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The consumer and COVID-19:
Global consumer sentiment research in the consumer products and retail industry

As countries move along the COVID-19 curve, traditional shopping behavior is significantly disrupted and transformed:

– Uncertainty is high, many businesses are shut, and people are concerned about recession. With these recession concerns, they are keeping a closer eye on spending: customers are focusing on essential goods rather than lifestyle and leisure products, for example.

– At the same time, with lockdown measures in place around the world, there has been a surge in the use of online channels.

In this fast-changing and volatile environment, how can consumer products and retail organizations drive operational resilience and maintain their pre-crisis focus on customer relationships and engagement?

To help answer those questions - and understand the impact of the pandemic on short-term and mid-term consumer behaviors, we surveyed more than 11,000 consumers around the world. At the beginning of April 2020, we reached out to consumers across the US, UK, Germany, France, Netherlands, Sweden, Norway, Italy, Spain, India, and China. Drawing on that extensive research, this analysis focuses on three key consumer trends for consumer products and retail (CPR) organizations in the short- and mid-term:

1. **Convenience:** Appetite for online shopping and convenience will continue to accelerate post-lockdown

2. **Health and safety:** With consumers becoming more concerned about health and wellness, they will expect safer in-store and last-mile practices from CPR organizations in a post-pandemic scenario

3. **Focus on purpose:** CPR organizations that embody a sense of purpose and strong sustainability credentials will see greater consumer engagement.

Appetite for online shopping and convenience will continue to grow after lockdowns are lifted

The COVID-19 pandemic has accelerated the significance of online channels. Today, consumers consider online as their primary shopping channel and this will persist in the immediate future. In that digital-first environment, operational agility, flexibility and consumer engagement assume huge significance.

Consumer appetite for online shopping is growing

With more and more cities and urban areas under lockdown, non-essential businesses closing, and customers avoiding public places in general, interaction with physical stores has taken a heavy toll and online interaction is accelerating (see Figure 1):
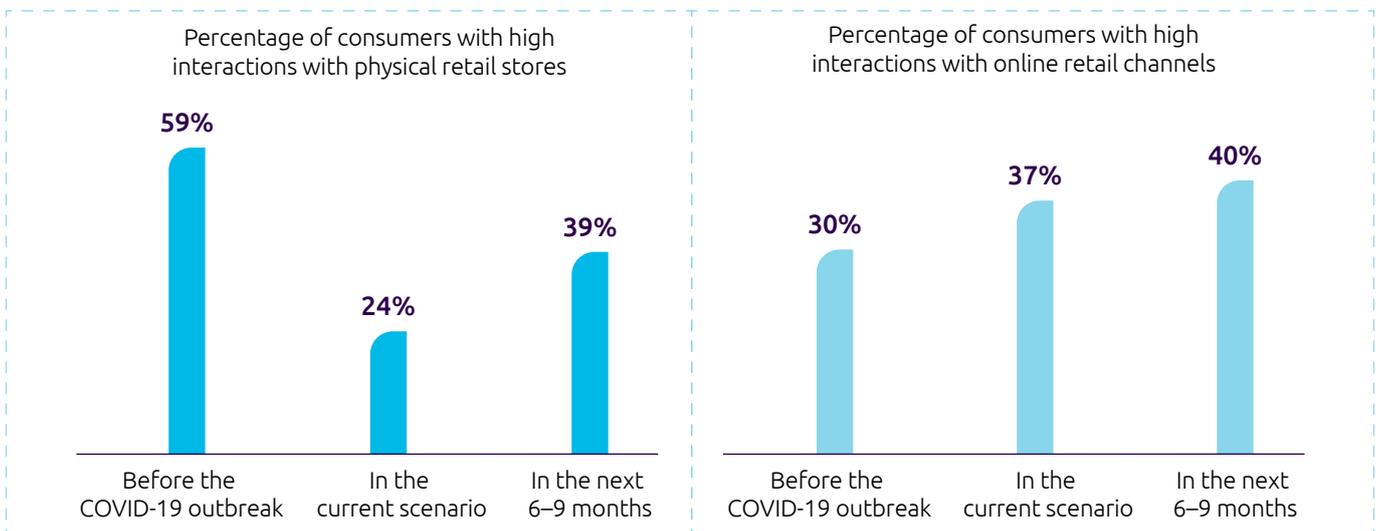
- **Physical stores:**
  59% of consumers worldwide said they had high levels of interaction with physical stores before COVID-19, but today less than a quarter (24%) see themselves in that high-interaction category. In next 6–9 months, 39% of consumers expect a high level of interaction with physical stores – clearly below the pre-COVID levels.

