BCG

The Consumer Sentiment Series

Snapshot #20

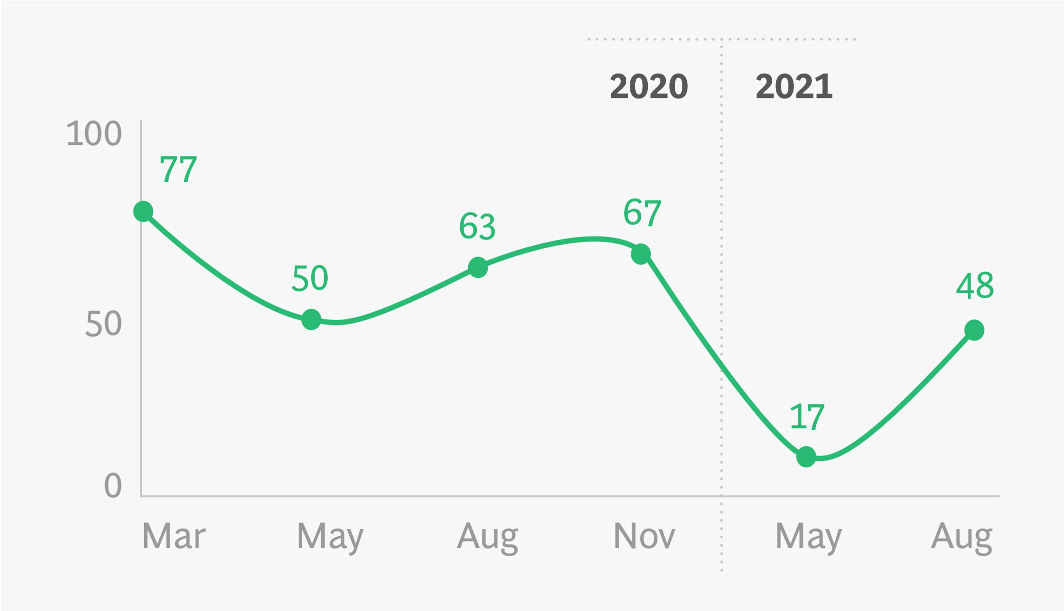
August 2021: Lasting Impact

August 26, 2021

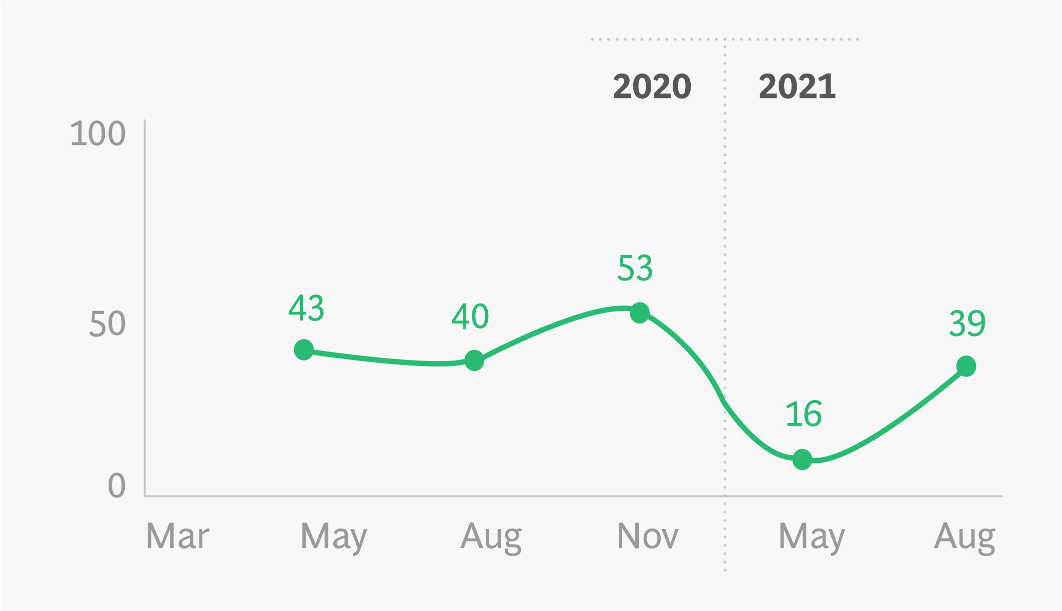
US – August 2021

The Gains in Consumer Confidence Registered in May Have Largely Dissipated in August, Resulting in High Levels of Anxiety and Frustration

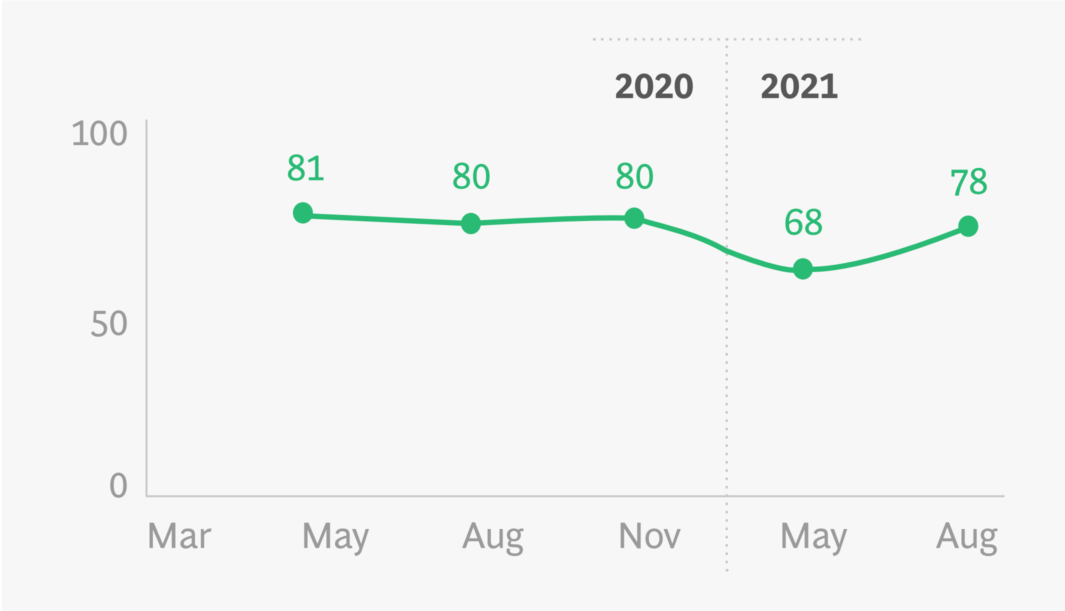
Almost 50% of respondents believe the worst of coronavirus is still ahead
The worst of the coronavirus is still ahead (%)



Expectations of another shutdown have risen quickly since May 2021
There will be another lockdown in the next 12 months where I live (%)



Belief in another spike if we are not careful is near 2020 levels
If we are not careful, there will be a spike in new cases again (%)



