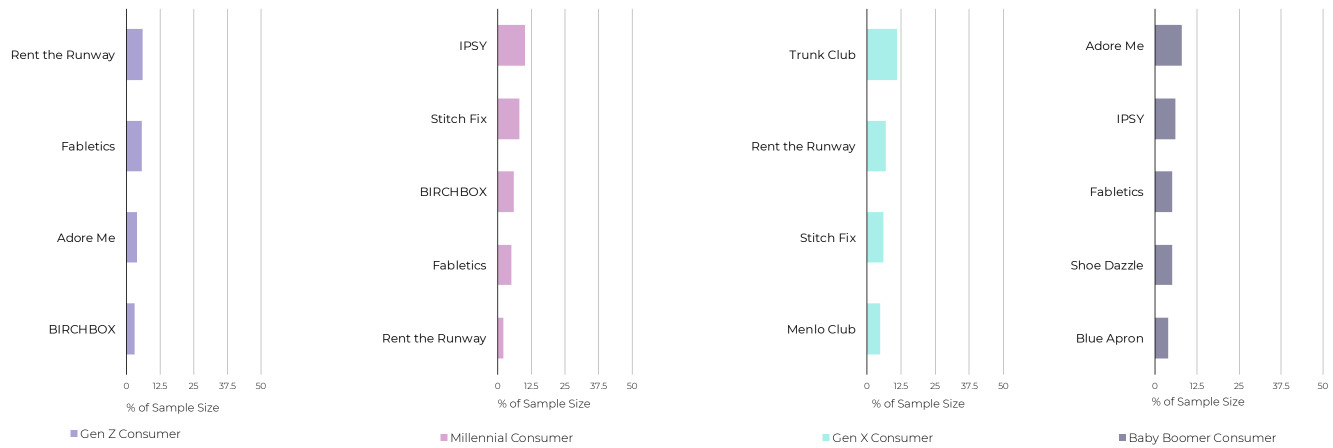
Before the crisis, most consumers used subscriptions primarily for apparel (i.e. Rent the Runway and Stitch Fix) while few had fitness subscriptions. In the first two weeks of the crisis, fitness subscriptions exploded.



One of the big category winners throughout this report was fitness. While gyms and fitness studios are closed, consumers are finding new ways to stay active and healthy (or at least the perception of such) while at home. They are reading more fitness related content, continuing to spend money on fitness products (including athleisure to wear for work from home) and subscribing to fitness apps and programs.

