

# Consumer sentiment and behavior continue to reflect the uncertainty of the COVID-19 crisis

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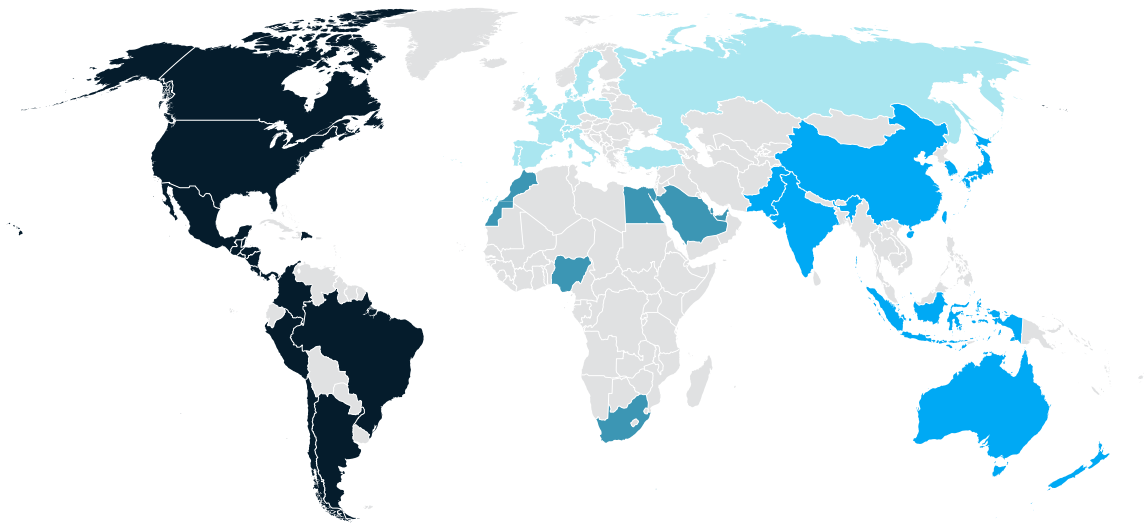
Even in countries that have partially reopened, consumer optimism remains muted and spending intent is still below pre-crisis levels.

Consumer behaviors are settling into a new normal, as people everywhere learn to live with the reality of COVID-19 and as more countries reopen parts of their economies. Although the pandemic's impact has varied across regions, five themes have become evident among consumers across the globe:

- Shift to value and essentials
- Flight to digital and omnichannel
- Shock to loyalty
- Health and “caring” economy
- Homebody economy

While these themes hold true across the 45 countries we have tracked through the crisis (see sidebar, “About our surveys”), the following exhibits focus on a subset of 12 core countries, selected because of their economic significance and the impact that COVID-19 has had on their populations.

We are tracking consumer sentiment across 45 countries.



#### AMERICAS

■ Argentina  
Belize  
Brazil  
Canada  
Chile  
Colombia  
Costa Rica  
Dominican Republic  
El Salvador  
Guatemala  
Honduras  
Mexico  
Nicaragua  
Panama  
Peru  
USA

#### ASIA-PACIFIC

■ Australia  
China  
India  
Indonesia  
Japan  
New Zealand  
Pakistan  
South Korea

#### EUROPE

■ Belgium  
Denmark  
France  
Germany  
Italy  
Netherlands  
Poland  
Portugal  
Russia  
Spain  
Sweden  
Switzerland  
Turkey  
UK

#### AFRICA AND MIDDLE EAST

■ Egypt  
Morocco  
Nigeria  
Saudi Arabia  
South Africa  
Qatar  
United Arab Emirates

The boundaries and names shown on this map do not imply official endorsement or acceptance by McKinsey & Company.  
Source: McKinsey/United Nations (disputed boundaries).