Top emotions when thinking about the coronavirus

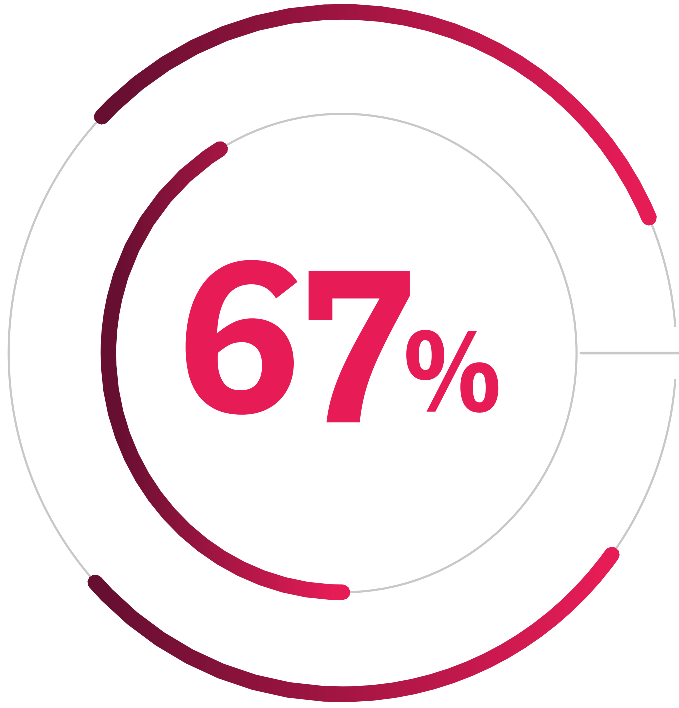
57% Worry/concern/anxiety
↑ +3 pp vs. May

53% Frustration
↑ +11 pp vs. May

29% Sadness/grief
↓ –2 pp vs. May

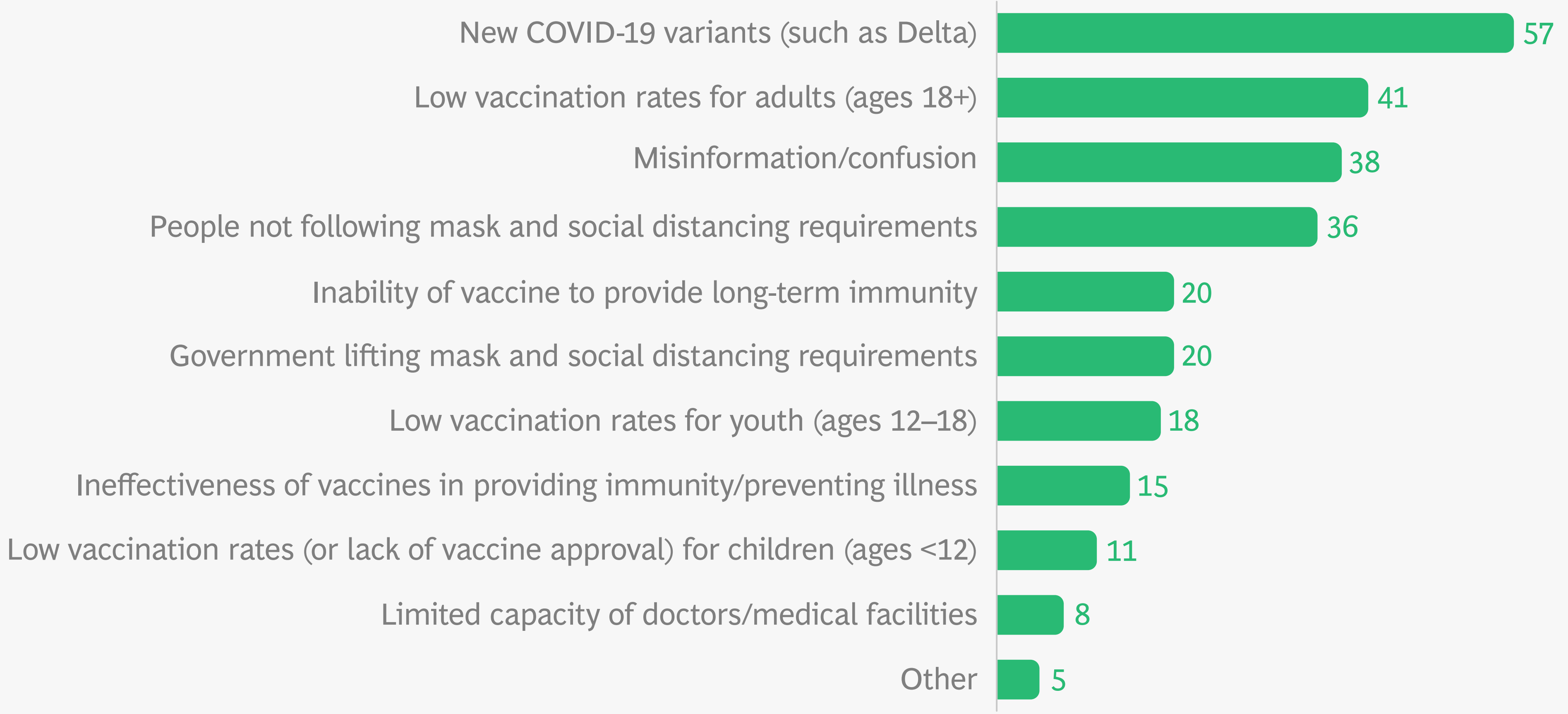
Source: BCG COVID-19 Consumer Sentiment Survey, March 2020–August 2021 (n = 2,000–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: pp = percentage points. Question text: “How much do you agree with each of the following statements about the COVID-19 pandemic?” and “What emotions come to mind when you think about the coronavirus?”

Most Respondents Believe That COVID-19 Is Getting Worse, Largely Due to the Proliferation of New Variants



of August 2021 respondents believe that there will be more COVID-19 cases in the next 3 months than the previous 3 months

Which of the following poses the greatest risk to how long the pandemic will continue? (% of all respondents, August 2021)



Consumers cited concern about new variants (such as Delta) as their top reason for avoiding or limiting activities

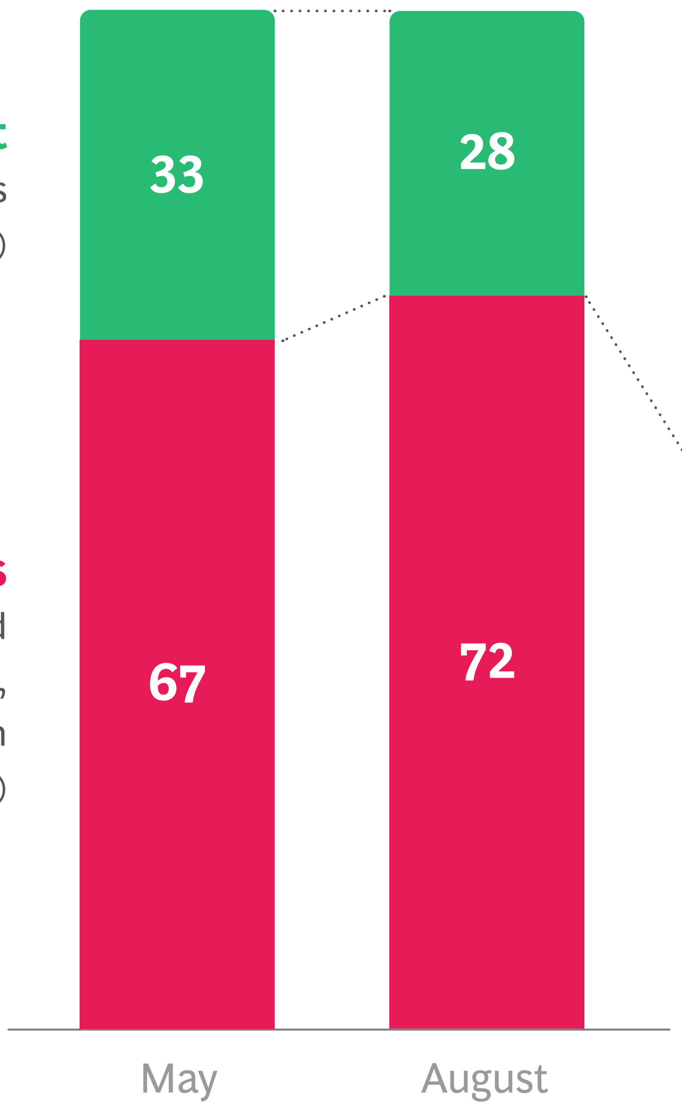
Source: BCG COVID-19 Consumer Sentiment Survey, August 2021 (n = 4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: "How much do you agree with each of the following statements about the COVID-19 pandemic?" and "Which of the following do you think poses the greatest risk to how long the pandemic will continue? Please select up to 3." and "You said you are [doing activity] less today compared to before the pandemic. Why has this decreased? Select up to 3 reasons."

