IMI

Impact of the Coronavirus on Consumer Behavior

Completed Feb 28th to March 1st, 2020

COVID-19 : March 2020 - Study Overview on Consumer Attitudes

Faced with continued uncertainty across North America and across the globe among our clients, NextWave by IMI completed a comprehensive quantitative online study with over 4,000 people 13+ years of age across North America to identify:

- **The % of people with NO intention to change behavior due to the Coronavirus;**
- **Intention for the next 3 months: consumer intention to do fewer things due to the potential risk; and**
- **Attitudes towards their plans for the next 3 years.**

We encourage you to share this information with those who it can help make decisions.

FUTURE WAVES – The next wave of this study will be released in Mid March 2020 with additional categories/habits explored.

If you would like more information, please feel free to contact dmayo@consultimi.com or sstovold@consultimi.com.

Will nothing change?

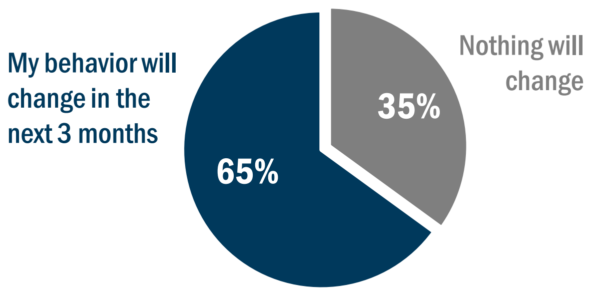
% that will NOT CHANGE their action due to COVID-19 in the next 3 months

March 2020 : USA and Canada : N=4,000+

- As of March 1st, 2020, in the next 3 months, approximately 6 in 10 people across North America will do specific ‘out of home’ activities **MUCH LESS** due to the Coronavirus.
- Findings are consistent across age and gender.
- **The next sections of this overview will identify some of the activities that will be negatively impacted if people in North America follow through on their intentions.**