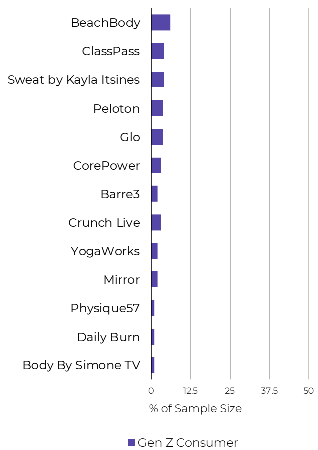
Subscriptions

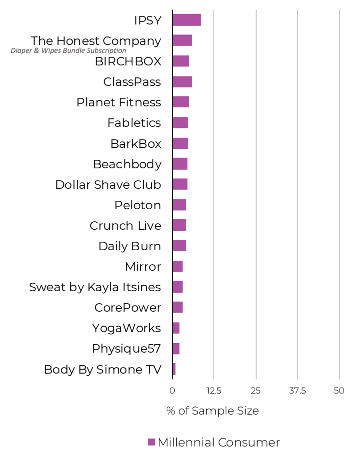
Prior to March 2020

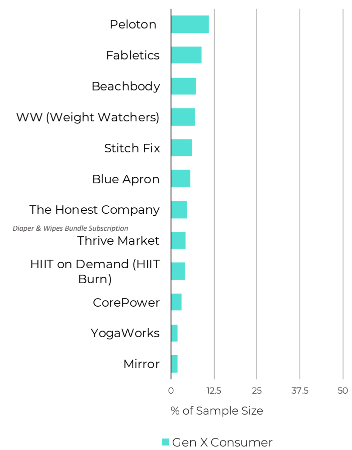


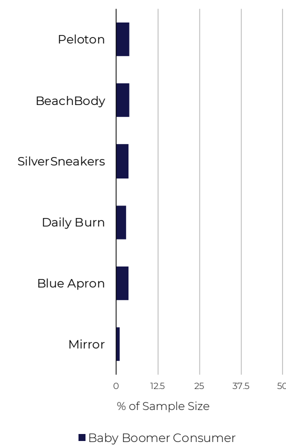
Subscriptions

March 15th - 28th





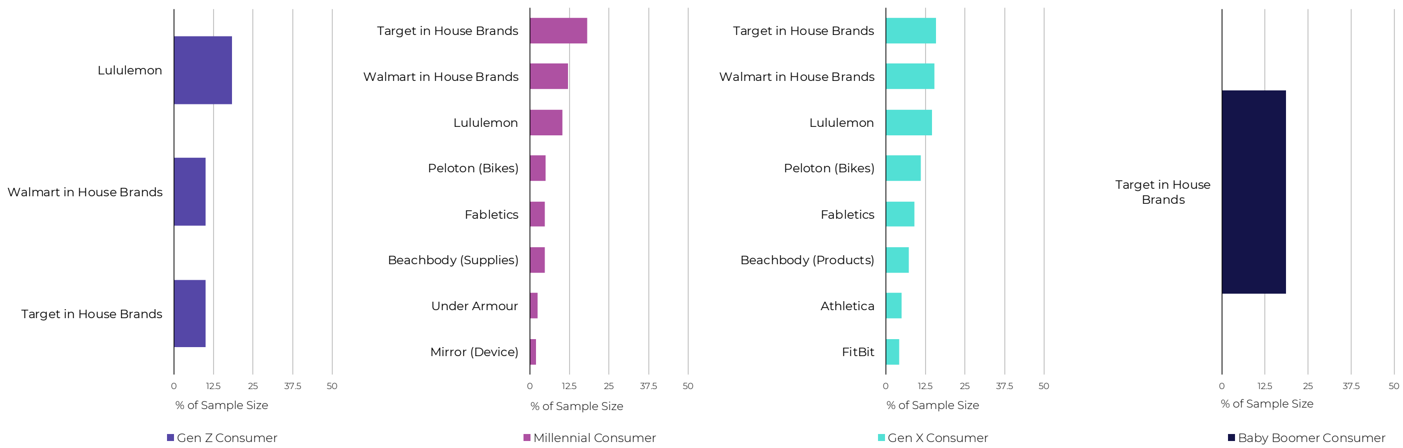




Most Purchased

March 15th - 28th

FITNESS PRODUCTS



Conclusion

The effects of the Coronavirus crisis and quarantine were immediate and drastic across all aspects of consumer behavior in both **content** and **commerce.** Content informs commerce so brands that are lagging on commerce, such as apparel and beauty, can use content now to drive commerce later.

CONTENT → **COMMERCE**

1 **Content:** Consumers are turning to content to entertain, enrich and occupy their time. Brands that will be successful throughout and after the crisis will be those that are able to reach consumers with content that feels relevant and respectful but is also enjoyable.

2 **Commerce:** As we enter Phase Two of the crisis, and consumers begin to feel that their needs are satisfied, we expect them to gradually begin indulging their "wants" again. This will be complicated by the economic crisis if consumers continue to lose discretionary income. Brands can use content during this period to drive commerce either in the immediate term or in the future.

The crisis will end eventually, and the brands that have figured out how to connect with consumers in a respectful, helpful and enjoyable way are going to emerge on the other side with extremely loyal, thankful and devoted customers.