Consumers Indicate That They Are Slightly More Cautious Now Than in May, but About 30% of Those Going Unmasked Say They Are Just Tired of Restrictions

Current comfort level with returning to pre-COVID-19 activities (% of all respondents)

Confident
(attend indoor gatherings without masks)

Cautious
(try not to leave home, attend outdoor gatherings only, or always wear mask when attending indoor gatherings)



Confident consumers feel safe because of vaccination or want to return to normal, while cautious consumers feel unsafe doing activities without a mask

Top reasons for being confident

1. I feel relatively safe because I am partially/fully vaccinated (48%)
2. I feel safe/I am not worried about doing these activities without a mask (43%)
3. I am tired of wearing a mask/social distancing/etc. and want to return to normal (29%)

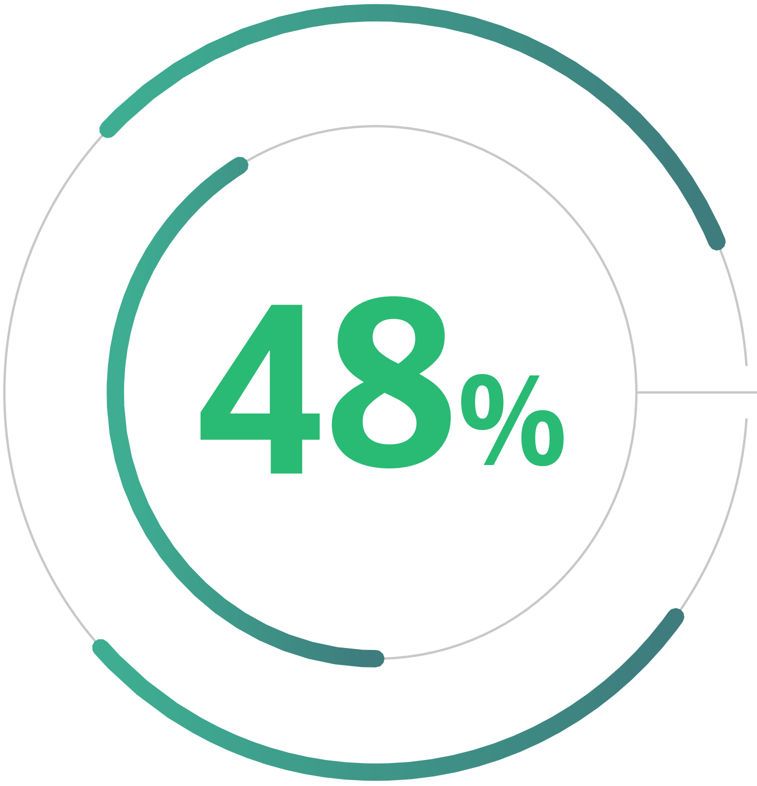
Top reasons for being cautious

1. I do not feel safe/I am worried about doing these activities without a mask (54%)
2. CDC guidelines said that it is not safe to return to these activities (36%)
3. I think COVID-19 poses a significant risk to me (34%)

Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: "Which of these options best describes your current comfort level in returning to pre-COVID-19 activities?" and "You said that you do not generally participate in indoor gatherings without a mask. Why not? (Select up to 3 reasons.)" and "You said that you are comfortable returning to pre-COVID-19 activities without a mask. Why? (Select up to 3 reasons.)"

To Regain Pre-COVID-19 Comfort Levels, People Say That the US Population Must First Achieve a Very High Vaccination Rate

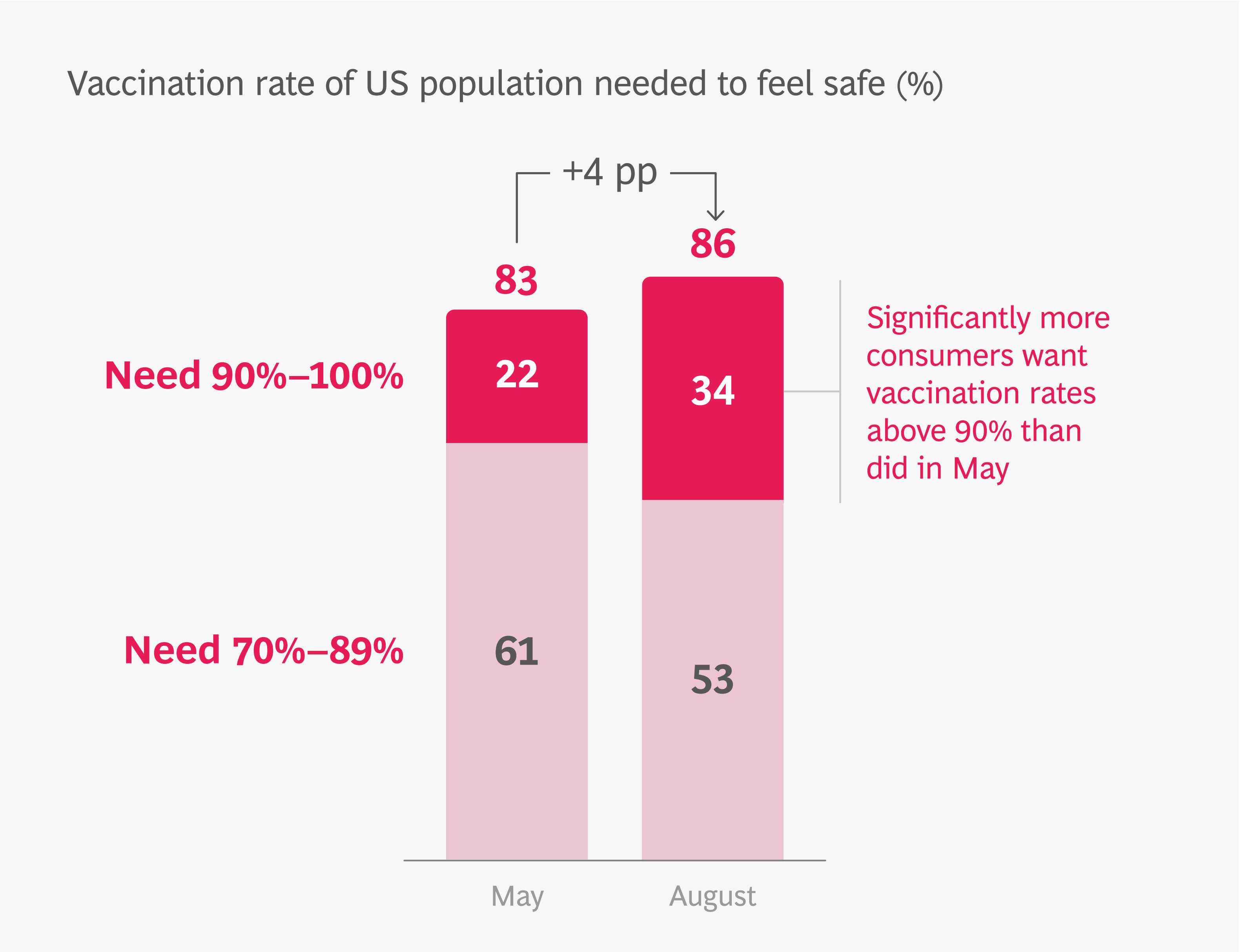
A higher US vaccination rate is the top prerequisite for consumers to return to large, indoor gatherings without masks[1]



of respondents require more of the US population to get vaccinated

↑ 4 Change vs. May 2021 (percentage points)