- **Online channels:**
  30% say that they had high levels of interaction with online channels before the crisis, but 37% would characterize themselves in that light today. In the next 6–9 months, this interaction is expected to accelerate further.

Although traditional organizations have been improving their online capabilities in recent years, today's unprecedented situation has placed significant stress on online channels. For example, food retailers in some countries have struggled to meet order demand. Core operational agility and resilience is now a priority and we highlight several action points for the industry:

Figure 1: Consumers appetite for online shopping is growing

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

59% OF CONSUMERS WORLDWIDE SAID THEY HAD HIGH LEVELS OF INTERACTION WITH PHYSICAL STORES BEFORE COVID-19, BUT TODAY LESS THAN A QUARTER (24%) SEE THEMSELVES IN THAT HIGH-INTERACTION CATEGORY

- **Focus on realigning product categories:**
Organizations need to continuously reassess consumer preferences and align categories and offers accordingly. This requires agile demand planning and clear prioritization of focus areas and resources. Unilever says it is currently focusing on meeting a surge in demand for food and refreshments and concentrating on larger SKU items – such as large jars of mayonnaise rather than smaller containers.[1] In the long-term, being highly responsive towards consumer trends will be critical, and organizations that can automate predictive analytics for consumer behavior will be the ones who can best match offerings and demand.

- **Build immediate response capabilities with suppliers:**
Organizations should adapt their supply chain and work closely with their suppliers to ensure:

  - An aligned and scenario-based business continuity plan is in place to frequently assess evolving scenarios

  - Adequate supplies are on hand to meet demand along with a "buffer" stock of essential items

  - Agile approaches are in place to handle logistics and fulfillment of online orders – such as adopting 'drop shipping' where the supplier directly fulfills the customer order

  - Optimum inventory visibility – establishing communication and data-sharing channels with their suppliers and consumers to drive flexibility and transparency.

- **Explore different fulfillment centers for online orders:**

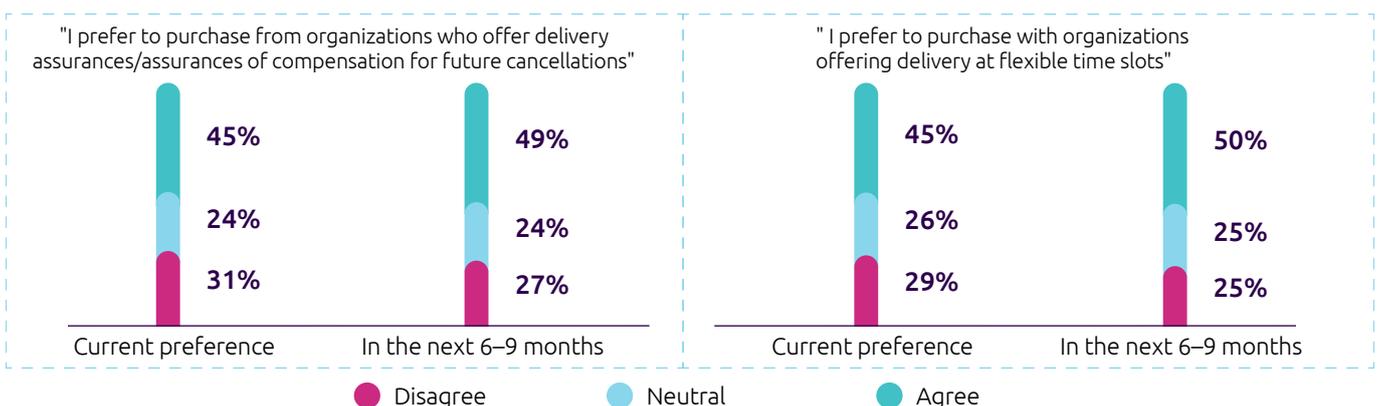 - **Stores as fulfillment centers:** US-based supermarket Kroger converted one of its stores into an exclusive fulfillment center to fulfill hyperlocal online orders.[2] To support the shipping of online orders and to lower delivery costs, organizations should focus on three areas: (1) repurposing store layouts to support a higher volume of online orders, (2) ensuring inventory accuracy, and (3) training staff for store-based fulfillment. Our previous analysis has shown that a 50% increase in store-based deliveries could potentially increase profit margins by 9% due to lower delivery cost and less time taken for delivery.[3]