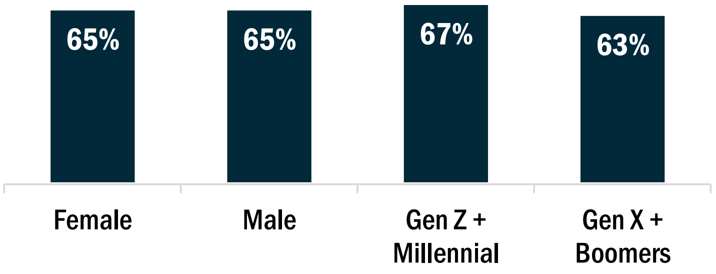
U.S. Intentions

13+ years of age



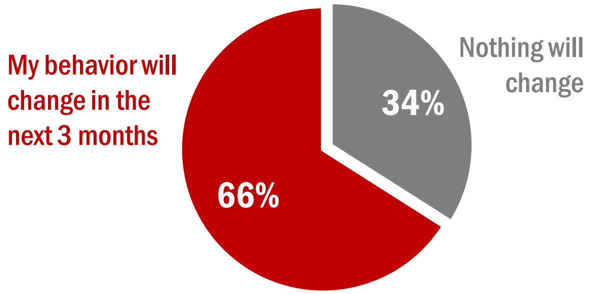
U.S. Behaviors

Will Change in the next 3 Months



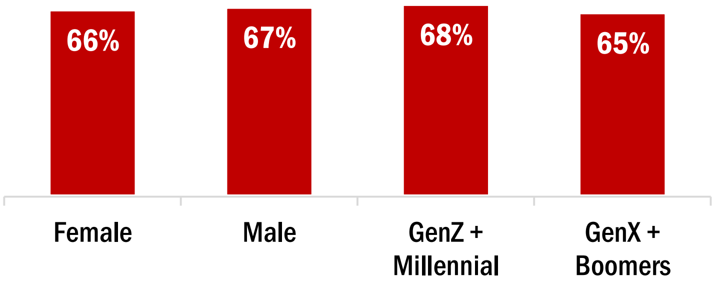
Canadian Intentions

13+ years of age



Canadian Behaviors

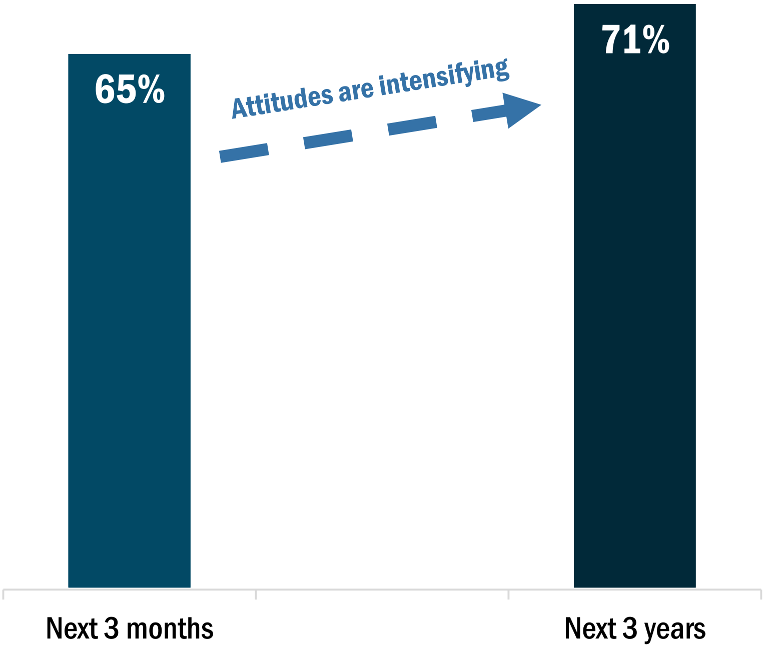
Will Change in the next 3 Months



Intend to do much less in the next 3 months – vs. the next 3 years

March 2020 : USA and Canada : N=4,000+

U.S. intending to modify behavior due to the Coronavirus

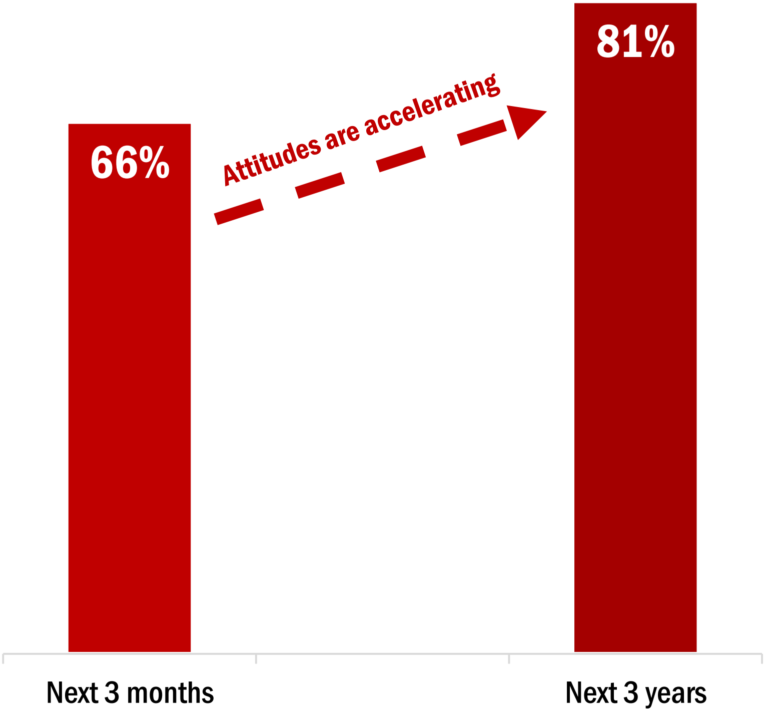


IN SUMMARY – CURRENT STATE

Comparing what people are **'much less likely to do' in the next 3 months vs next 3 years shows** reveals anticipated intensification - demonstrating the uncertainty today and what lies ahead. This will obviously result in a negative impact on spend with non-essential products and services – that will most likely increase and intensify in the coming weeks/months.