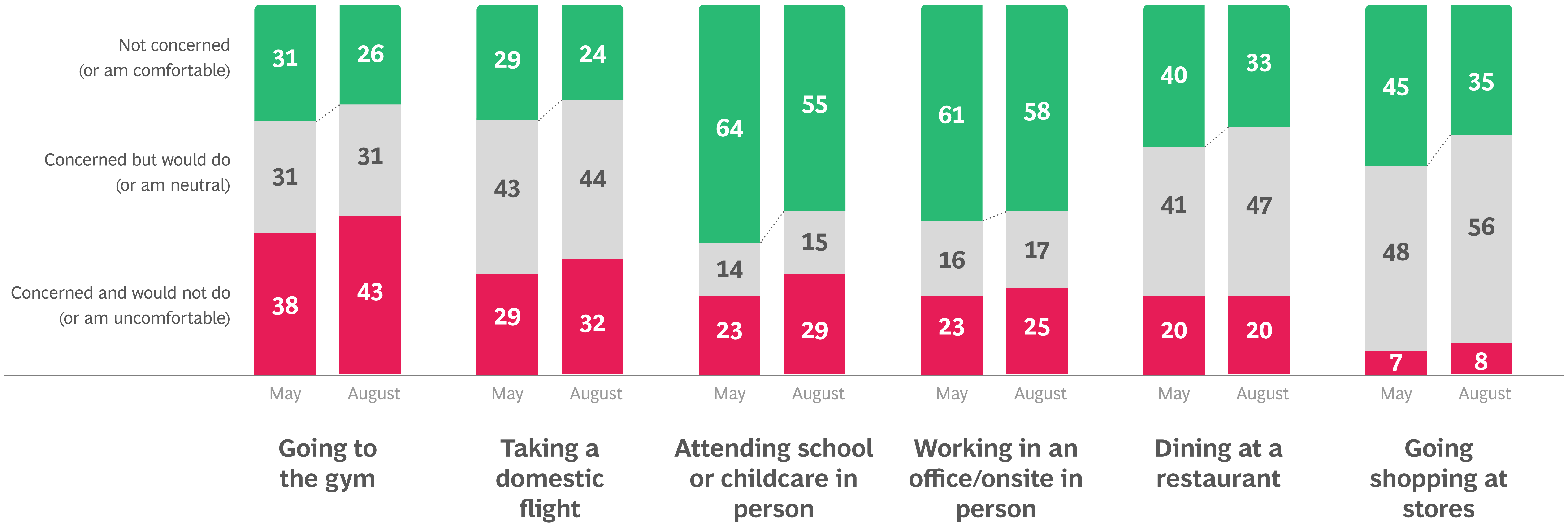
People want more of the general population to be vaccinated (% of respondents)



Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558-4,820, unweighted, representative within ~3 percentage points of the US census).
Note: pp = percentage points. Question text: “Which of these are required for you to participate in any large (>15 people) indoor gathering without masks? Select any that apply” and “What level of vaccination of the US population would be needed for you to start doing [this activity] again, in line with your pre-COVID-19 comfort level?” Because of rounding, the difference between the May and August bar chart percentages is 4 pp rather than 3 pp.
[1] “Large indoor gatherings” refers to events attended by more than 15 people. (Besides “Higher US vaccination rate,” other answer options were “I am fully vaccinated,” “The rest of my family (excluding children) are vaccinated,” “My children are vaccinated,” “My community is determined to have reached herd immunity,” “There are COVID-19 safety precautions in place for this activity,” and “I don’t think I will ever feel comfortable with this again.”)

Overall, Consumers Are More Concerned and Uncomfortable About Doing Activities Today Than They Were in May

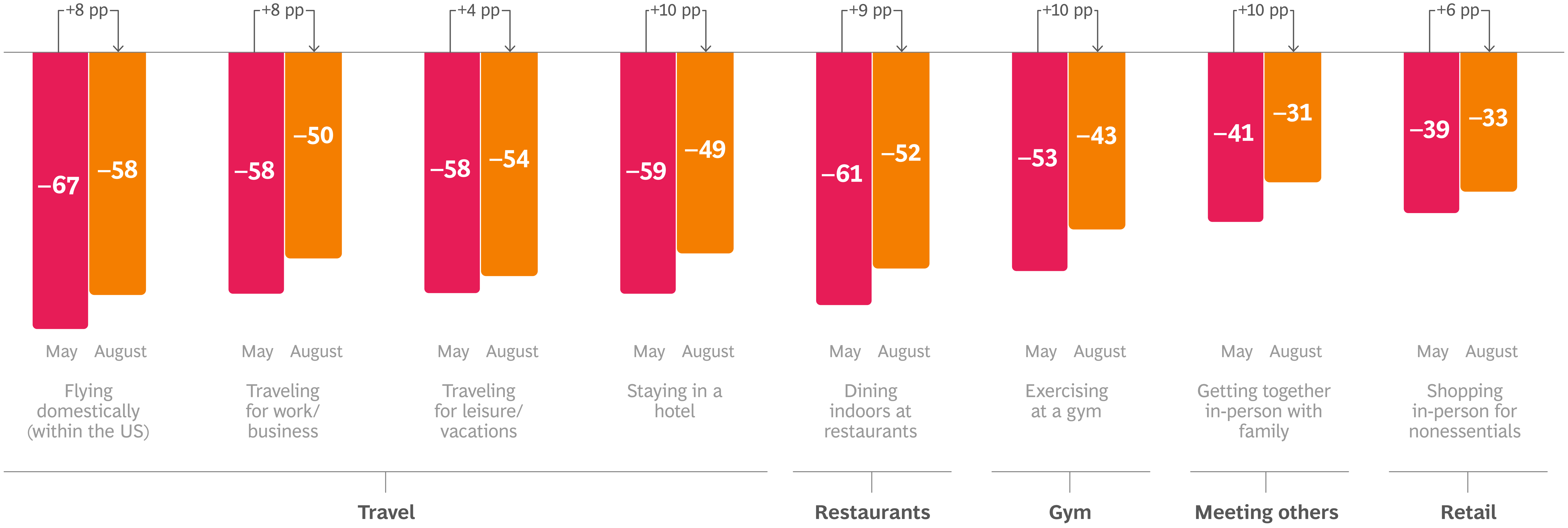
How concerned/comfortable are you with the following activities today? (% of respondents)



Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: "How concerned would you be about doing any of the following today?" (excluding "N/A – never did and won't do this") and "How comfortable are you currently with working in an office/onsite in person?" and "How comfortable are you with your [school age] year old child currently attending school or childcare in person?" (five-point scale: Very uncomfortable, Somewhat uncomfortable, Neutral, Somewhat comfortable, Very comfortable). Because of rounding, not all bar segment percentages shown add up to 100%.