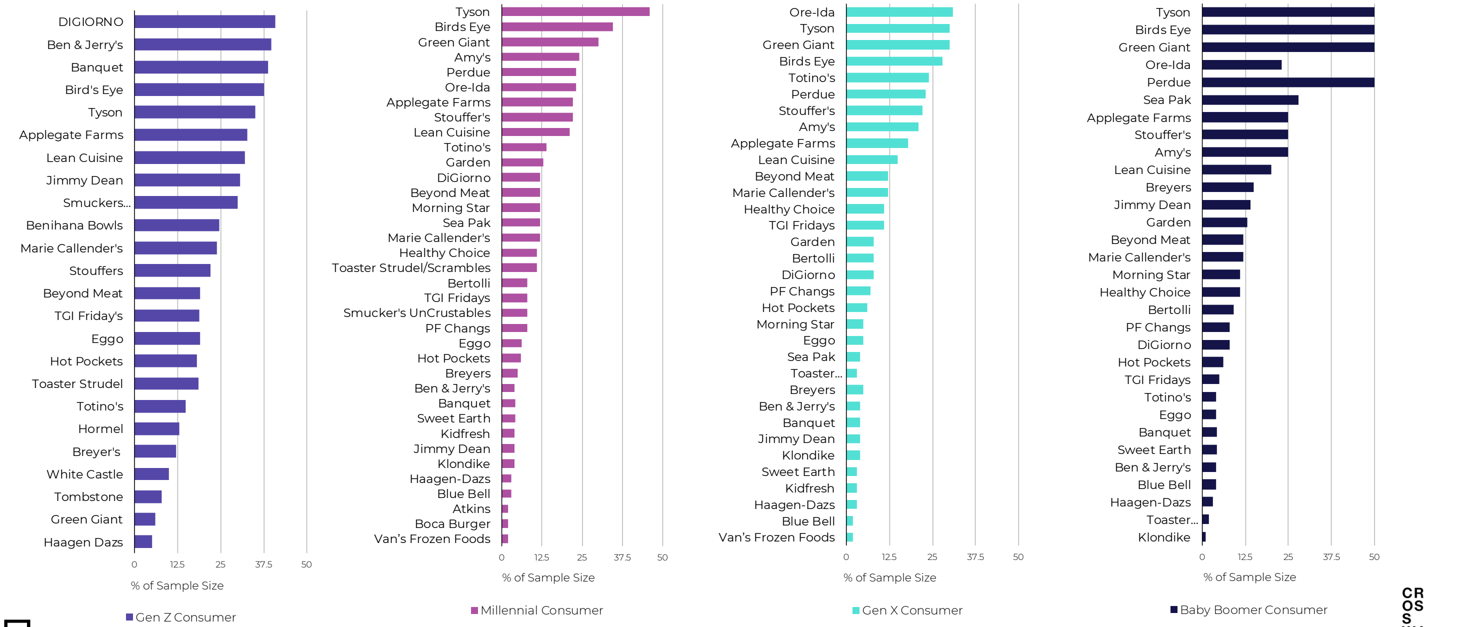
APPENDIX

MOST PURCHASED BRANDS

Most Purchased Brands

March 15th – 28th

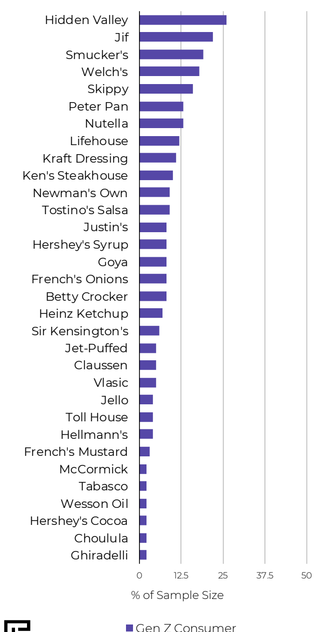
FROZEN FOODS

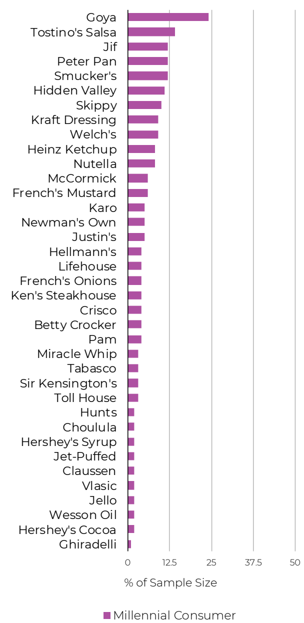


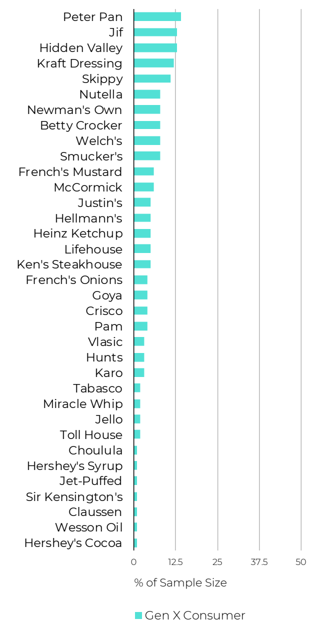
Most Purchased Brands

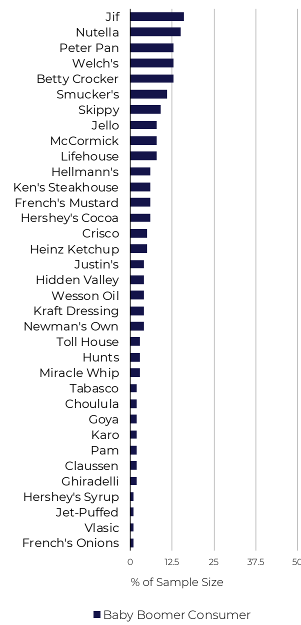
March 15th – 28th