  - **Using "dark stores" –** retail outposts with a store-like layout whose sole purpose is to fulfill online orders – will also help enable faster delivery. This is because of their proximity to urban areas and the fact that their layout is specifically designed for this goal. By avoiding the use of normal stores for fulfilment, it also ensures in-store customers are not disrupted.

  - **Distribution centers:** Converting existing distribution centers (DCs) to suit e-Commerce or opening dedicated e-Commerce centers as well as entering into collaborative partnerships for optimal utilization of DCs should be considered. For instance, the UK government's initiative temporarily allowing supermarkets to share distribution depots, delivery vans, and stock data is a positive action in this regard.[4]

Consumers demand delivery reassurance and flexibility

As Figure 2 shows, more than half of consumers prefer organizations that offer delivery assurances and flexible delivery options – both in the current crisis scenario and beyond. Firms must scale up operational agility to ensure that delivery assurances and flexibility are offered and upheld to not risk losing them to firms fulfilling these expectations.

Figure 2: Consumers prefer retailers that offer delivery assurances and flexible delivery

"I prefer to purchase from organizations who offer delivery assurances/assurances of compensation for future cancellations"

	Current preference	In the next 6–9 months
Agree	45%	49%
Neutral	24%	24%
Disagree	31%	27%

" I prefer to purchase with organizations offering delivery at flexible time slots"

	Current preference	In the next 6–9 months
Agree	45%	50%
Neutral	26%	25%
Disagree	29%	25%

● Disagree   ● Neutral   ● Agree

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

The last mile clearly needs to be both robust and agile. Some action points emerge for CPR organizations:

- **Partner with the delivery platforms:**
Leveraging the established delivery ecosystems for their fleet network helps organizations to "plug and play" last mile capabilities and avoid delayed deliveries. Figure 3 highlights a few emerging models used by CPR companies today.