Despite Their Concerns, Consumers Are Engaging in Various Activities at a Higher Rate in August Than in May

Net change in consumers' habits from May to August vs. before COVID-19 (%)

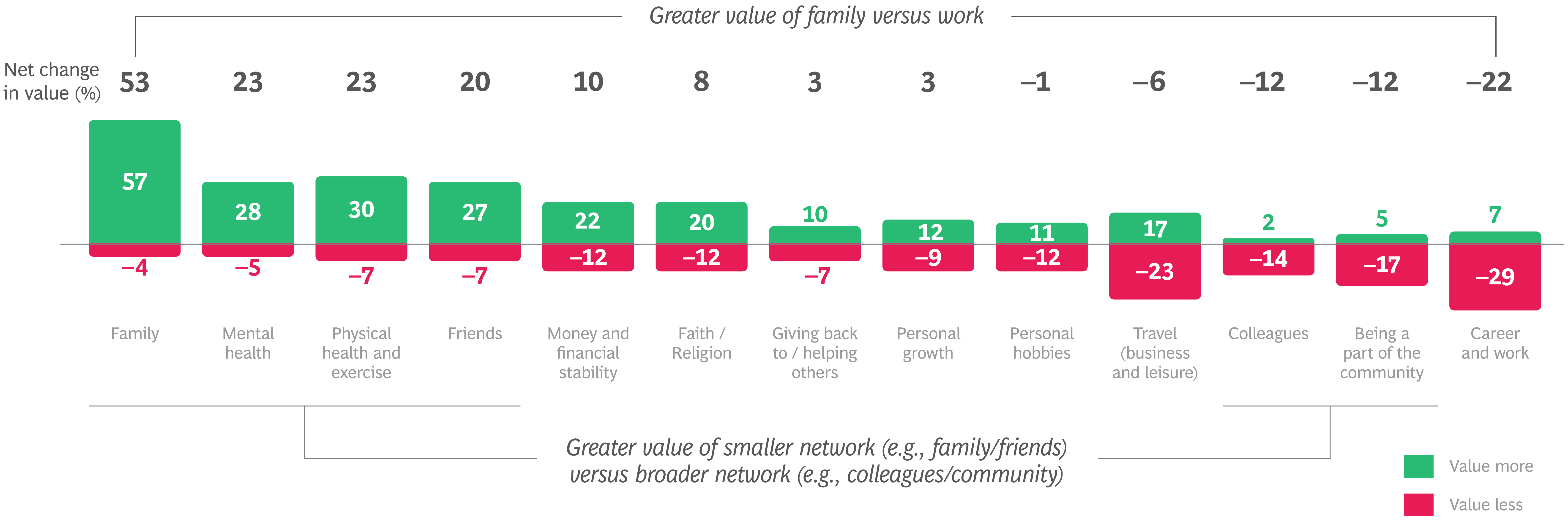


Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: pp = percentage points. Question text: "Which of the following best describes how much you are doing each of the following activities today compared to before the COVID-19 pandemic?" Net change in consumers' activity levels in May/August vs. before COVID-19, where "net change" is the difference between the percentage of respondents who are doing more of the activity and the percentage of respondents who are doing less of the activity. The graph excludes "Not applicable" data. Because of rounding, not all percentage-point differences match the expected differences between the pairs of bar chart percentages given.

COVID-19 Has Led to a Shift in Priorities, with More Value Placed on Family and Health, and Less Value on Career and Community Participation

Which of the categories do you prioritize and value more/less in life now than before COVID-19?

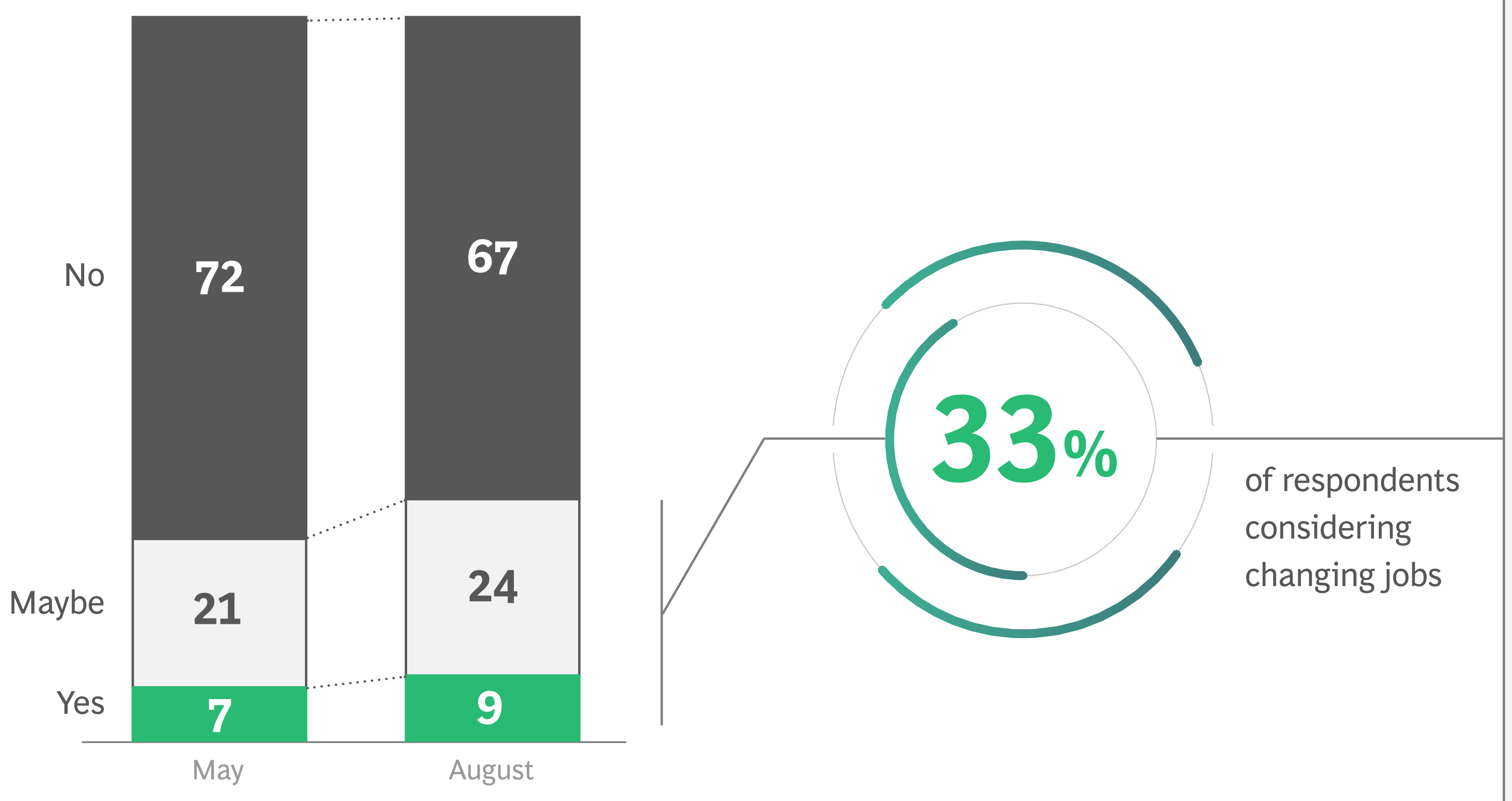
(% of respondents)



