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TRUE GLOBAL
INTELLIGENCE

COVID-19 MINDSET: HOW PANDEMIC TIMES ARE SHAPING CONSUMERS

CHINA REPORT

April 2020

CRISES ARE NOT ISOLATED EVENTS. THEY ARE COLLECTIVE EXPERIENCES THAT DIVIDE EACH ERA FROM THE NEXT BECAUSE THEY FOREVER CHANGE THOSE WHO LIVED THROUGH THEM.

In just a few short months, this pandemic has changed our perceptions of the world to a degree typically seen only over years and decades.

Our findings reveal changes in priorities, values and relationships driven by the role we all must play to mitigate the pandemic and its effects on society. As consumers and employees, this means a renewed focus on organizations as employers and places of public life. For brands and employers, this means the choices they make now will reverberate in consumers' purchase decisions and workers' employment decisions for years beyond the pandemic.

We face extraordinary uncertainty. We don't know what work, home, school or public life will look like in the months and years ahead. To chart a path forward requires meaningful research and deep human compassion. We must understand what we expect of each other and how this crisis is reshaping our perceptions, behaviors, values and societies.

- Natasha Kennedy
TRUE Global Intelligence
Global Managing Director

EMPATHY, PATIENCE, SUPPORT AND COOPERATION MAY BE THE NEW CHARACTERISTICS OF SUCCESS

1.

Live your values

- The fears and expectations of consumers are reshaping their definition of what it means to be a good organization or brand.
- Your values are on display.
- Consumers are evaluating your actions.
- Do more now. It will matter later.
- Imperfection is met with forgiveness. Inaction will be met with scorn.
- Talk about how you are helping your employees and communities. But now is not the time to look for public credit.

2.

Be the best employer

- Many organizations face a conflict between the commitments they have made to support employees, and the existential necessity of cutting their costs and payroll.
- Consumers expect employers to do everything possible to support employees.
- Be ready to show how far your organization has gone to retain its workforce, and to provide those who lose their jobs with benefit payments or rehire programs.
- Where possible, show employees, not the brand, as heroes.

3.

Pace the recovery discussion

- In most global markets, it is not time to push ahead with public discussion of recovery.
- Logically, it is important for the economy and the future of jobs, brands and companies for business to resume. But you risk long-term reputation damage if you appear unsupportive of containment efforts and overly commercial.
- Use an evaluation based on data to guide decisions about a return to topics beyond COVID-19.
- However, with expectations for return to normal now measured in weeks and longer, it is not too early to expand into detailed scenario planning, including communications toolkits for recovery.

4.

Reimagine the fundamentals

- Be ready for a more influential and involved role from government.
- Because respect for government has increased, companies that resist government direction, regulation or contractual obligations during this crisis should be prepared for limited support among consumers.
- Be ready to examine your organization's values, purpose and brands. Elements that may play a stronger role include cooperation with government and society as a whole, being a great employer, and stronger connection to concerns for health and financial well-being.

Nearly everyone is feeling the impact of the pandemic in some way
BY THE NUMBERS GLOBALLY

18%

Have a family member or friend whose health has been impacted by COVID-19

57%

Are currently subject to a stay-at-home requirement

63%

Say the pandemic has changed how they see companies as employers

78%

Are concerned for their health

46%

Are at elevated risk of major complications from COVID-19 because of their age, a pre-existing health condition, or both

49%

Don't want to hear about the crisis from a company they do business with unless it's about something they are doing to help them and others through this crisis

46%

Want the media to provide positive stories about how people are dealing with the crisis and each other

74%

Are concerned for their financial situation

73%

Say the pandemic has changed how they see the world

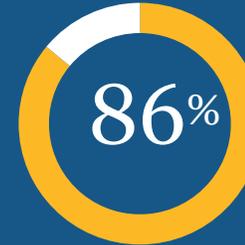
THE PERCEPTION CHANGES IN CHINA MARKET

Crises breed change, and the deeper the crisis, the greater the potential for changes. After several months of battling the virus and its economic effects, a majority of Chinese are reporting the pandemic has changed their perceptions.

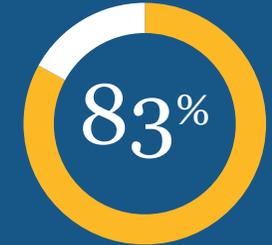
“The Coronavirus/COVID-19 pandemic has changed how I view ...”