- **Look at a fluid workforce to deal with fluctuating demand and supply:**
Walmart is hiring 150,000 temporary workers to manage demand.[11] In the UK, Tesco launched a major recruitment drive to hire 20,000 temporary workers.[12] Amazon is targeting 100,000 new full-time and part-time positions to deal with increased demand.[13]
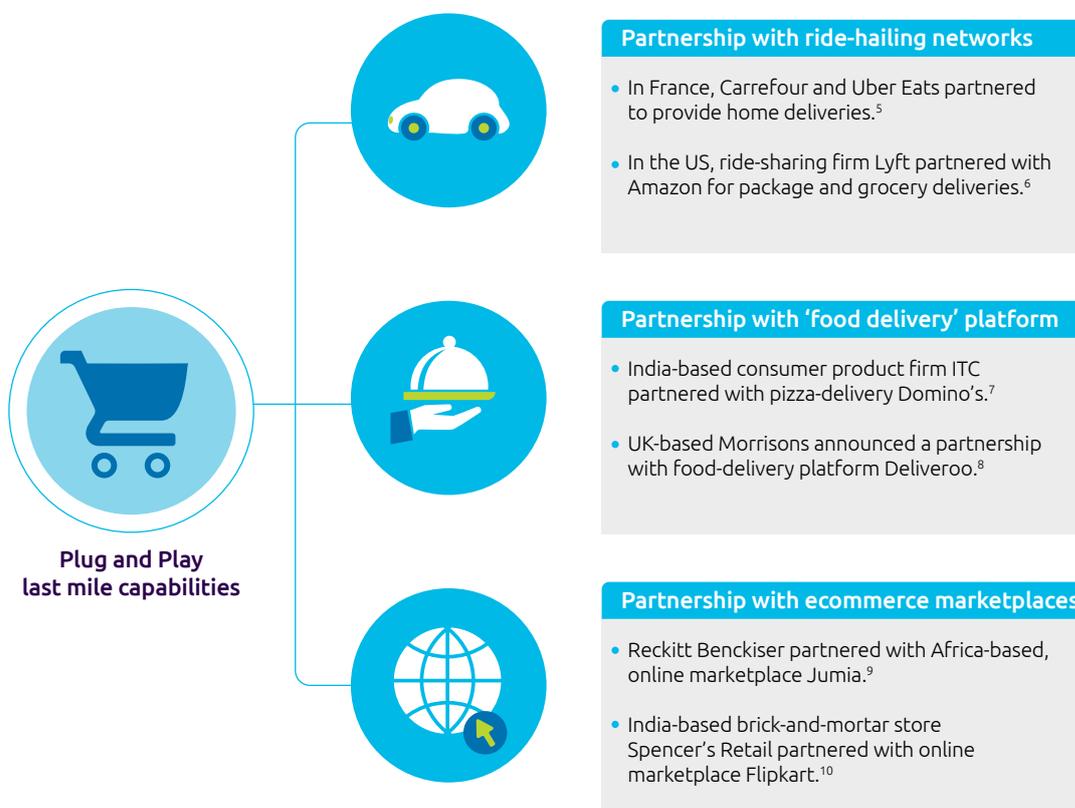
- **Flexible delivery slots:**
US-based grocery delivery service Instacart, for instance, has designed a "Fast & Flexible" delivery option to increase speed and delivery availability. It enables customers to have their order delivered by the first-available delivery executive, rather than schedule it for a specific delivery window. Thus, the customer provides Instacart with more flexibility on when the order is delivered, ultimately increasing speed. According to product tests, Fast & Flexible has increased available delivery windows by 50%. It has increased the speed as well, with 85% of orders arriving within the earlier portion of the estimated delivery range.[14]

Consumer engagement will be a key differentiator

While transforming fulfillment and last-mile strategies for today's unique crisis scenario helps operational resilience, in the mid-to-long run, CPR organizations need to focus on seamless customer experience both in stores and in online channels for the real differentiator. Considering the demand

Figure 3: Emerging delivery partnerships ecosystem

**Plug and Play
last mile capabilities**

Partnership with ride-hailing networks

- In France, Carrefour and Uber Eats partnered to provide home deliveries.[5]

- In the US, ride-sharing firm Lyft partnered with Amazon for package and grocery deliveries.[6]

Partnership with 'food delivery' platform

- India-based consumer product firm ITC partnered with pizza-delivery Domino's.[7]

- UK-based Morrisons announced a partnership with food-delivery platform Deliveroo.[8]

Partnership with ecommerce marketplaces

- Reckitt Benckiser partnered with Africa-based, online marketplace Jumia.[9]

- India-based brick-and-mortar store Spencer's Retail partnered with online marketplace Flipkart.[10]

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Emerging models for tackling retail's critical operational challenges

Several innovative models have emerged around the world – such as community-based approaches – as CPR organizations look to respond to the need to remodel delivery, minimize contact, and drive operational efficiency (see Figure 4).

Figure 4: Emerging models adopted by CPR organizations globally

1

Community group delivery models

- In this model, retailers deliver to the entire "community" in a residential area – for example taking orders for an entire apartment complex together and delivering them collectively at one time rather than individually at different times. Thee models ensure deliveries that can minimize contact, reduce logistics costs per order and have a smaller carbon footprint.

- In China, during the lockdown, many retailers adapted the concept of WeChat groups to local communities. They created groups to connect with people living in the same neighborhood and then addressed this population as a single customer segment.[15]

2

Shared-labor models

- In this model, "idle" employees from other sectors are temporarily hired by retailers to meet the surge in demand for services such as online deliveries.

- The use of talent-sharing and online, flexible scheduling platforms can allow retailers to share their part-time labor and avoid double booking employees for shifts.

- In the current crisis, Germany's discount supermarket chain Aldi has leased staff from McDonalds.[16] China's Hema grocery store has temporarily hired from more than 40 restaurants, hotels and cinema chains which were temporarily shut down under it's "talent-sharing" program.[17]

3

Bundle-based sales

- Selling fixed bundles of the most commonly purchased products not only helps to manage logistics, but also ensures easy billing.

