

# Market Intelligence Digest

Volume 2 Issue No. 08 | March 2020



The Department of Trade and Industry - Export Marketing Bureau (DTI-EMB) is mandated to oversee the development, promotion and monitoring of Philippine exports. The DTI-EMB provides the exporters the enabling environment to make them globally competitive.

## Export Marketing Bureau

G/F and 2/F DTI International Bldg.  
375 Sen. Gil Puyat Avenue  
Makati City 1200, Philippines  
Tel. No.: (632) 8465.3300  
Fax No.: (632) 8899.0111  
<http://www.dti.gov.ph/exports/>  
<http://tradelinephilippines.dti.gov.ph/>

The Mintel logo, which consists of the word 'MINTEL' in a bold, black, sans-serif font inside a yellow speech bubble shape.

## The world's leading market intelligence agency

Mintel covers around 38,000 product launches a month.

They track product innovation across 86 markets globally.

## Mintel Trends

*Consumer Trends: Defined, Validated, Decoded.*

With current observations of consumer behavior around the world, Mintel Trends helps you understand new markets and what influences consumers.

To find out more about Mintel and how to get started, reach out to **Rhoel** at [rrecheta@mintel.com](mailto:rrecheta@mintel.com) or **Gilyanne** at [gblancaflor@mintel.com](mailto:gblancaflor@mintel.com)

## Covid-19 Pandemic Here and Now: How Consumers and Industries are Reacting in the US

By Marcia Mogelonsky

Director of Insight, Mintel Food & Drink

16 March 2020

*As the scope of the COVID-19 pandemic continues to unfold, many industries are looking at a chain reaction of unprecedented changes. In addition to measuring changes in the way consumers eat, travel, shop, congregate, and relate to the world around them (based on new research as of March 2020), we are tracking the challenges industries are encountering in order to identify potential opportunities for others. We are following developments in different categories, providing analysis that looks at what consumers can expect today, tomorrow, and in a post-COVID era.*



Photo by cottonbro from Pexels

## Learning from history

This is not the first time that we have been faced with a life-altering paradigm shift. We experienced global consumer changes during the months leading up to Y2K, as well as the behavioral changes – and industry shakeups – in the US after 9/11. Mintel has followed consumer reactions to SARS, Zika, bird flu, and other widespread epidemics, as well as the equally habit-changing forces of the last recession, and the recession before that. Through it all, we have followed – and will continue to do so – consumer reaction to the current situation, here and around the world.

The current crisis may seem more overwhelming because of social media, an industry only in its infancy when “cocooning” and other manifestations of sheltering in place became a “lifestyle choice” in earlier crises. Measuring the force of social media on the behavioral patterns of society is something that will become more evident as we watch the situation unfold.

# Market Intelligence Digest

Volume 2 Issue No. 08 | March 2020

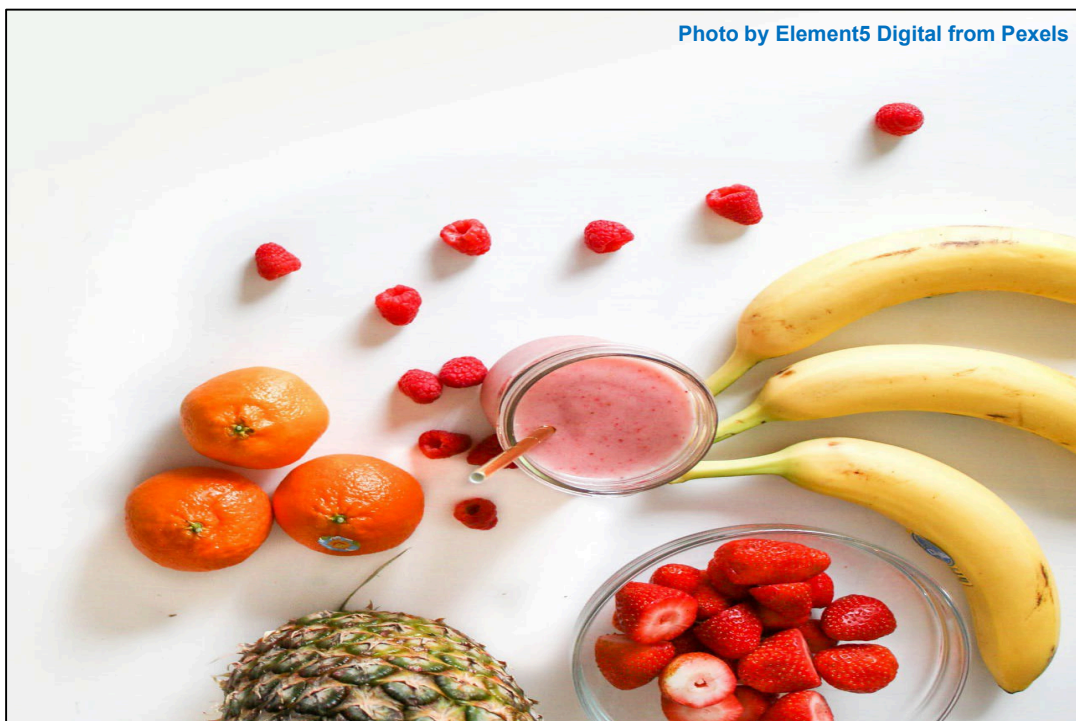
The here and now is challenging consumers and companies to improvise and rethink shared spaces, work, and play environments, and a host of other lifestyle issues that follow like a line of falling dominoes. Mintel is looking to lessons learned from China – which is weeks ahead in the progression of the crisis in other parts of the world – to provide a window into what Mintel sees as the next steps for companies and consumers in the US.