The world



My country

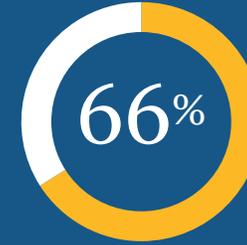


Companies as employers

China is the first country that has been severely impacted by beginning its public health and economic recovery, but...



are concerned for health



are concerned for financial situation

| 9 weeks |

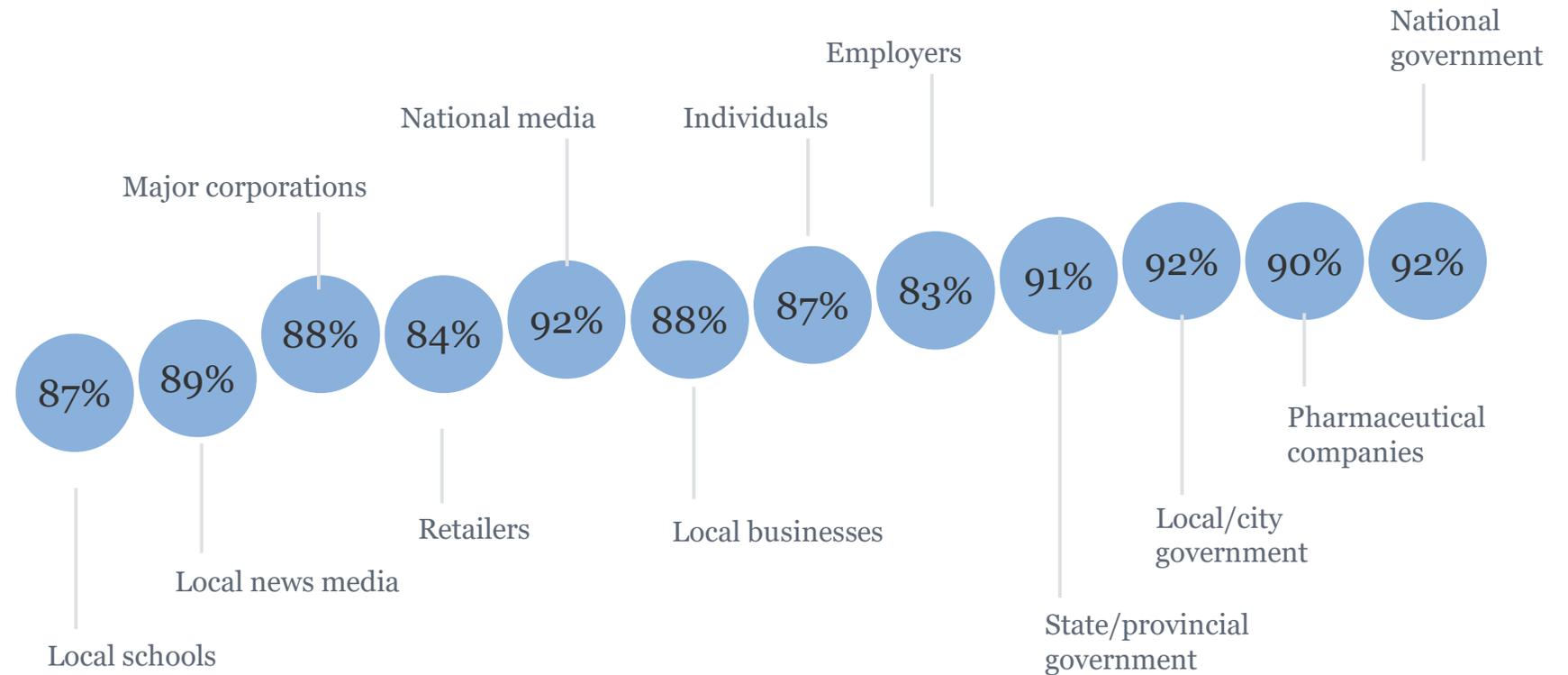
Until we return to “normal” life, according to the average adult 5

THE EXPECTATION IS THAT EVERYONE HAS A ROLE TO PLAY

Employers and corporations are seen as just as important as government and pharmaceutical companies.

Q: How important are each of the following in responding to the Coronavirus/COVID-19 crisis?