- In the UK, Morrisons has introduced a food box initiative, where shoppers pay one price for a box full of essentials.[18] In France, Carrefour has created two grocery boxes specifically for elders – one with food and other with cleaning products. [19]

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

for online shopping channels in the current and immediate future, we see a number of priorities for CPR organizations, specifically in the digital store front:

- **Create a frictionless digital experience:**
Reducing the number of clicks from "product discovery to purchase" will augment online preferences, especially among demographics that are new to online shopping.

- **Focus on innovative and personalized customer engagement:**
Many retailers have been experimenting with live streaming during the COVID-19 crisis. Nike is engaging its customers through its fitness app – Nike Training Club (NTC) Premium. The app streams training programs and workout videos, and offers professional tips from instructors.[20] UK-based brewery BrewDog has created an online virtual bar experience to encourage social distancing. The brewery has opened over 100 virtual bars to host events such as beer tasting, pub quizzes, live music, and comedy shows.[21] Some other themes being explored by retailers globally

involve virtual reality (VR). Luxury group Dior launched a virtual reality version of its flagship Paris store. The store focuses on beauty products, with customers able to click on individual products to get more information about them and purchase, as well as offering a personalization service for gifts. [22]

- **Smart recommendations:**
  China-based Yonghui supermarkets provided online recommendations to help consumers choose combinations of fresh produce rather than select items individually, which helped the firm to improve fulfillment rate and provide better experience.[23]

- **Voice-based interfaces:**
  The current situation offers an opportunity for organizations to scale up capabilities such as voice commerce to strengthen engagement. Our previous research established that voice-based interfaces increase customer satisfaction scores by more than three percentage points for about 60% of consumer product and retailers deploying it.[24]
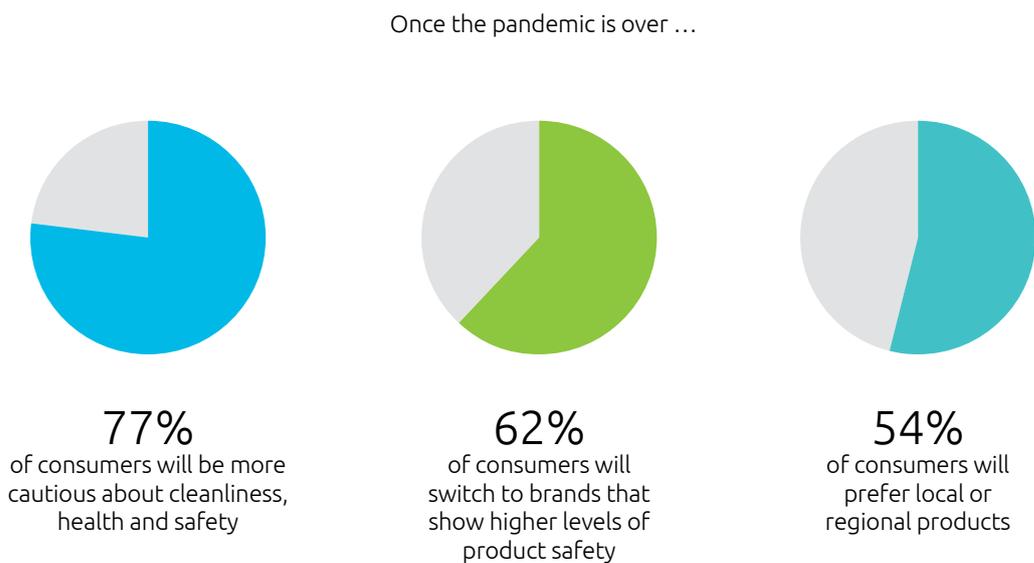
Though the immediate focus should be on providing an online experience, in the medium-to long run organizations will also need to focus on providing a consistent experience across all channels and digitize the physical stores as well – as consumers will expect the same features in stores as they see online.