Currently, Mintel research shows that a third of US consumers are very worried about the extent to which the virus might affect their lifestyles, a third are moderately worried, and a third are not worried. In China, similar research shows that half of consumers are extremely or moderately worried about exposure to the virus and three in five are worried about the impact on their lifestyles, presaging developments we anticipate in the US as the situation develops over the next few weeks.

## Food and drink

Products that are shelf-stable and long-lived are in demand as consumers are stockpiling staples in anticipation of state- or self-imposed quarantines. The interest in fresh and artisanal foods is being tested as consumers turn to preserved, shelf-stable products.

While the US media reports showing empty shelves in retail outlets suggest that the buying frenzy is universal, currently, **less than one in five US consumers claim to have increased their purchase of groceries or other supplies.** The emerging situation – with the potential for more consumers being asked to self-quarantine for two weeks – is changing, however, and the opportunity for canned, frozen, and dried products will remain strong.



# Market Intelligence Digest

Volume 2 Issue No. 08 | March 2020

## Health management and household care

With health professionals suggesting that consumers avoid hospital emergency rooms as the first point of contact for medical attention (freeing up resources for those who are/suspect they are infected), telehealth is poised to shine. With proper messaging and education, more Americans may be willing to try telehealth services during a COVID-19 epidemic to err on the side of caution.

Disinfectants and hand sanitizers have become high-demand items in retail outlets and online, driven, in part, by consumers paying closer attention to personal and household hygiene. Mintel research shows that two in five US consumers are trying to use hand sanitizers more frequently, and a third have increased their use of disinfectants or other household cleaning products. With the emphasis on personal hygiene, manufacturers of cleaning products, both personal and environmental, have great opportunities, as do collateral items such as paper towels and tissues.

Although COVID-19 is transferred from person to person and can be airborne, air purifiers with standard HEPA filters can't capture and destroy something as small as a virus. The strongest line of defense lies in strong hygiene practices and wearing properly-rated facial masks in high-risk areas, which is where the opportunity for aircare brands lies. Wearing 'courtesy masks' to prevent the spread of germs is common practice in many parts of the world, but filtration masks are still niche in the US. However, this market could move from niche to a mainstream accessory given that just over one in 10 US consumers say they are using face masks in public. To presage the growth potential opportunity, one-third of urban Chinese consumers say they currently wear a face mask when they go out.

## Travel and transportation

All aspects of the travel industry are being upended by the virus as cancellations dislocate both personal and business travel with each passing day. Even with the here and now disruptions to airlines, trains, and boats, other aspects of the travel industry may present opportunities. Ridesharing could become the preferred method of local or regional travel as consumers perceive it to be a safer option. According to new Mintel research, nearly one in five consumers are avoiding public transportation.



Photo by Michał Ludwiczak from Pexels

# Market Intelligence Digest

Volume 2 Issue No. 08 | March 2020

This increase in demand for rideshare services will likely drive an uptick in average ride cost. However, according to Mintel research, consumers are willing to walk away from ridesharing services in the event of a drastic price increase. If consumers perceive public transit to be too dangerous for everyday use, they'll likely pay more per ride to ensure their safety and potentially cut back spending in other areas of their life. Rideshare operators can capitalize on this opportunity by clearly broadcasting the cleanliness and hygiene of their vehicles.