% rating institution “very important” or “somewhat important”



HOW WELL ARE INSTITUTIONS PERFORMING?

Employers score at the BOTTOM globally. China proceeds global and other countries in all the categories, and particularly in those of government, media and major corporations

Q: Please rate how well each of the following are doing in their role in responding to the Coronavirus/COVID-19 crisis.

*% rating institution's performance "excellent" or "great"
Top three institutions bolded for global and each country*

	Global	U.S.	U.K.	China	S. Korea	Italy	Germany
<i>National government</i>	47%	34%	50%	79%	43%	39%	37%
<i>State/Provincial government</i>	42%	44%	34%	70%	32%	39%	34%
<i>Local schools</i>	41%	50%	41%	67%	25%	32%	33%
<i>Pharmaceutical companies</i>	41%	34%	45%	66%	35%	39%	27%
<i>Local/city government</i>	39%	41%	31%	70%	28%	35%	28%
<i>Retailers</i>	38%	34%	43%	58%	13%	32%	45%
<i>Local businesses</i>	36%	42%	38%	62%	18%	29%	25%
<i>National media</i>	33%	32%	28%	72%	19%	24%	24%
<i>Local news media</i>	31%	34%	25%	64%	15%	21%	27%
<i>Major corporations</i>	30%	28%	22%	66%	28%	21%	17%
<i>Employers</i>	29%	30%	28%	58%	14%	19%	24%

IS THIS PERMANENT?

Consumer behavior has changed, and for many, those changes may persist past the end of the pandemic.

	NOW	AFTER THE PANDEMIC
BUYING BEHAVIOR	58% Are postponing purchases or travel	42% Intend changes to their buying behaviors to continue when the pandemic is over
LIFE DECISIONS	42% Are postponing major life decisions	23% Will take planning for major life decisions more seriously after the pandemic
FINANCIAL DECISIONS	21% Are postponing financial decisions	23% are committing to financial planning that takes into account the possibility of future crises
SAVING PLANS	19% Are saving more money than they normally do	25% Will save more than normal after the crisis ends

86%

Chinese consumers say the pandemic has changed the products and services they once thought were important.

Globally, 98% have undertaken some new practice or postponed or canceled plans or purchases, and 90% expect enduring changes after the pandemic ends.

CONSUMERS ARE PAYING ATTENTION TO HOW EMPLOYEES ARE TREATED

| 88% |

Report that the pandemic has changed “the value that essential workers have in society and the importance of their needs.”

| 45% |

Described employers taking better care of their employees as “very important” right now.