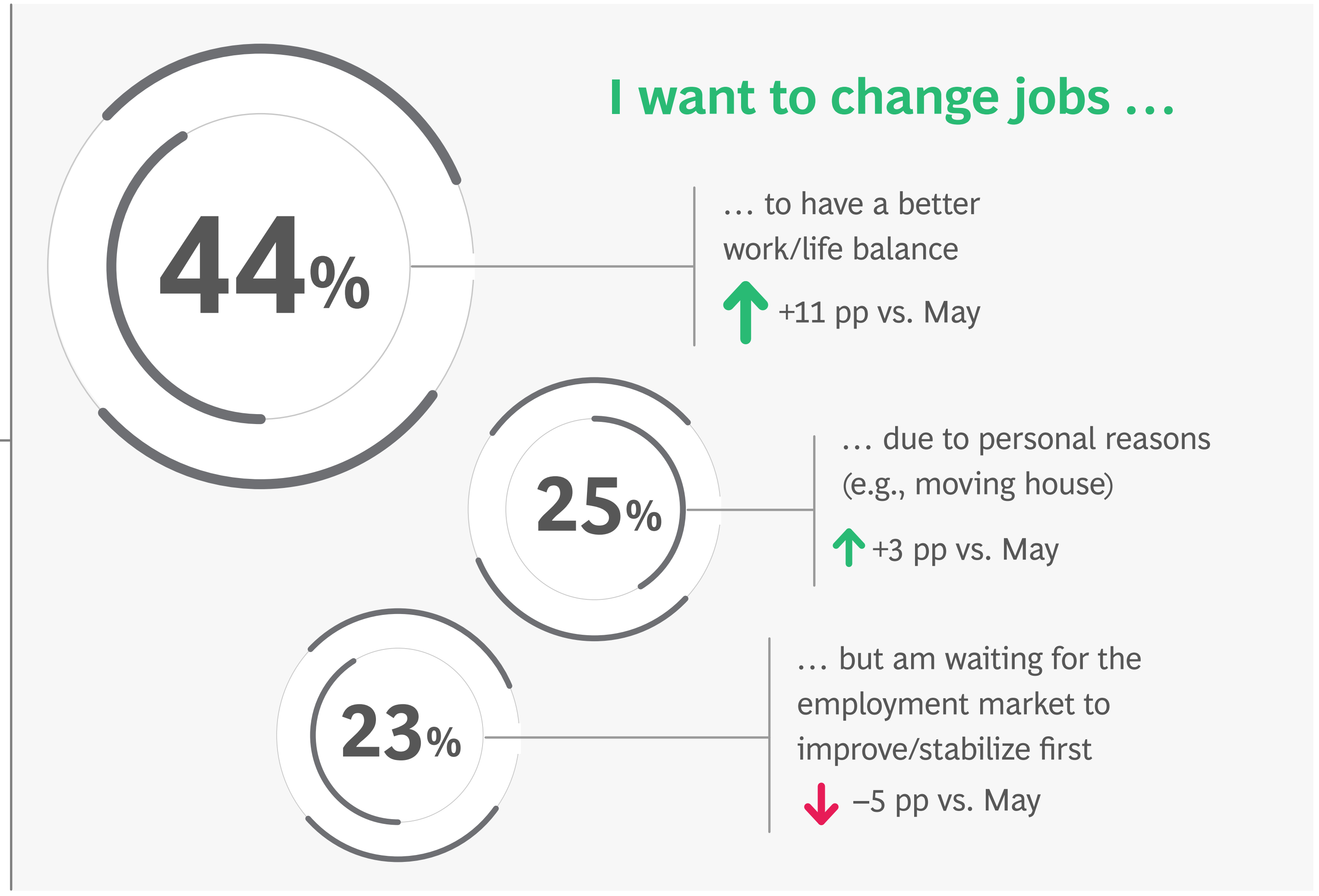
Source: BCG COVID-19 Consumer Sentiment Survey, August 2021 (n = 4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: "Which of the categories below do you prioritize and value more in life now than before COVID-19? (Select up to 3.)" and "Which of the categories below do you prioritize and value less in life now than before COVID-19? (Select up to 3.)" Results for "None of the above" and "Other" are not shown in this graph.

More People Are Planning to Change Jobs in the Next Year, Reflecting a Desire for a Better Work-Life Balance and a Perception That the Market Is Stronger

Employees planning to change jobs in the next 12 months (% of respondents)



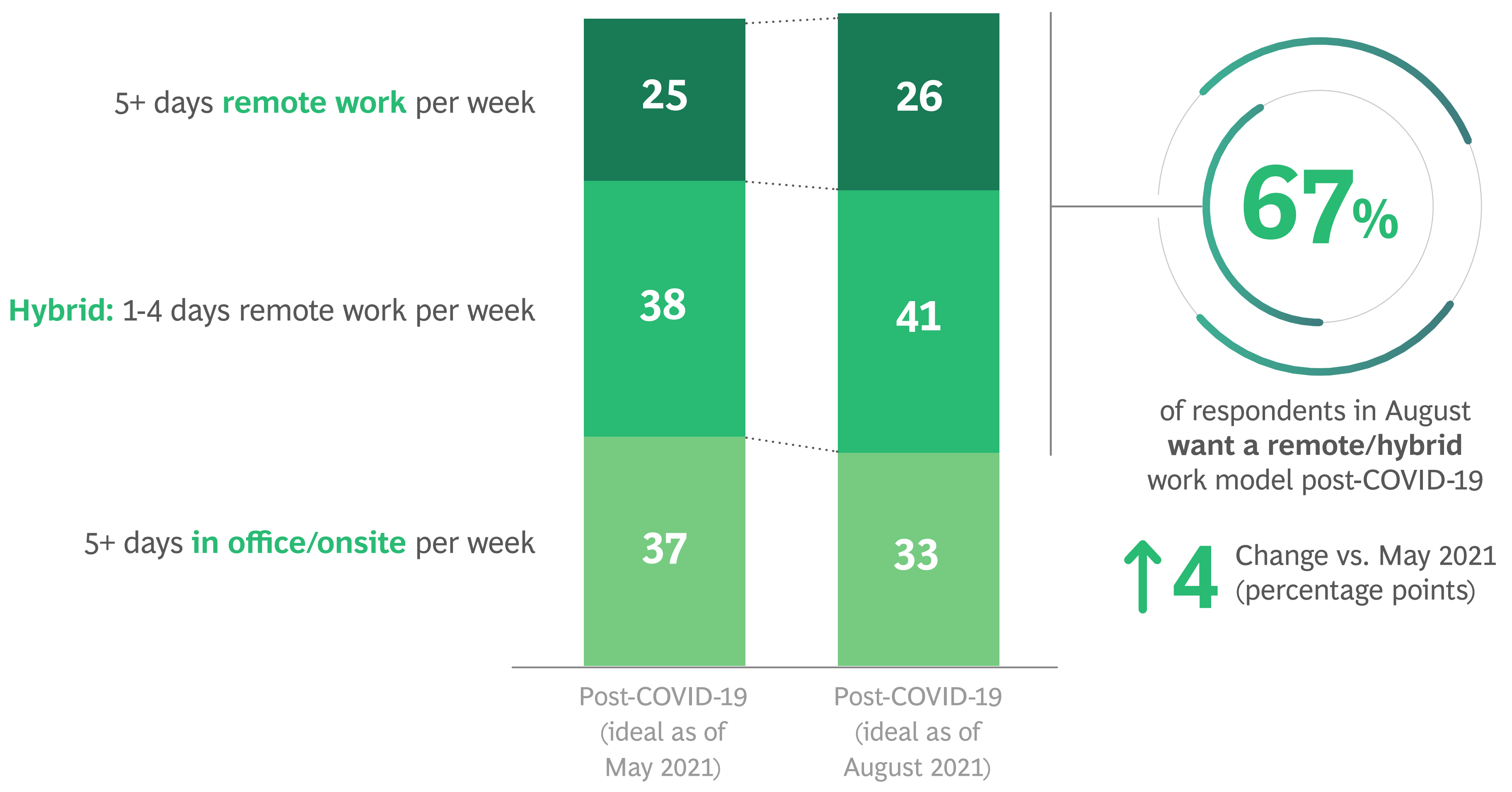
Top reasons for changing jobs over the next 12 months (% of respondents)