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## 1. Shift to value and essentials

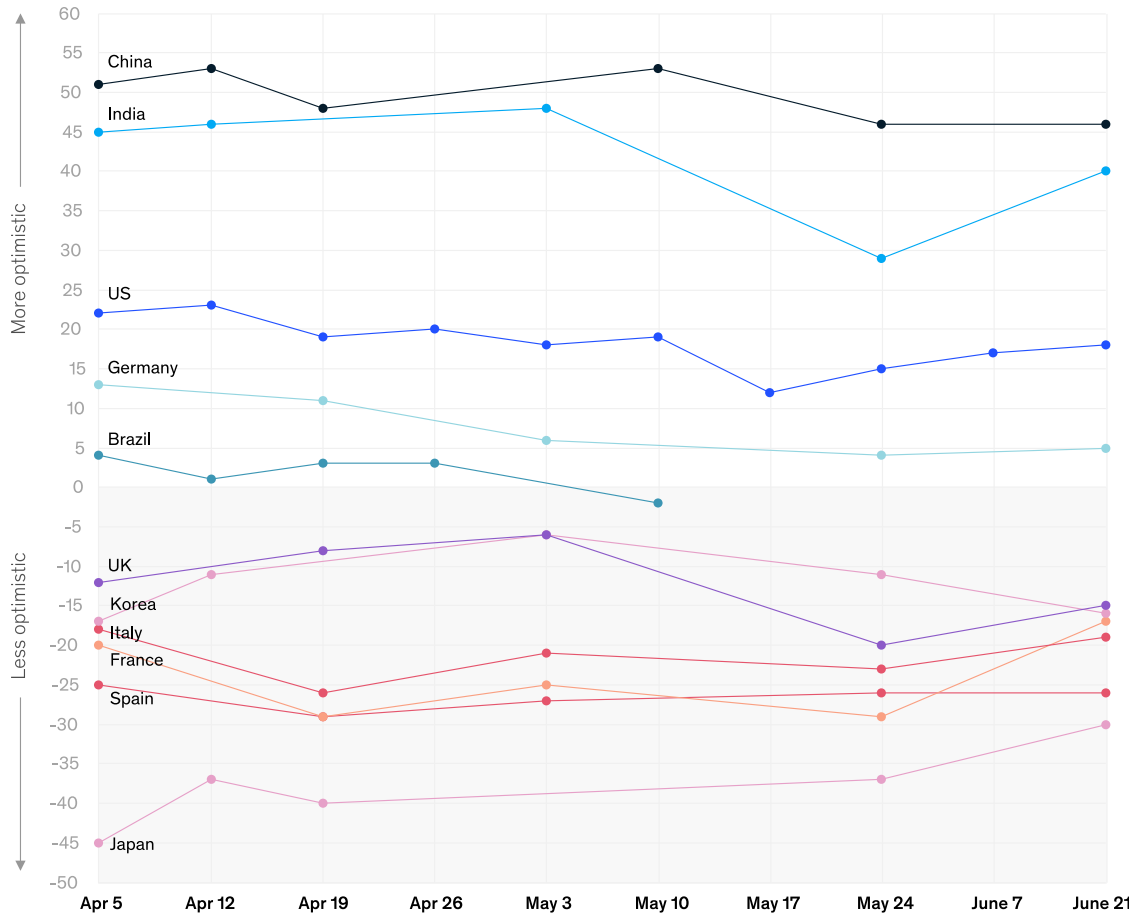
Even as some countries have reopened, many consumers globally are continuing to see their incomes fall. And they aren't feeling too optimistic about their countries' economic outlook. In most countries, confidence about economic recovery has dipped slightly since early April. Consumers in China and India remain more optimistic than their counterparts in the rest of Asia, Europe, or the United States (Exhibit 1).

Exhibit 1

**Consumer sentiment varies greatly across countries impacted by COVID-19.**

**Optimism about country's economic recovery after COVID-19<sup>1</sup>**

Net optimism %<sup>2</sup>



<sup>1</sup>Q: "How is your overall confidence level on economic conditions after the COVID-19 situation?" – Rated from 1 "very optimistic" to 6 "very pessimistic."

<sup>2</sup>Net optimism is calculated by subtracting the percent of respondents who answered 5 "pessimistic" & 6 "very pessimistic" from the percent of respondents who answered 1 "very optimistic" & 2 "optimistic."