PANTRY FOODS





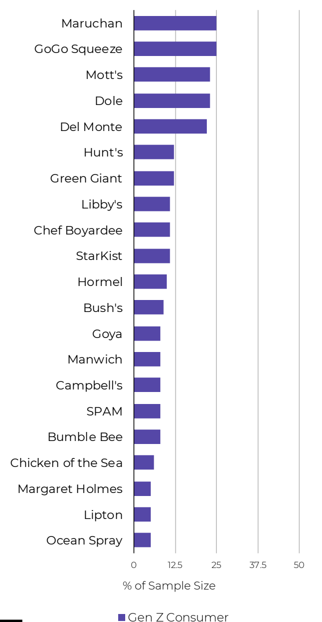


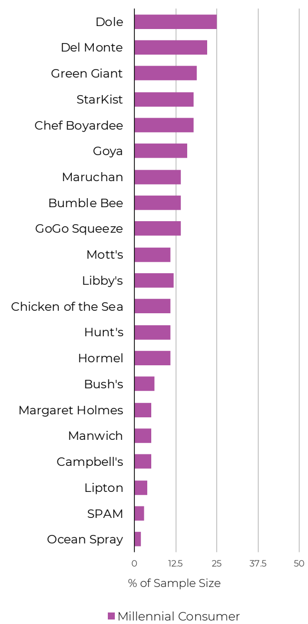


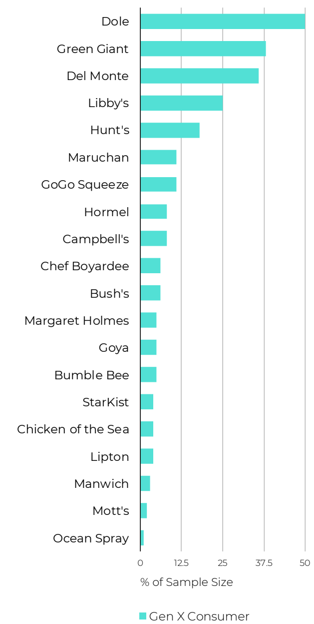
Most Purchased Brands

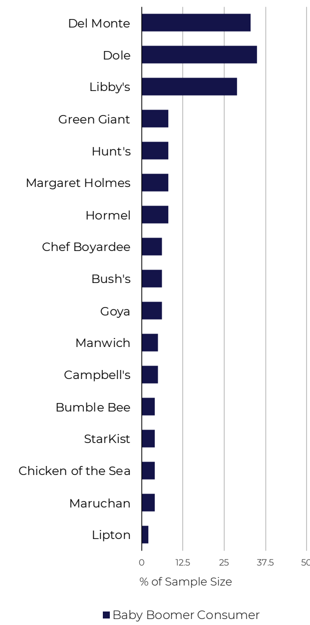
March 15th – 28th

CANNED FOODS





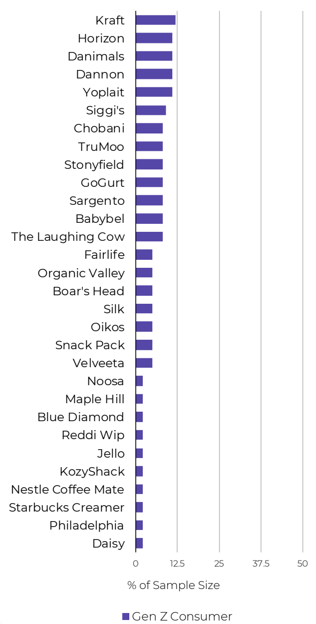


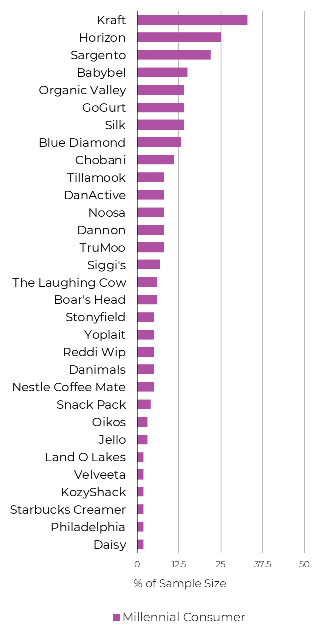