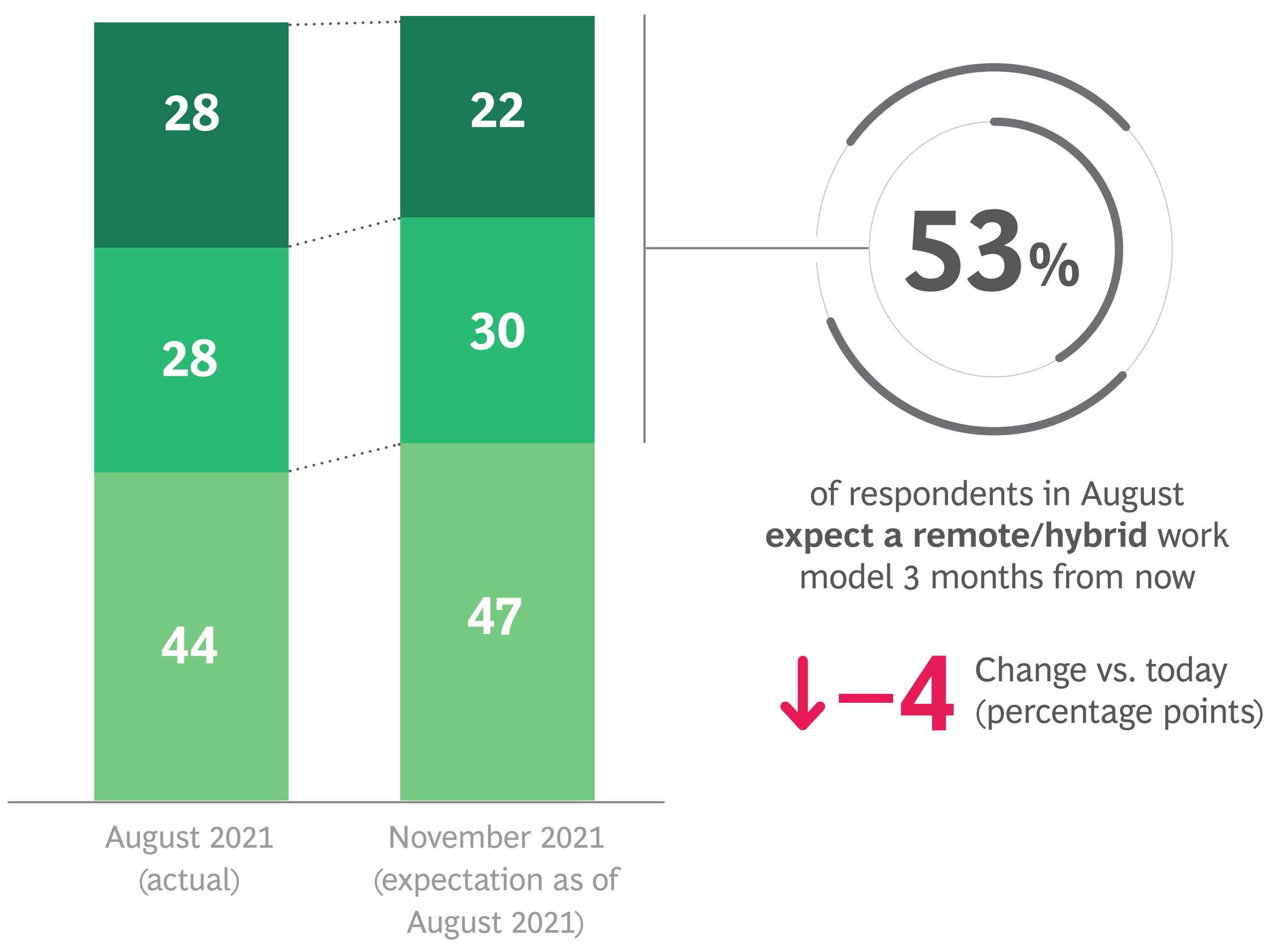
Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: pp = percentage points. Question text: "Do you plan to change your job (i.e., switch employer) in the next 12 months?" and "Which of the following best describes where you worked pre-COVID-19, today, and expectation post-COVID-19?" and "Which of the following describe your employment plans? Select any that apply." (May n = 337; August n = 450).

Employees Increasingly Express a Desire for a Remote/Hybrid Work Model, but Decreasingly Expect That Their Employer Will Offer It

Ideal/preferred working situations (% of respondents)



Actual and expected working situations (% of respondents)



Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: "On average, how many days per week did you work remotely/from home before the COVID-19 pandemic, today, and expect to 3 months from now?" and "What would be your ideal/preferred working situation post-COVID-19 (i.e., 2022 onward)?" (May n = 1,213; August n = 1,381). Because of rounding, not all bar segment percentages shown add up to 100%.

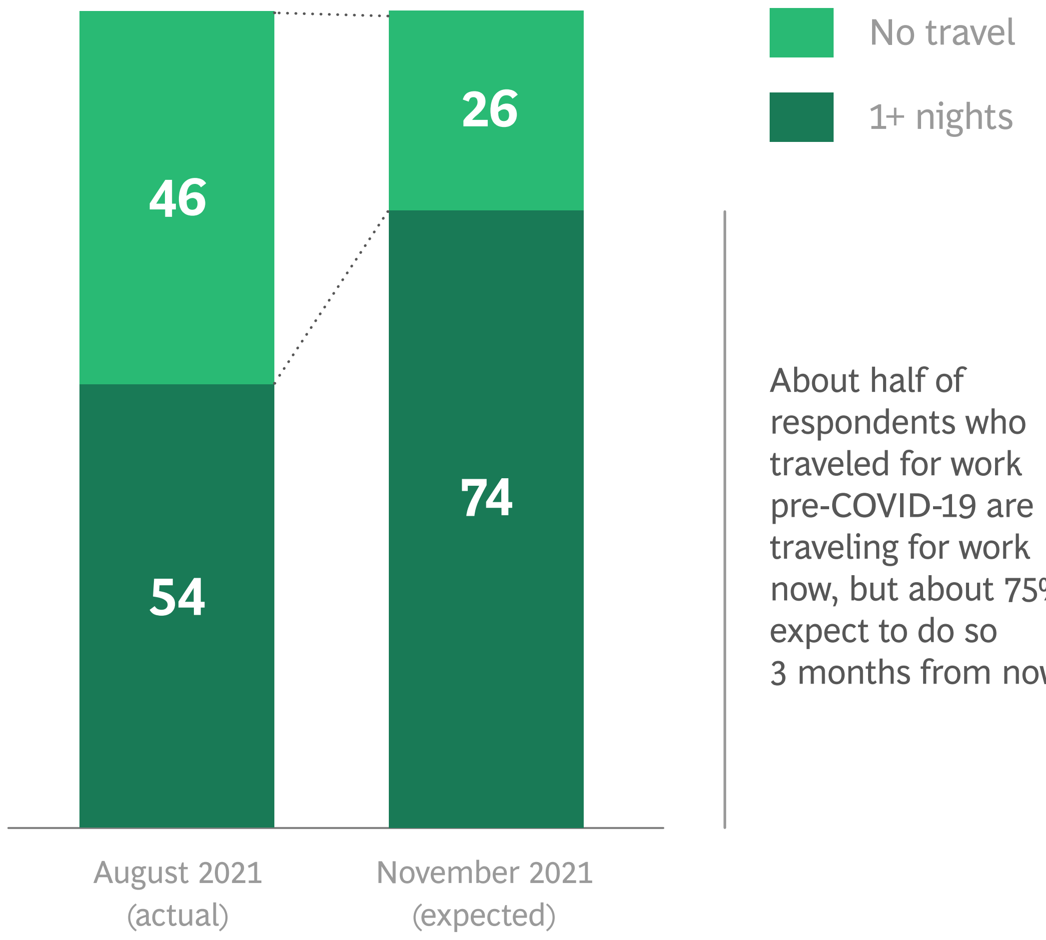
Some Employees Who Previously Traveled for Work Do Not Expect to Do So in the Future, in Part Because of Changing Workplace Expectations