Source: McKinsey & Company COVID-19 Consumer Pulse surveys, conducted globally between March 15 and June 21, 2020

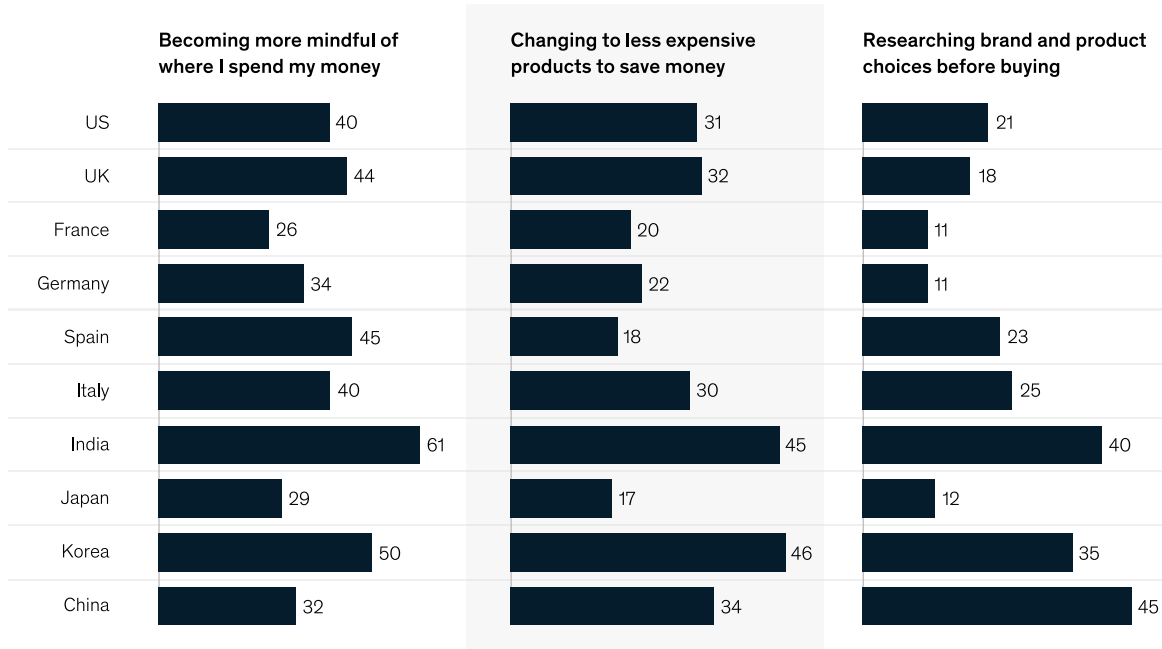


With many people expecting COVID-19 to negatively affect their finances as well as their daily routines for at least another four months, consumers are being mindful about their spending and trading down to less expensive products (Exhibit 2).

## Exhibit 2

**There has been a shift to mindful shopping including some trading down for value.****Change in shopping mindset since COVID-19<sup>1</sup>**

% of respondents who are doing more<sup>2</sup>



<sup>1</sup>O: "Which best describes how often you are doing each of the following items?" Possible answers: "Doing less since coronavirus started"; "Doing about the same since coronavirus started"; "Doing more since coronavirus started."

<sup>2</sup>Percent of respondents who answered that they are doing more since COVID-19 started.

Source: McKinsey & Company COVID-19 Consumer Pulse surveys, conducted globally between June 15 and June 21, 2020

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As consumers hunker down for a prolonged period of financial uncertainty, they intend to continue shifting their spending largely to essentials, such as grocery and household supplies, and cutting back on most discretionary categories. While purchase intent is increasing on a large set of categories since we first measured it at the end of March, outside China it remains weak in discretionary categories such as apparel, footwear, and travel (Exhibit 3).

