Volume VI Issue No. 16 • April 2020

EUROMONITOR DIGEST


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# The Coronavirus Pandemic will Transform Consumer Behavior

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Published on 15 April 2020

*This article is part of a series on COVID-19 focusing on how the outbreak is affecting industries.*

With shuttered shops, restaurants, hotels, and a third of the global population ordered by their governments to stay home, the Coronavirus (COVID-19) outbreak is having a dramatic and sweeping impacts on consumer markets worldwide. While the plunge in consumer confidence and spending growth can eventually recover, other impacts will be long lasting as the pandemic can transform both consumer behavior and the way companies across a range of industries – from food and alcoholic drinks through to retailing and entertainment – do business.

## Food and Non-alcoholic Beverages will See Highest Growth in 2020 as Consumers Stockpile

As a consequence of the COVID-19 outbreak, global consumer expenditure growth is set to slow to 0.7% in real terms year-on-year in 2020 (down from 2.5% in 2019), on the back of a weak 0.9% global annual disposable income real growth (compared to an annual real growth of 2.7% recorded in the previous year).

Food and non-alcoholic beverages will be the fastest-growing category in 2020, as consumers stock up in response to lockdowns, while hotels & catering, leisure & recreation, and transport will be among categories with real negative growth. Transport is expected to be particularly hard hit, as consumers stay home (thereby not using either public or private transport) and cancel all their summer travel plans.

## Lasting Changes in Consumer Attitudes and Behavior

Just as the SARS epidemic nearly two decades ago gave rise to Alibaba and transformed e-commerce in China, the COVID-19 pandemic is likely to transform global consumer attitudes and behavior, with long-term implications for industries.

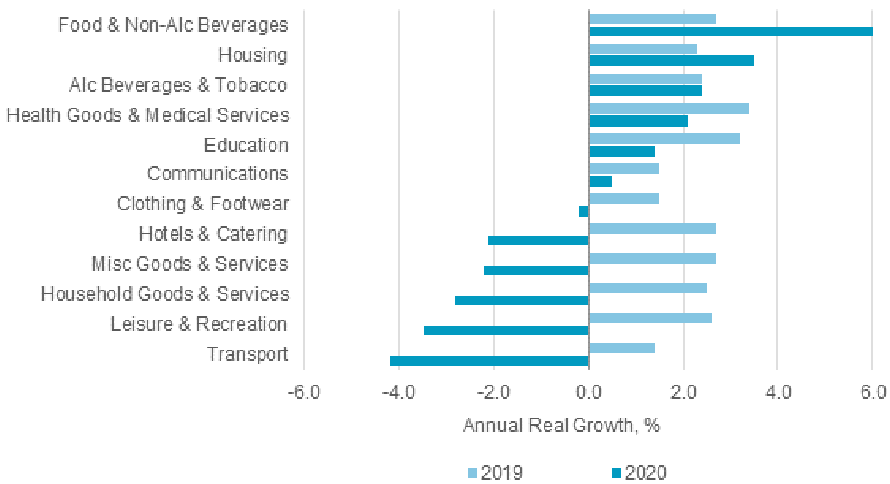
Being cooped up at home for a long period of time, consumers will buy and do more things online – from learning and exercising, through to socializing and even partying. Older consumers, previously reticent to e-commerce but now homebound, will have to resort to online grocery shopping and will likely continue to embrace e-commerce in the future.

Home cleaning, hygiene, and healthy living will be high on the agenda, as more consumers will prioritize self-care and self-prevention in the aftermath of the pandemic.

Finally, COVID-19 will be a catalyst for the permanent shift to a cashless world, as retailers and consumers radically want to go cashless and contactless due to concerns over infection.

Brands and businesses successfully emerging out of this pandemic will most likely be those which are prepared for the "new normal" of digital consumer engagement, e-commerce, and at-home consumption. ■

Global Consumer Expenditure Growth by Category: 2019/2020




Source: Euromonitor International from national statistics
Note: Data for 2020 are forecast