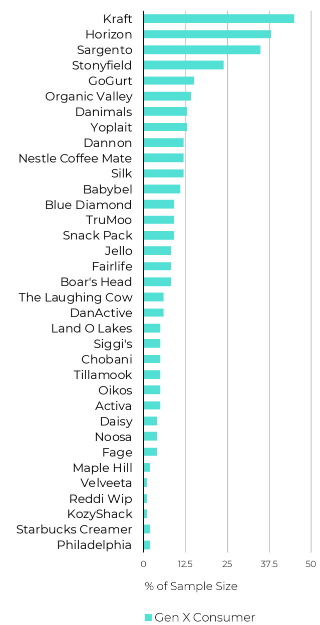
Most Purchased Brands

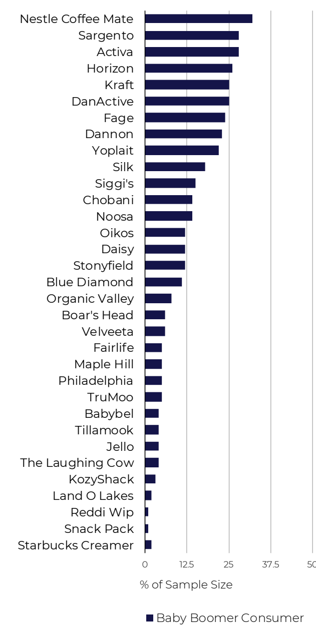
March 15th – 28th

DAIRY









CROSSWALK +

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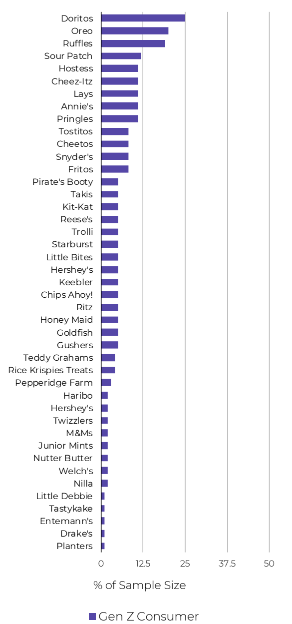
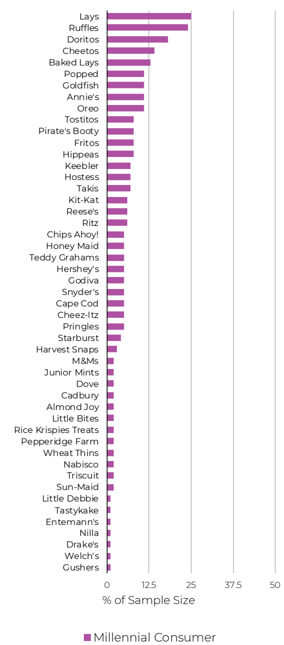
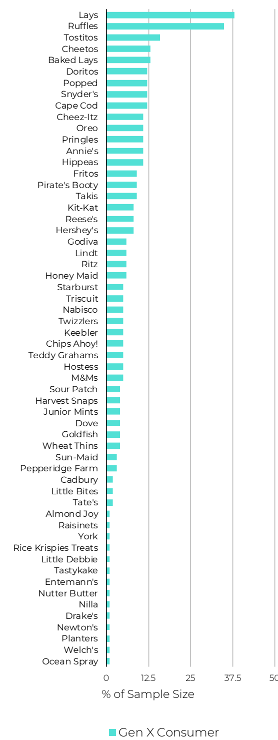
Most Purchased Brands