Exhibit 3

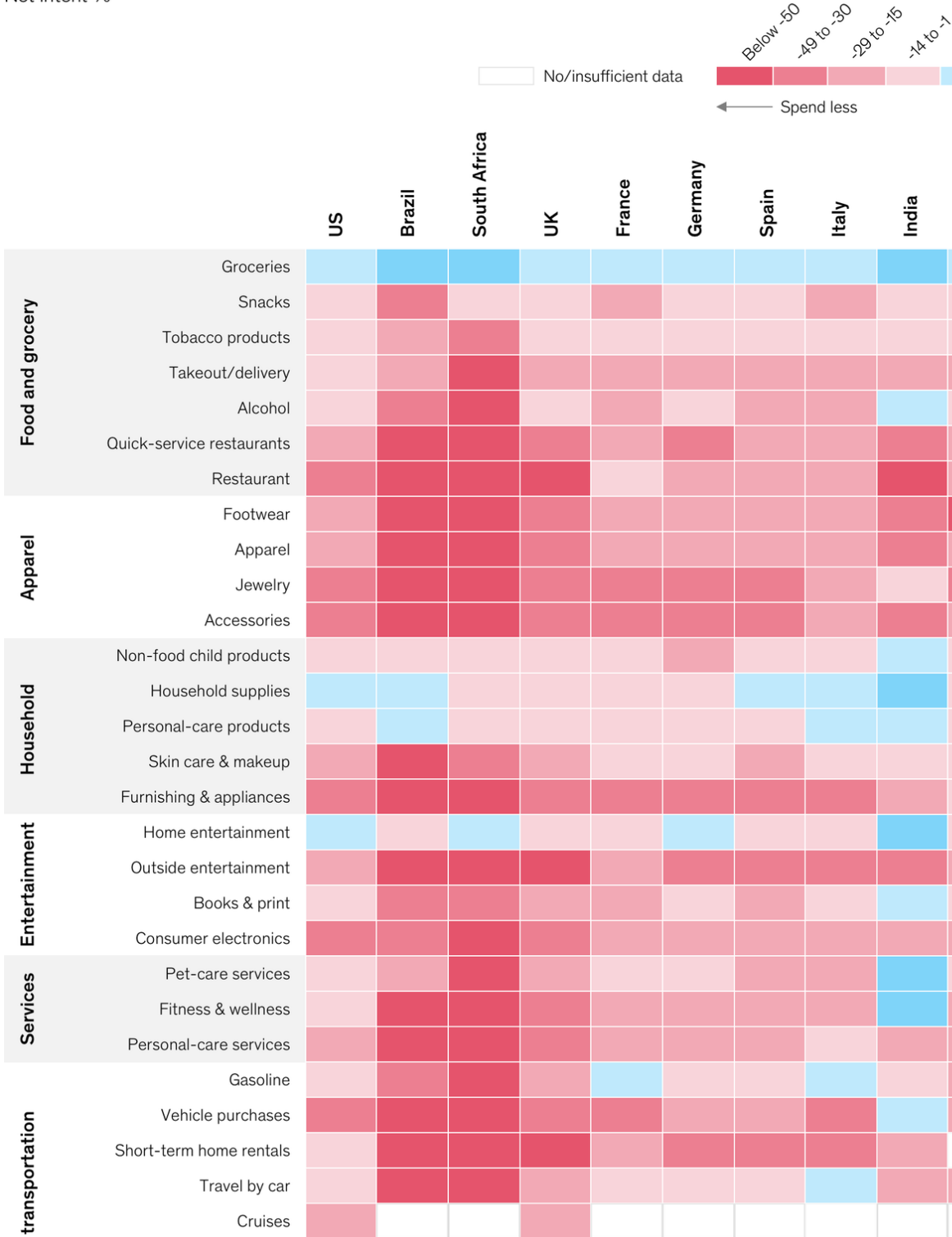
← Prev
June 21
Next →

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### Global consumers anticipate pulling back on spending across categories.

Expected spending per category over the next two weeks compared to usual<sup>1</sup>

Net intent %<sup>2</sup>



Consumers in China, India, and Korea are reporting positive spending intent in the next two weeks, on a broader range of categories, including food takeout and delivery, snacks, skin care and makeup, non-food child products, fitness and wellness, and gasoline.

## 2. Flight to digital and omnichannel

Most categories have seen more than 10 percent growth in their online customer base during the pandemic (Exhibit 4) and many consumers say they plan to continue shopping online even when brick-and-mortar stores reopen. In markets that had moderate online conversion rates before the pandemic, such as the United Kingdom and the United States, e-commerce continues to grow across all product categories. In markets like China with a high rate of online shopping before the pandemic, although total consumer participation in online shopping is not expected to go up substantially, the share of wallet spent online is expected to increase.

Exhibit 4

**More people expect to make a portion of their purchases online post-COVID-19 than before.**

**Customers purchasing category online<sup>1</sup>**

% growth<sup>2</sup>



<sup>1</sup>Q: "Before the coronavirus (COVID-19) situation started, what proportion of your purchases in this category were online vs from a physical store/in person?" Possible answers: "Didn't purchase online"; "Some online"; "Most online"; "All online." Q: "Once the coronavirus (COVID-19) situation has subsided, tell us what proportion of your purchases in this category you think will be online vs from a physical store/in person?" Possible answers "Didn't purchase online"; "Some online"; "Most online"; "All online."  
<sup>2</sup>Percent growth is calculated by subtracting the pre-COVID-19 percentages from post-COVID-19 percentages and dividing by pre-COVID-19 percentages of respondents selecting "Some online"; "Most online"; "All online."