| 16% |

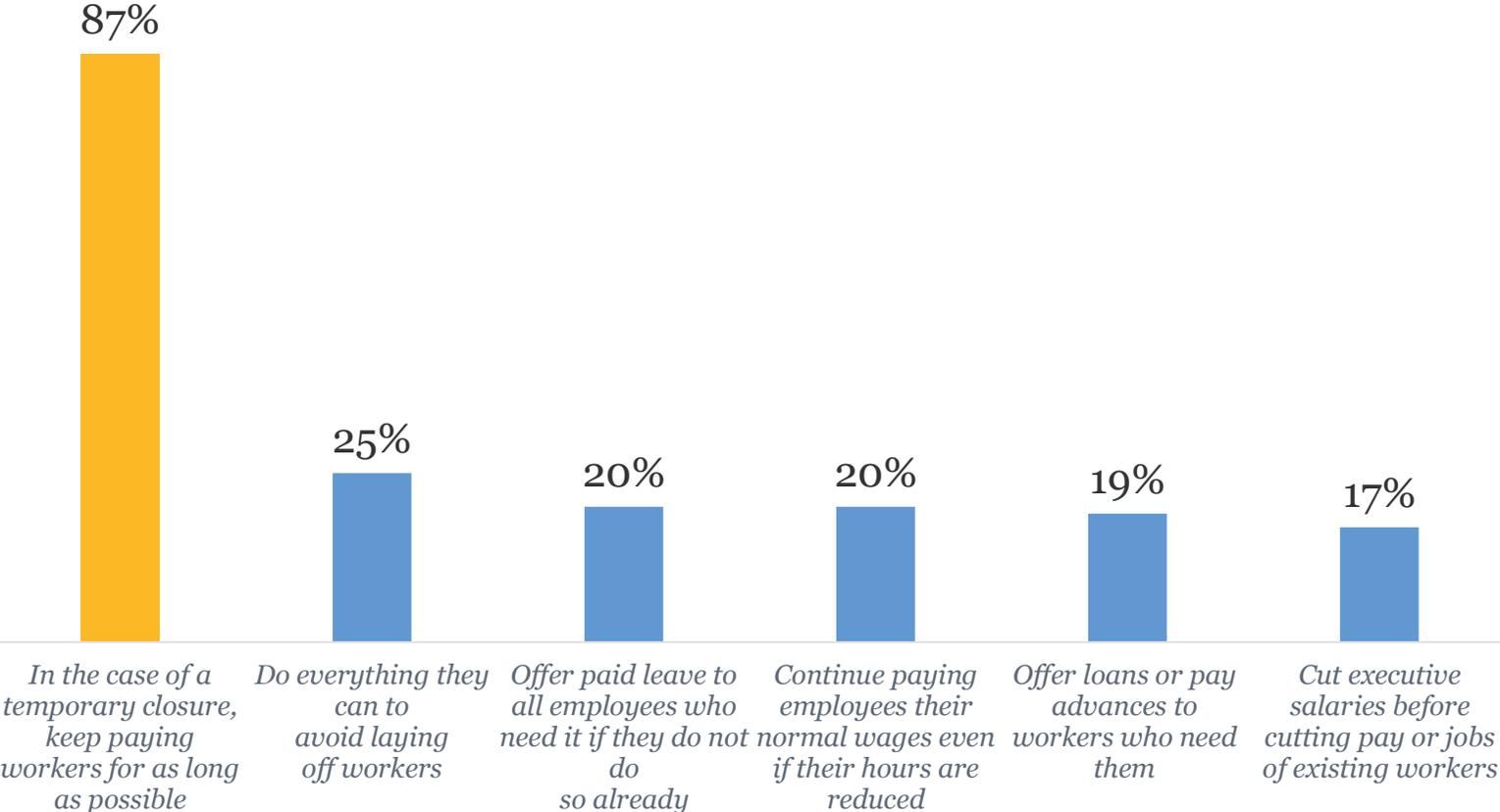
Intend to buy from companies that took care of their employees during the crisis.

Q: Agree/Disagree: The Coronavirus/COVID-19 pandemic has changed the value that essential workers have in society and the importance of their needs

Q: How important is it that companies demonstrate the following behaviors during this pandemic?

Q: Which of the following best describes how you feel your expectations and behaviors will change when this Coronavirus/COVID-19 pandemic is over?

Chinese Consumers identified many ways employers can be generous and creative mitigating the impact on workers, including:



Q: Agree/Disagree: If a business has to temporarily close, they should keep paying workers for as long as they can afford to

Q: Which of the following should companies and other organizations be doing, in your opinion, to support their employees in response to the Coronavirus/COVID-19 crisis?

CONSUMERS EXPECT COMPANIES TO SUPPORT WORKERS, YET UNDERSTAND LAYOFFS WILL HAPPEN

When asked, 78% say they understand that some companies will need to furlough and lay off workers, a majority that holds across these countries and in China.

Q: Agree/Disagree: It is understandable that some companies will need to furlough or lay off workers during this crisis