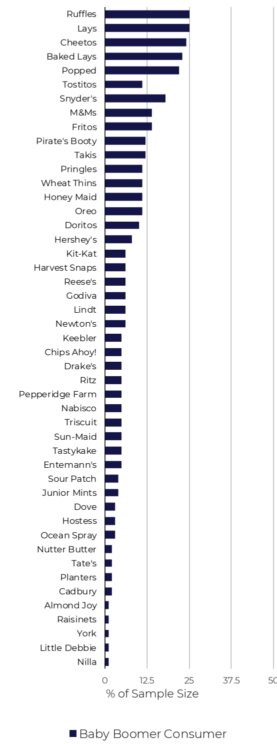
March 15th – 28th

SNACKS







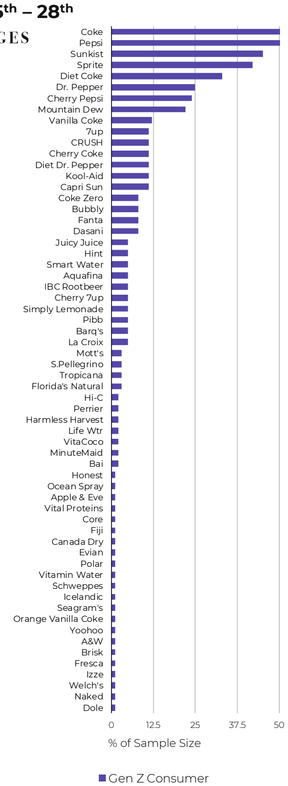


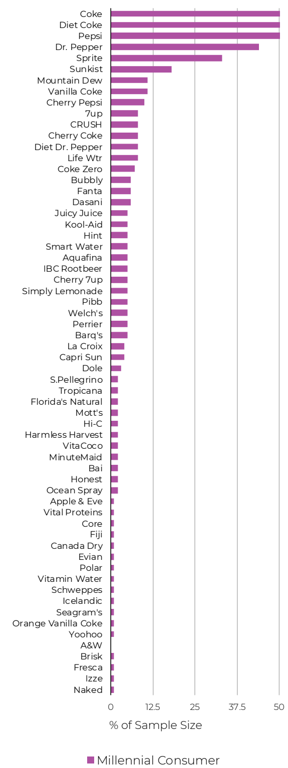
CROSSWALK

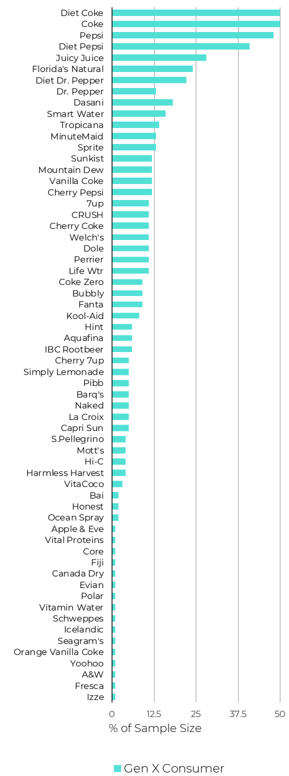
Most Purchased Brands

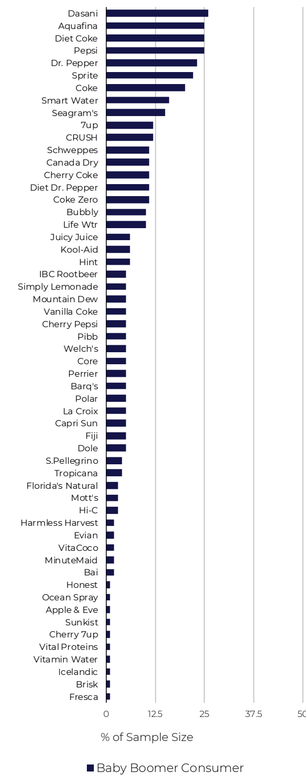
March 15th – 28th

BEVERAGES





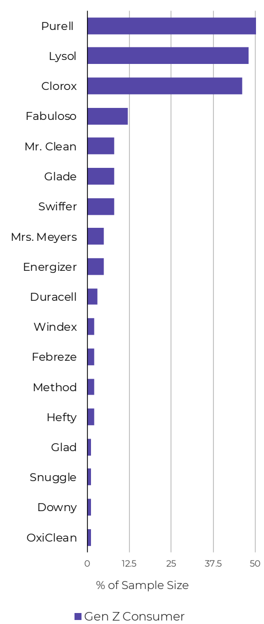