Consumers expect healthier and safer in-store and last-mile delivery practices from CPR organizations

Our research shows that 77% of consumers will be more cautious about cleanliness, health, and safety in the post-pandemic era. Nearly 62% will also switch to brands that show higher levels of product safety and 54% will prefer local items over imports due to safety concerns over the use of foreign products (see Figure 5). Moreover, more than half of the consumers expect detailed product information (product origin, details, origin, etc.) – now and in a post-pandemic world as well. This increased consumer awareness translates into increasing demand for safety measures during in-store shopping and delivery.

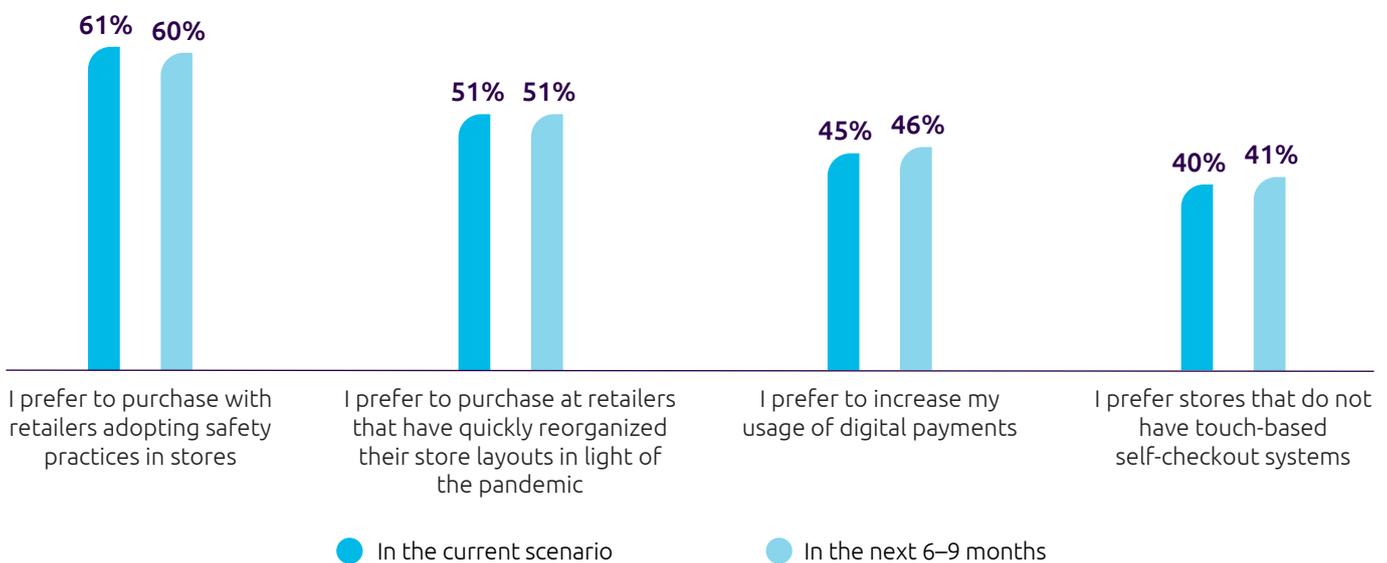**Figure 5:** Consumer outlook on health and safety in a post-pandemic scenario

Once the pandemic is over …

77%
of consumers will be more cautious about cleanliness, health and safety

62%
of consumers will switch to brands that show higher levels of product safety

54%
of consumers will prefer local or regional products

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Consumers will prefer safe and contactless practices while shopping in stores

Consumers are becoming increasingly wary of what they perceive to be unsafe in-store practices, including touch-based interactions. As Figure 6 shows, more than 60% want their retailers to adopt safety practices in the store. More than half want retailers to reorganize their store layout to facilitate social distancing, 46% prefer to increase the use of in-store digital payments, and 41% opt for a non-touch based self-checkout system (using their own phone, for instance) when shopping in the store.