Source: McKinsey & Company COVID-19 Consumer Pulse surveys, conducted globally between June 15 and June 21, 2020



In addition to e-commerce, other digital and contactless services—including curbside pickup, delivery, and drive-through service—are also seeing much higher adoption rates. While some of these habits are seen as a work-around to the crisis, many at-home solutions to regular activities will likely be adopted for the long-term.



### 3. Shock to loyalty

For certain products and brands, COVID-19 caused supply-chain disruptions. And when consumers couldn't find their preferred product at their preferred retailer, they changed their shopping behavior: many consumers have tried a different brand or shopped at a different retailer during the crisis. Value, availability, and quality or organic products were the main drivers for consumers trying a different brand (Exhibit 5).

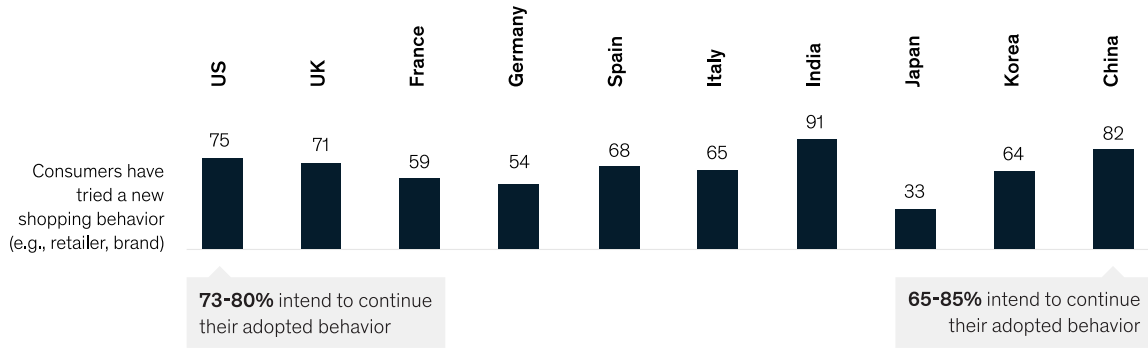


Exhibit 5

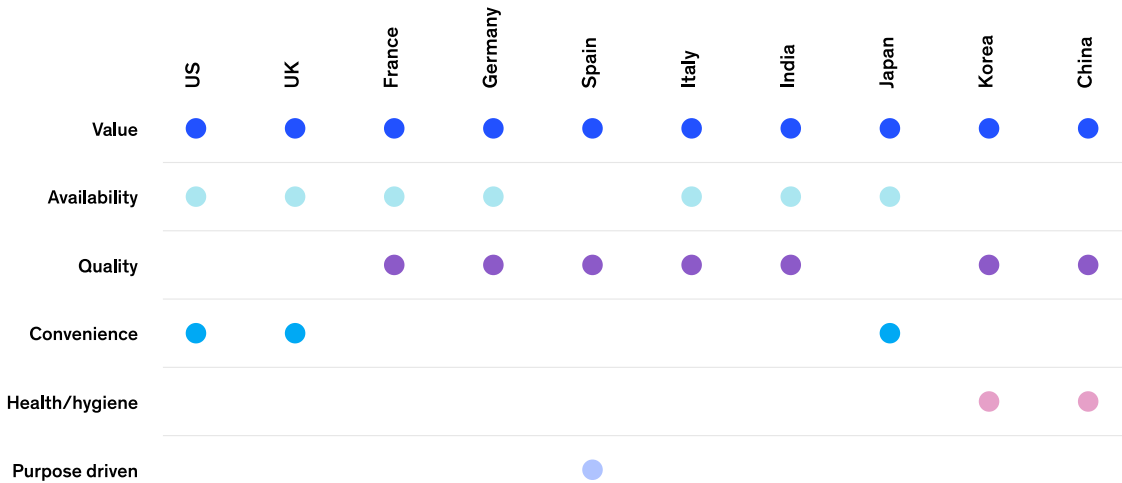
**Over 60 percent of global consumers have changed shopping behavior, many of them for convenience and value.**

**Customers who have tried new shopping behaviors since COVID-19<sup>1</sup>**

% of respondents



**Top 3 reasons for shopping a new brand<sup>2</sup>**



<sup>1</sup>Q: "Since the coronavirus (COVID-19) situation started (i.e., in the past ~3 months), which of the following have you done?"