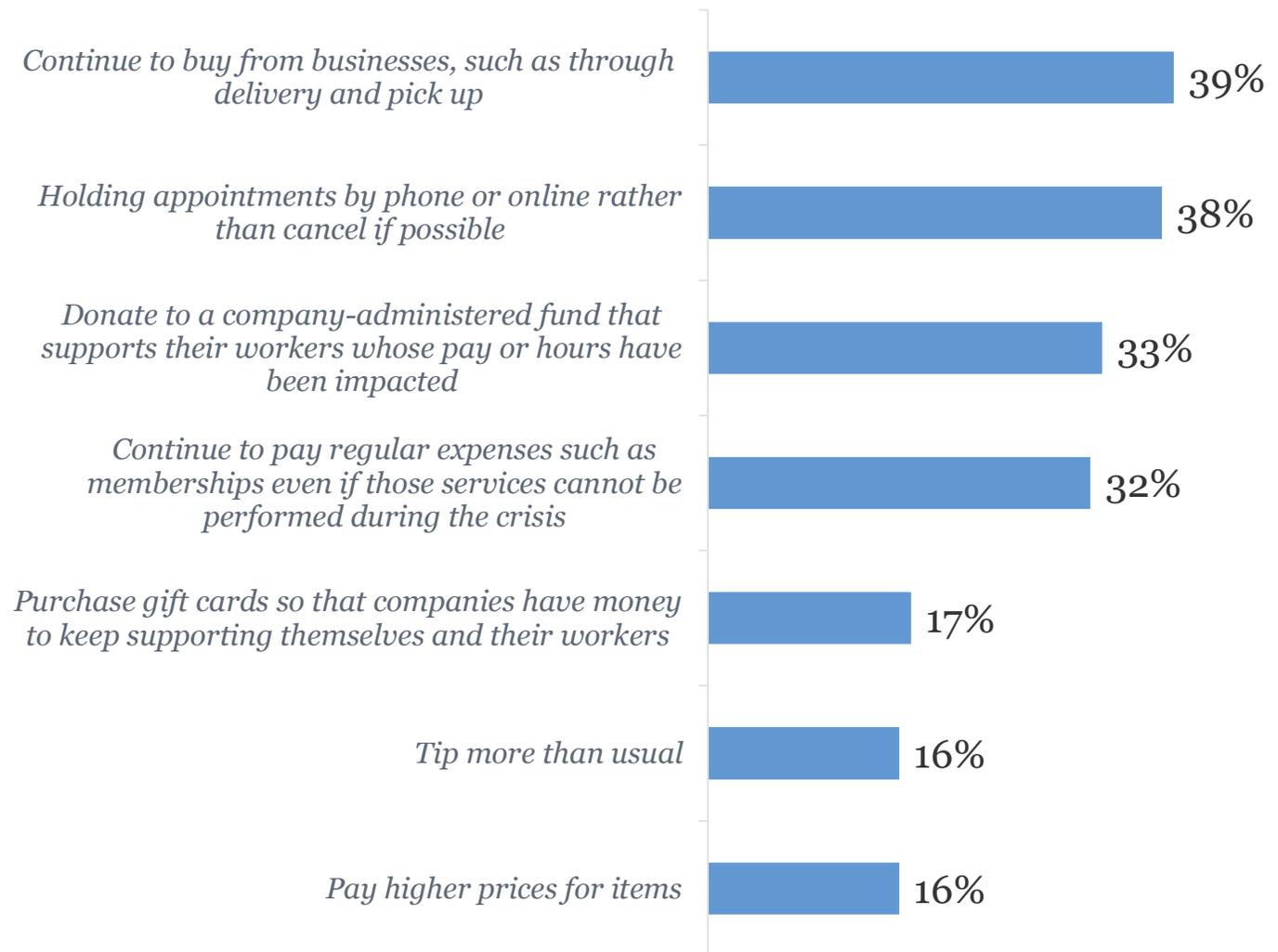
CONSUMERS ARE WILLING TO HELP BUSINESSES SUPPORT THEIR EMPLOYEES

95%

of consumers are willing to take at least one of these actions to support workers

Q: Which of the following are you willing to do in order to support workers who have been, or are at risk of being, furloughed or laid off?

Actions Chinese consumers are willing to take to support workers



EMPLOYEE LOYALTY IS AT STAKE

Despite percentages appear in small numbers, they represent millions of Chinese workers. Companies could face higher turnover because of their choices and communication failures

Q: Which of the following best describes how you feel your expectations and behaviors will change when this Coronavirus/COVID-19 pandemic is over?

Employees are evaluating current and potential employers' behavior during the pandemic.

ONE IN EVERY THREE

employees report at least one of the following, higher than global average:

| 10% |

I will look into how a company behaved during the pandemic when considering whether to work there.

| 12% |

I will no longer be loyal to my employer because of how they behaved during the pandemic.

| 16% |

I will look for another job with an employer that supports its employees.