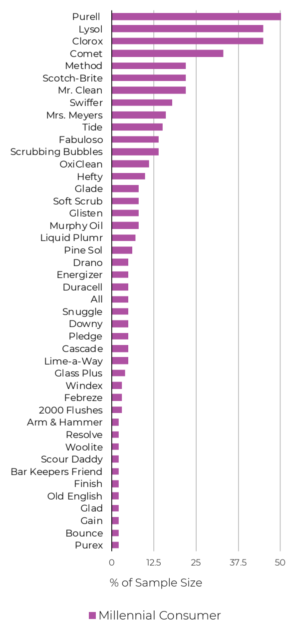


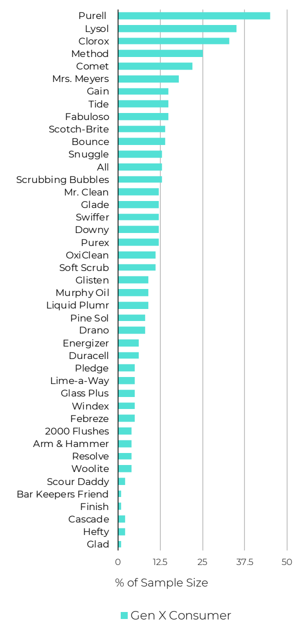
Most Purchased Brands

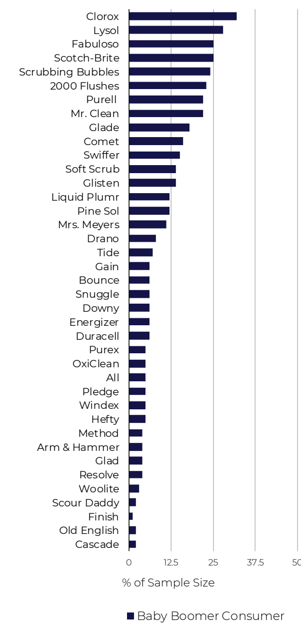
March 15th – 28th

HOUSEHOLD/CLEANING





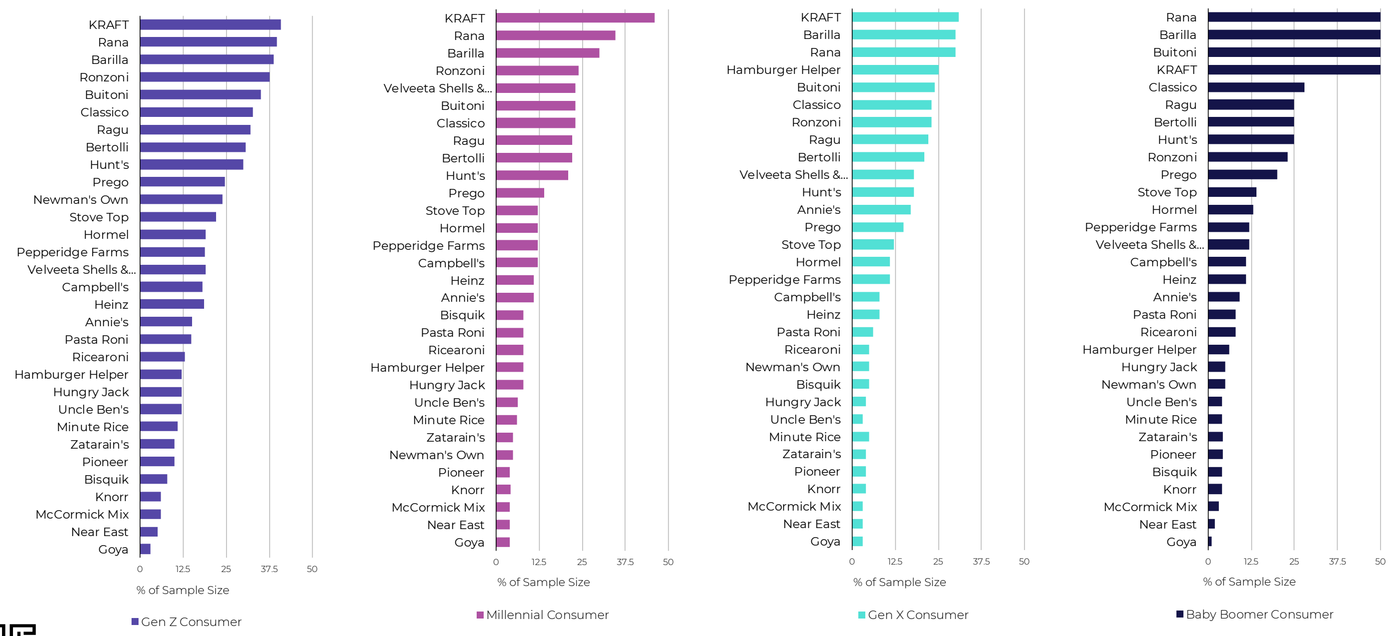




Most Purchased Brands

March 15th – 28th

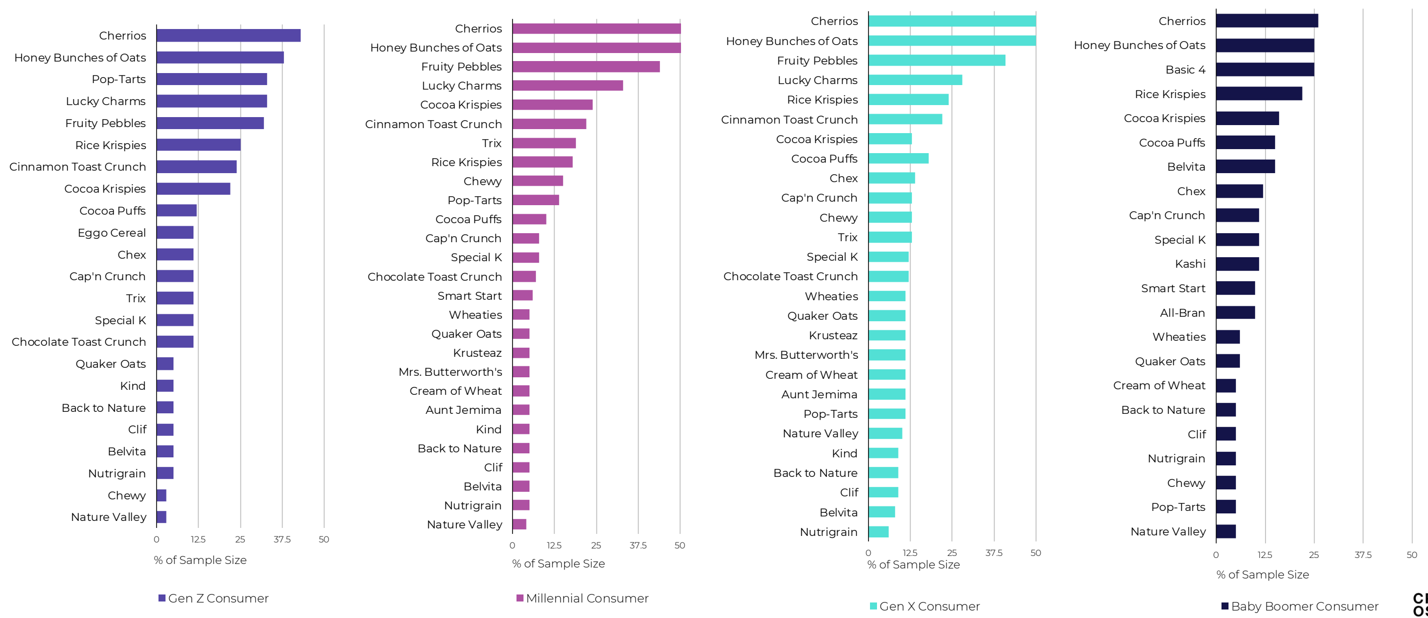
DRY GOODS/PASTA