<sup>2</sup>Q: "You mentioned you tried a new/different brand than what you normally buy. What was the main reason that drove this decision? Select up to 3." Brand includes different brand, new private label/ store brand.

Source: McKinsey & Company, COVID-19 Consumer Pulse surveys, conducted globally between 6/15 and 6/21/2020



Our research shows that in China, and the United States, more than 75 percent of consumers reported trying a shopping method while in Japan, where lockdowns weren't imposed, the comparative number is only 33 percent. We expect these changes will shape consumers' habits even beyond the effects of COVID-19. In China and the US, upward of 60 percent of consumers who tried a new behavior plan to stick with it post-crisis.

# 4. Health and “caring” economy

Across countries, survey respondents say that when deciding where to shop, they look for retailers with visible safety measures such as enhanced cleaning and physical barriers. In addition, they buy more from companies and brands that have healthy and hygienic packaging and demonstrate care and concern for employees (Exhibit 6).

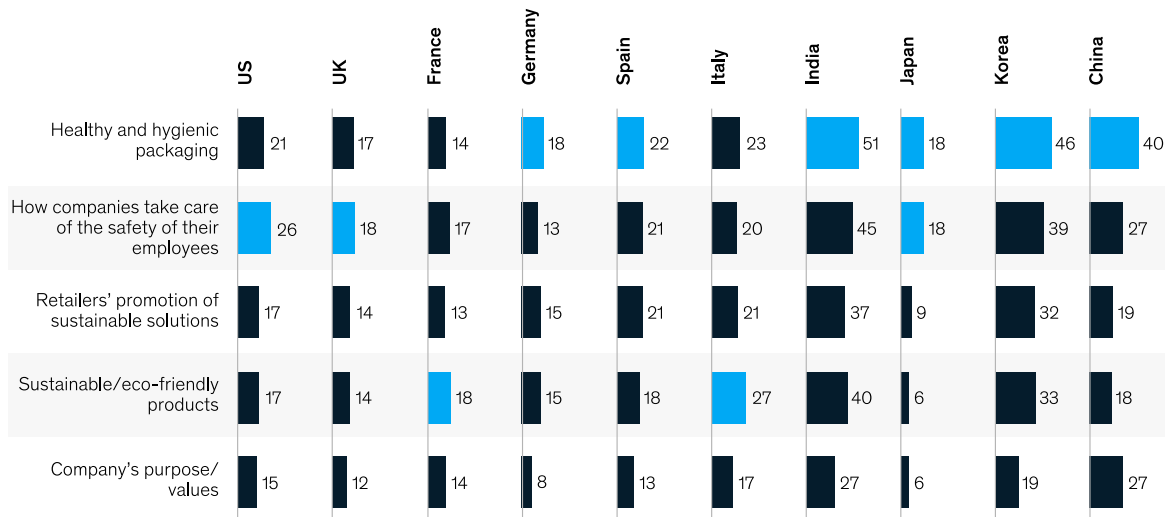
Exhibit 6

## Consumers have started caring about healthy and hygienic packaging and how companies treat their employees.

### Consumers buying more based on company behavior<sup>1</sup>

% of respondents<sup>2</sup>

■ Highest percentage category for that country



<sup>1</sup>O: "Which best describes how often you are doing each of the following items?" Possible answers: "Doing less since coronavirus started"; "Doing about the same since coronavirus started";

"Doing more since coronavirus started."

<sup>2</sup>Percent of respondents who responded "doing more since coronavirus started."

Source: McKinsey & Company COVID-19 Consumer Pulse surveys, conducted globally between June 15 and June 21, 2020



During these trying times, consumers have a heightened awareness of how businesses interact with stakeholders, local communities, and society more broadly. The actions that businesses take during this pandemic are likely to be remembered long after COVID-19 has been conquered.

# 5. Homebody economy

In most countries, more than 70 percent of survey respondents don't yet feel comfortable resuming their "normal" out-of-home activities. For more than three-quarters of consumers who adjust their behaviors due to the health crisis, the easing of government restrictions won't be enough. Instead, they'll wait for guidance from medical authorities, reassurance that safety measures are in place, and the development of a COVID-19 vaccine and/or treatments.