While there are few bright lights in the broader travel industry, the concept of the staycation is ripe for revival and smaller hotels, inns, and restaurants that position themselves as "local favorites" may capture the attention of consumers seeking a close, and less crowded get-away opportunity.

## Retail and apparel

China is a major source of the clothing and accessories production, as well as manufacturing the packaging supplies used to ship them. The fallout from the virus will negatively impact sales and present growth challenges for the apparel and accessories category, with luxury taking a big hit, at least in the short term. Companies that can proactively approach the upcoming months and efficiently manage inventory have an opportunity to win new shoppers and increase sales among existing customers.

This is also an opportunity for retailers to introduce themselves to a new group of shoppers who may be willing to pay more or shop an unfamiliar or new retailer (either online or in-person) in order to find an item out of stock at their usual shopping venue. Sales representatives in China have set up WeChat groups with VIP customers for exclusive online fashion shows. Such strategies can translate to the US marketplace as well.

## eCommerce

The work-from-home trend continues to grow as more companies of all sizes have their employees staying out of the office. Consumers are trying to avoid crowded places, a behavior noted by three in 10 US consumers, and we expect to see a boom in the eCommerce market across a range of directions.

For example, online grocery is a market segment that continues to struggle with online sales, but currently provides a host of opportunities. Nearly 10% of US consumers report an increase in their use of online shopping services as the COVID-19 virus takes root in various regions of the United States. This figure is likely to increase as "self-quarantine" regulations spread around affected regions.

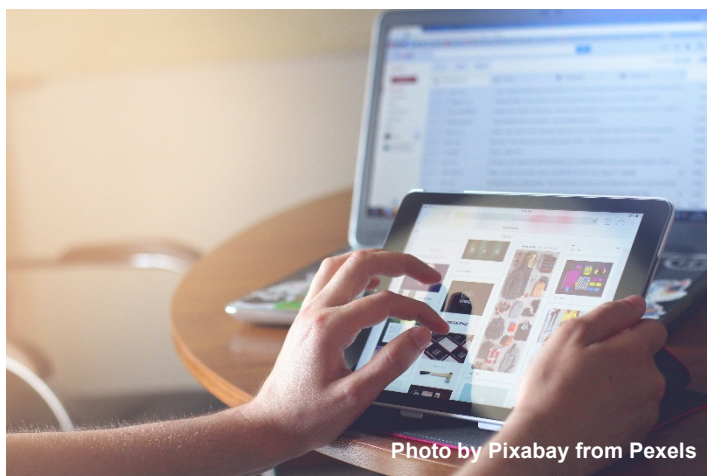


Photo by Pixabay from Pexels

# Market Intelligence Digest

Volume 2 Issue No. 08 | March 2020

However, as encouraging as it is to see some of these categories growing, the experience may not live up to consumers' expectations. Supply is dwindling in some areas and there are not enough workers to fulfill orders, meaning shipping is delayed and may even be more expensive due to high demand. However, we are going to see an increase in all eCommerce areas, from shopping to teleconferencing to streaming entertainment and gaming, increasing the opportunity to expand eCommerce programming to include more than just the usual suspects of shopping and gaming and the usual base of younger consumers.

## Beauty and personal care

As the CDC has made it understood that careful handwashing is one of the first lines of defense against the virus, the demand for hand soap and sanitizers is already clear. However, there is an opportunity for other hand care products, especially those that offer repairing or healing benefits. The drying effects of many hand soaps and sanitizers and the potential for disruptions to the skin barrier suggest the need for products with ingredients such as ceramides and lipids to help with healing and repair. Dermatological and doctor-supported brands also have an opportunity to increase sales in existing and new hand care products as these brands have a strong "science-related" positioning.

We also see opportunities for cleanse-moisture combination products as consumers are likely to be focusing on "effective cleansing" while keeping the skin's barrier healthy. Some products will also promote their ability to remove "toxins;" positioning that can provide a boost for charcoal and clay masks as consumers may look for a complete "skin detox" as studies show clays can absorb viruses in general.

Changes in beauty retailing are likely to happen in the here and now as hygiene concerns prompted by the virus are forcing retailers to address their cleaning processes and alter the way products are sampled. As a result, adjustments to everyday retail practices are going to change. Opportunities exist for beauty and retailing stores and beauty counters to implement more sanitary and safer product sampling methods and "less personal" ways to interact with consumers in the retail environment.



Photo by Burst from Pexels

*Read the full report here:*

<https://www.mintel.com/blog/consumer-market-news/covid-19-pandemic-here-and-now-how-consumers-and-industries-are-reacting-in-the-us>