Before COVID-19

42%

of respondents were traveling for work

Current and expected future work travel among respondents who traveled at least one night each month pre-COVID-19



About half of respondents who traveled for work pre-COVID-19 are traveling for work now, but about 75% expect to do so 3 months from now

Top reasons for less work travel

1. Worried about catching a virus (such as COVID-19)
2. My job expects/requires less work travel
3. See less need to travel for work as the same activity can be done remotely

Post-pandemic:

66%

of employees are in favor of having the **flexibility to work from anywhere**

↑ **6** Change vs. May 2021 (percentage points)

Source: BCG COVID-19 Consumer Sentiment Survey, May 20–23 and August 6–8, 2021 (n = 4,558–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: “On average, how many days per month did you travel for work (i.e., work away from the city where you live) before the COVID-19 pandemic, today, and expect to 3 months from now?” (May n = 634; August n = 704; 0 nights n = 410; 1+ nights n = 294) and “What are the main reasons you plan to do less work travel post-COVID-19 vs. pre-COVID-19? Please select up to 2 reasons.” (August n = 111) and “Which of the following practices would you like to see continued after the COVID-19 pandemic is fully over?” (5-point scale from “Strongly against” to “Strongly in favor”; “in favor” includes “Somewhat in favor” and “Strongly in favor”) (May n = 1,925; August n = 2,013). The 58% of respondents who reported not traveling for work pre-COVID-19 are not included in this data.

US – August 2021

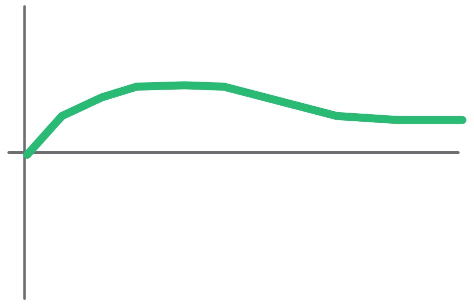
Consumers Report a Temporary Surge/Decline in Some Categories of Spending While Other Categories Are Likely to See Long-Term Structural Shifts in Spending

Graphs are illustrative

← *Long-term lift* — *Temporary surge* — *Temporary decline* — *Long-term decline* →

COVID-19 winners

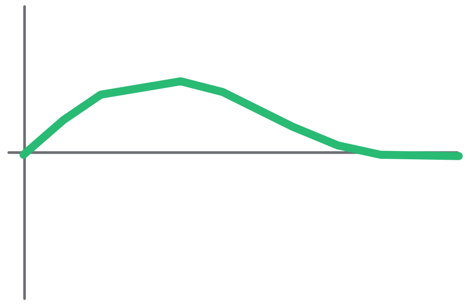
Upshift



Near-term COVID-19 surge becomes structural as a result of shifts in consumer behavior or macrotrends

- Household cleaning and care products
- In-home entertainment
- Delivery/takeout
- Pet supplies and services

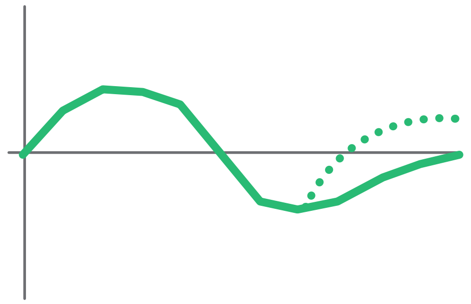
Mountain



After a temporary surge due to COVID-19, growth returns to pre-pandemic levels

- Packaged/frozen foods
- Grocery

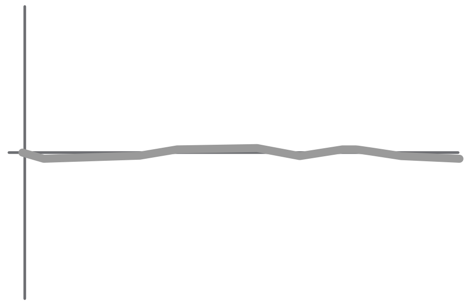
Forward buying



Demand surge in the medium term, often followed by a short correction; long-term growth is at or above pre-COVID-19 levels

- Home furnishings and décor
- Pets
- DIY/home improvement

Steady flow

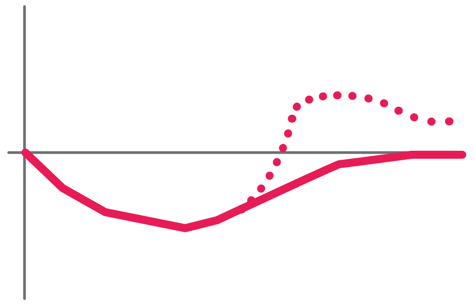


Demand is resilient throughout the pandemic and continues on the same trajectory afterward

- Mobile services
- Education

COVID-19 losers

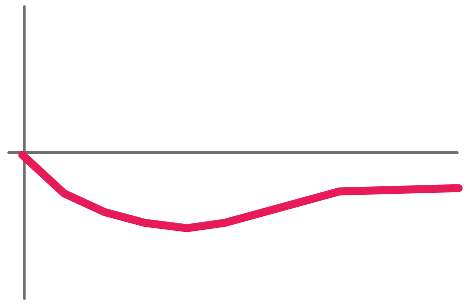
Valley



After a decline due to COVID-19, growth returns to pre-pandemic levels or better; in some categories, pent-up demand may cause a temporary bubble

- Childcare
- Beauty (cosmetics, personal care)
- Leisure travel
- Fashion/luxury apparel and accessories
- Elective medical procedures
- Restaurant (dine-in)
- Automobiles

Downshift



Near-term COVID-19 loss becomes structural as a result of shifts in consumer behavior or macrotrends

- Public transport
- Business travel

Source: BCG COVID-19 Consumer Sentiment Survey, March 2020–August 2021 (n = 2,000–4,820, unweighted, representative within ~3 percentage points of the US census).
Note: Question text: March-November 2020 respondents: "How do you expect your spend to change in the next 6 months across the following areas? Please compare to your spending before the coronavirus outbreak."; August 2021 respondents "Approximately how much do you spend on the following categories today compared to before the COVID-19 pandemic (i.e., 2019)?" and "Think ahead to 2022, after the COVID-19 pandemic is fully over. How do you expect your spending to change compared to your spending before the COVID-19 pandemic (i.e., 2019)?"