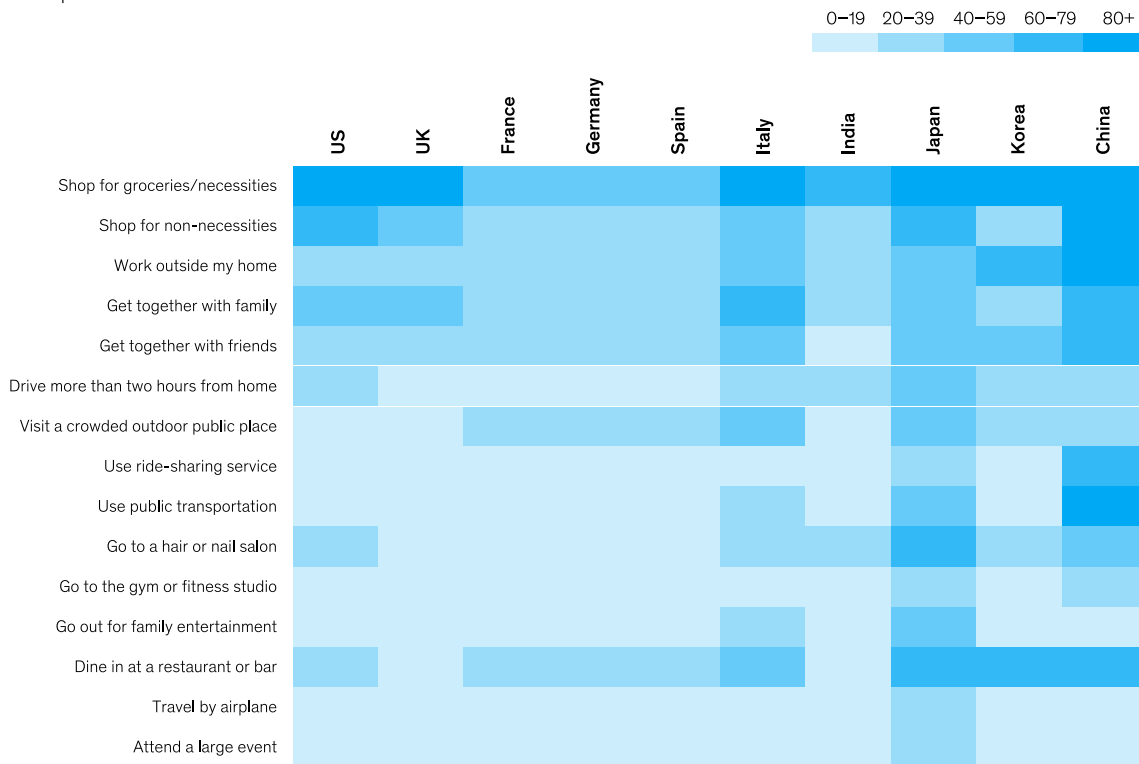
Consumers do plan to resume some of their out-of-home activities soon, and shopping is first on the list. Large events and air travel, on the other hand, are last on the list (Exhibit 7).

Exhibit 7

**Intent to pursue out-of-home activities varies by category and country.**

**Intended engagement with activities outside home for the next two weeks<sup>1</sup>**

% of respondents<sup>2</sup>



<sup>1</sup>Q: "For which of the following activities do you intend to leave your home to do in the next two weeks?"  
<sup>2</sup>Chart represents percent of respondents who intend to leave their home to do this activity during the next two weeks.  
 Source: McKinsey & Company COVID-19 Consumer Pulse surveys, conducted globally between June 15 and June 21, 2020



We will continue to track consumer sentiment to gauge how people's expectations, perceptions, and behaviors change throughout the crisis. In addition to the exhibits embedded here, please see the country-level survey data, which will be updated regularly.

Or click directly to see survey results from these countries: [Argentina](#), [Australia](#), [Belgium](#), [Brazil](#), [Canada](#), [Central America](#), [Chile](#), [China](#), [Colombia](#), [Denmark](#), [Dominican Republic](#), [France](#), [Germany](#), [India](#), [Indonesia](#), [Italy](#), [Japan](#), [Korea](#), [Mexico](#), [The Netherlands](#), [New Zealand](#), [Nigeria](#), [Peru](#), [Poland](#), [Portugal](#), [Qatar](#), [Saudi Arabia](#), [South Africa](#), [Spain](#), [Sweden](#), [Switzerland](#), [Turkey](#), [United Arab Emirates](#), the [United Kingdom](#), or the [United States](#).

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