Unfortunately, this downward pressure will be far reaching, to include anything from travel, to public transit, to hotels, to restaurants, to movies, to shopping, and with potentially more to come.

Canadians intending to modify behavior due to the Coronavirus



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Intend to do MUCH LESS in the next 3 months

Completed Feb 28st to March 1st, 2020

Content Covered – March 2020

Section 1
Impact on doing much less in the <u>next 3 months</u>

- Travel
- Mode of Travel
- Going to Events
- Restaurants
- Shopping – Grocery/Malls
- Physical Activity out of the home
- Visiting with Friends and Family

Section 2
Intention to doing much less in the <u>next 3 YEARS</u>

Summary Overview

IMI 24™ - N=4000 13+ Years of age across North America.

- Almost 4 in 10 consumers across North America state that the current Coronavirus will not impact their intention to live their lives. While 6 in 10 do intend to modify behavior in the next 3 months to limit their risk.
- There will be downward pressure on public places and walk-up crowds across North America.
- From these realities, it is IMI International's expectations that it can be expected that there is likely to be an increase spike in online services, and solutions that enable people across North America to avoid large crowds, unknown contact points and public areas. However, for these online services to optimize their potential, they must ensure the consumer perception of an untainted supply chain throughout.

Impact on Travel

What are consumers <u>much less likely</u> to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON TRAVEL

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Travel outside of my country	32%	28%	Significant IMPACT
Travel outside of my state/province	18%	18%	Significant IMPACT
Travel outside of my city	10%	9%	
Go out of my house	7%	9%	

Implications

As expected, the greatest impact on travel will be suppressing travel outside of people's country (USA – 84Million : CAN – 8Million). But there will also be significantly less travel outside of state/province and even outside of their city and their home.

Impact on Mode of Travel

What are consumers much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON MODE OF TRAVEL

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Travel by Plane	25%	23%	Significant IMPACT
Use public transportation	16%	20%	Significant IMPACT
Use a cab, Uber or Lyft	9%	8%	
Stay in a Hotel	7%	12%	

Implications

As expected, the greatest negative impact on mode of travel will be people MUCH LESS likely to travel by plane – translating to 67 million Americans and over 6 million Canadians being MUCH LESS likely. But there is also significant downward pressure on using public transportation across North America – which will impact business of all varieties.

There is also substantial downward pressure on hotels across the Canadian market.

Impact on Events

What are consumers much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON GOING TO EVENTS

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Go to a concert	16%	15%	Significant IMPACT
Go to a community festival	15%	20%	Significant IMPACT
Go to a sporting event	11%	14%	Significant IMPACT
Go to a movie	10%	13%	
Go to charity fundraiser - volunteer	9%	8%	
Go to the theatre or play	9%	13%	
Go to a museum	9%	11%	

Implications

As expected, people intend to do much less outside their home in the next 3 months. Whether it is people going to a concert, festival or sporting event - with over 50 million in the USA and 7.5 million in Canada being MUCH LESS likely to do one of these three activities in the next three months.

The impact is far reaching, inhibiting people going to movies, charity events, museums, and the theater.

Dining Out

What are consumers much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON GOING TO RESTAURANTS AND BARS

Aided list on what they intend to do MUCH LESS

	USA	CANADA
Go to watch a sporting event at a bar	12%	13%
Go out for lunch to a restaurant	7%	14%
Go out for dinner to a restaurant	8%	5%
Go out for breakfast to a restaurant	9%	7%

Implications

The impact on people going to restaurants and bars is under downward pressure during the next three months. Upwards of 30 million Americans and 4 million Canadians are much less likely to go to a bar to watch a sporting event.