New benefits will be desired as being part of the future of work

84%

Want those new benefits made permanent, including these significantly higher than global average:

87%

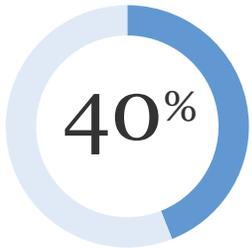
Of employees exempt from shelter-in-place orders

95%

Of healthcare workers

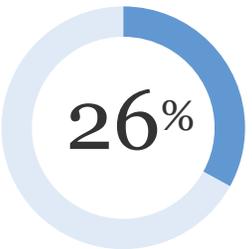
84%

Of workers deemed essential during the pandemic



40%

Percentage of employees who would normally need to be at their place of business to do their job and are now working from home



26%

Percentage of employees currently working from home who expect to be able to do so when they need to because they “have proven that I can be productive working from home”

EMPLOYEES SEE ADAPTATIONS THEY WANT TO KEEP

Q: For each of the following, please indicate whether you agree or disagree.

Q: Which of the following are you currently doing?

Q: Which of the following best describes how you feel your expectations and behaviors will change when this Coronavirus/COVID-19 pandemic is over?

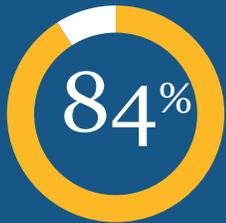
CONSUMERS AND EMPLOYEES SEEK ACTION

Expectations are high because the consequences are high, both to human health and to the economy. Not addressing these needs can endanger customers and employees. They expect companies to take steps to protect them.

AMONG CONSUMERS



Want companies to implement various physical protection and distancing measures to keep them healthy



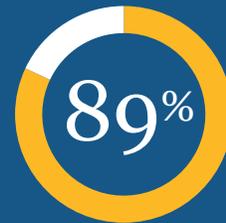
Expect companies to take various steps to help workers stay healthy – providing personal protective equipment and hand sanitizer, breaks to wash hands, making physical changes to space and operations to allow social distancing, and other steps

Q: Which of the following should companies be doing, in your opinion, to support their customers in response to the Coronavirus/COVID-19 crisis?

Q: Which of the following should companies and other organizations be doing, in your opinion, to support their employees in response to the Coronavirus/COVID-19 crisis?

Q: What do you need from your employer right now?

AMONG EMPLOYEES



Report the need for social distancing measures from their employers



Need more and better communication from their employer



Need greater flexibility to accomplish their work and balance competing responsibilities

**IT IS BOTH THE
IMMEDIATE CHANGE
AND THE LONG-
TERM, THE PASSING
AND THE MAYBE
PERMANENT.**

CONSUMERS

The perception change greatly impacted their consumption behaviors and perspective on major decisions.

Their preference of business greatly shaped by the reaction of the latter during this crisis.

EMPLOYEES

Evaluate employers via safety protection, flexibility, transparency and employee care they provided.

A failure in communication may result in high turn over rate after the pandemic.

BUSINESS AND BUSINESS LEADERS THAT THRIVE WILL BE THE ONES THAT

Know that communication is a must during difficult times and actively manage their reputation.

Present true responsibility to gain preference and trust from their customers and employees.

Anticipate and plan for the full range of possible outcomes.

Continually monitor the behaviors of their stakeholders, and utilize up-to-date, direct-from-the-source intelligence.

Leaders who base those choices in intelligence and recognize the importance of communication will emerge with more loyal employees and customers, and a stronger reputation for having done what's hard.

WHAT'S NEXT?

Our research underscores the indelible importance of the actions taken by organizations now. The study shows the bigger the threat, economically and socially, the more important it is to create a foundation of confidence based on accountability, transparency, frequent updates and realistic, incremental goals. Well-structured communications, based on values and actions, can acknowledge the pain and challenges we all face today, while helping to improve and even accelerate better outcomes for individuals, organizations and society.

- Peter Verrengia
Senior Partner
Head of FleishmanHillard's Global Recovery and Resurgence practice

METHODOLOGY

***TRUE Global Intelligence**, the in-house research practice of FleishmanHillard, fielded an online survey of adults 18 and older in the following markets from March 30 to April 3, 2020.*

The data has been weighted by gender and age in all markets as well as by Census region in the United States.

	Sample Size	Margin of Error
Total	n=6,566	±1.2%
<i>US</i>	n=1,119	±2.9%
<i>UK</i>	n=1,123	±2.9%
<i>China</i>	n=1,057	±3.0%
<i>South Korea</i>	n=1,043	±3.0%
<i>Italy</i>	n=1,093	±3.0%
<i>Germany</i>	n=1,131	±2.9%



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QUESTIONS?

**For questions related to the COVID-19
mindset study, contact:**

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For support navigating COVID-19, contact:

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