Most Purchased Brands

March 15th – 28th

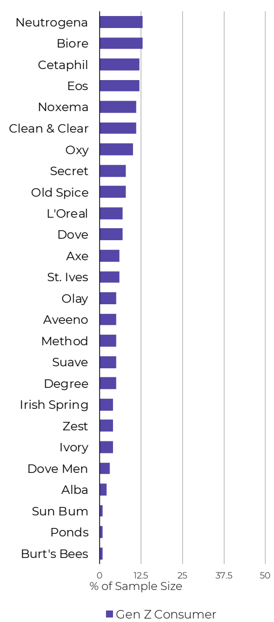
BREAKFAST

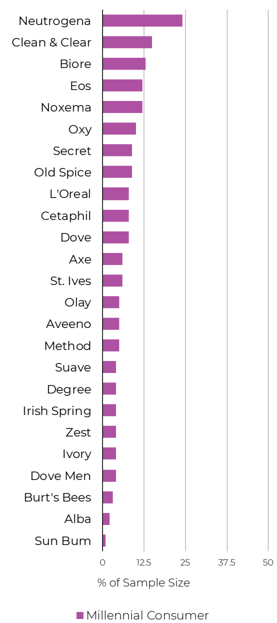


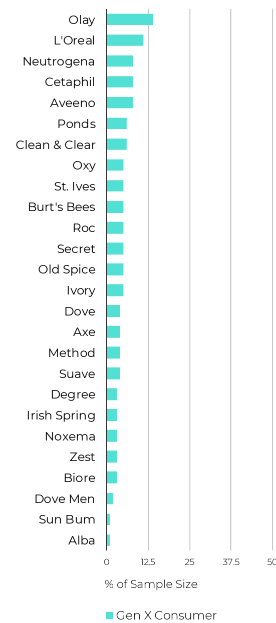
Most Purchased Brands

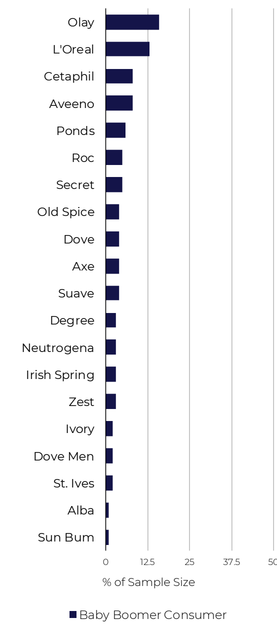
March 15th – 28th

PERSONAL CARE









Thank You

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