While 20 million Americans and 2 million Canadians will attempt to reduce restaurant usage for breakfast, lunch, and dinner.

Impact on Retail

What are consumers are much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON GOING TO GROCERY STORES/SHOPPING MALLS

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Go to a shopping mall	12%	16%	Significant IMPACT
Go to a grocery store	8%	9%	

Implications

People are much less likely to visit a shopping mall in the next three months – with upwards of 30 million Americans and 5 million Canadians currently having this sentiment. Online shopping should be expected to increase during this time.

While a smaller but sizeable population of 20 million Americans and 2 million Canadians will attempt to reduce the amount they go to a grocery store.

Physical activity out of home

What are consumers are much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON PHYSICAL ACTIVITY OUTSIDE OF THE HOME

Aided list on what they intend to do MUCH LESS

	USA	CANADA
Go to a gym or fitness facility	8%	8%
Go out for a walk	5%	6%
Get for a run or hike	4%	7%

Implications

The impact on people's intention to do physical activity – their favorite things to do for exercise – is only slightly inhibited as of March 2020 due to the Coronavirus.

Impact on Friends/Family

Defining what People are much less likely to do in the next three months due to the Coronavirus?

IMI 24™ : March 1st, 2020, N=300+ per action per country

THE IMPACT ON VISITING / GETTING TOGETHER WITH FRIENDS AND FAMILY

Aided List on what they intend to do MUCH LESS

	USA	CANADA
Go meet friends	7%	6%
Get together with friends	7%	5%
Get together with family	7%	3%

Implications

The impact on people socializing and getting together with friends and family – inside or outside their home - is only slightly inhibited as of March 2020 due to the Coronavirus.

IMI

Which activities you are much less likely to do in the next three years due to the Coronavirus?

Completed Feb 28th to March 1st, 2020

This next section assesses current attitudes about the next 3 years.

Results should be viewed with extreme caution, as current attitudes are NOT predictive of the future, rather they reveal underlying attitudes and emotions of today.

Next 3 years – travel

Activities people are <u>much less likely</u> to do in the next 3 years due to the Coronavirus

IMI 24™ : March 1st, 2020, N=300+ per action per country

Aided list: Current Attitudes toward travel outside of the Country in the next 3 YEARS

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Consider going to China	29%	31%	Potential IMPACT
Consider going on a Cruise	23%	25%	Potential IMPACT
Consider going to Europe	15%	15%	Potential IMPACT
At least one of China, Europe, Cruise	**38%**	**39%**	Potential IMPACT

Implications

As expected, attitudes and emotions toward traveling much less in the future are significant. There are just over 38% of North Americans – equivalent to 111 million consumers – stating they will be Much Less Likely to travel to China, Europe, or on a Cruise in the next 3 years.

China and the cruise industry have a significant challenge ahead to reverse these perceptions.

Next 3 years – plane/hotel

Activities people are much less likely to do in the next 3 years due to the Coronavirus

IMI 24™ : March 1st, 2020, N=300+ per action per country

Aided list: Current Attitudes toward travel by plane or stay in a hotel in the next 3 YEARS

Aided list on what they intend to do MUCH LESS

	USA	CANADA	
Consider flying on a plane	15%	16%	Potential IMPACT
Consider staying in a hotel	7%	9%	
Fly on a plane/ Stay in a hotel	19%	21%	Potential IMPACT

Implications

As expected, current attitudes and emotions toward traveling much lessby plane in the next 3 years are significant with 15% of North Americans currently claiming this intention.

This negative sentiment is much lower for staying in hotels and /or travelling on planes – when compared to travel to China or on a cruise, but still 57 million people across North America currently share the intention of using planes or hotels much less in the next 3 years.

Next Update – March 18th, 2020

Questions, requests or info please contact: dmayo@consultimi.com