Figure 6: Consumer preference for safe in-store practices is high

| In the current scenario | In the next 6–9 months |

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Additionally, 57% would be more comfortable with complete in-store automation that does not require touch-based practices in a post-pandemic era (for example, product information search, in-store navigation, and order to payment is done on the consumer's phone). Given this change in behavior, there are a number of priorities for the industry:

- **Reorganization of store layouts to ensure social distancing:**
  Earlier studies have shown that spatial shopping behavior has a positive influence on consumers, and this holds increased importance in the current pandemic-period. Optimal store layout design and the temporary removal of shelves meant for non-essential goods would reduce congestion and allow consumers to maintain distance. Retail in-store navigation apps can also show consumers the exact location of an item on their phone, thereby reducing their movement around the store. This may be enabled by installing in-store beacons, as Target recently did.[25]

- **Mobile-based self-checkout systems:**
  US-based Walmart, Target, Macy's, and Germany-based electronics retailer MediaMarktSaturn piloted autonomous, self-checkout systems with mobile phone, even before the COVID-19 outbreak.[26] Similarly, European retailers, such as Albert Heijn in the Netherlands[27] and FNAC in France, already had self-checkout systems.[28]
  However, this concept has gained significant traction during the current pandemic. Such applications help keep stockpiling in check by allowing retailers to set limits on the quantity of an SKU purchased. It also allows customers to practice social distancing. Smaller retailers should leverage the retail tech ecosystem to implement autonomous checkout mechanisms via third-party applications and consumers' own phones. Fairway Markets, a grocery chain in New York, began using a scan-and-go app that helps consumers use their phones to scan product bar codes and pay for them.[29]

- **Scaled adoption of digital and contactless payment services:**
  Smartphone penetration rates are on the rise among consumers globally, especially in developing countries. Given the favorable regulatory framework, retailers across the globe should aggressively increase the adoption of digital payment wallets. Publix, a supermarket chain in the US, plans to launch a contactless payment method at all of its stores.[30] In much of the developed world, contactless cards are the norm in urban areas. Retailers of all sizes and geographies should look to implement sales counters that facilitate payment through contactless cards.

Consumers will insist on safety assurance from last-mile delivery service providers

As Figure 7 shows, 50% of customers currently prefer to purchase from organizations that offer safe delivery practices (for example, stickers that highlight safe delivery practices, sanitization of the package, minimal human contact, etc.). This preference percentage is expected to remain constant in the next 6–9 months as well, signifying a sustaining shift in consumer behavior.
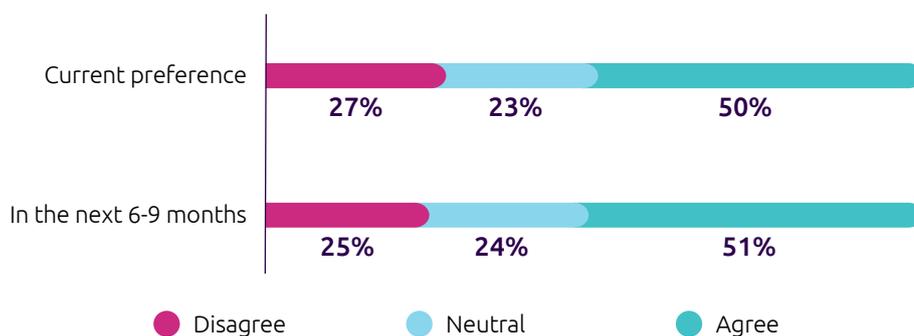
Action points for CPR organizations:

- **Touchless last-mile delivery practices:**
  In the short run, to reduce chances of transmission, contactless delivery is an immediately viable option that can be implemented with minimal technical backup. Several initiatives have already begun. For example, Amazon customers can select "unattended delivery" during checkout[31]. Best Buy has also implemented contactless curbside service and only lets store associates enter its outlets.[32] Spain's Glovo and UK's Deliveroo have begun contactless delivery and removed the requirement for mobile signatures from customers.[33]

On a more futuristic note, autonomous vehicles and robots can be deployed. In China, the delivery app, Meituan, has used a smart deployment system. When an order is received, it allocates a robot to the pick-up point in the automated distribution center. The delivery robot then carries the item to the waiting zone, where the goods are handed over to the autonomous vehicle used for last mile delivery.[34] Optimus Ride, the Massachusetts-based autonomous shuttle company, is making make food deliveries to senior citizens in retirement communities who can no longer congregate in dining halls at meal times.[35]

Figure 7: Customers want safer delivery practices

"I prefer to shop with organizations who assure me with safe delivery practices"

	Disagree	Neutral	Agree
Current preference	27%	23%	50%
In the next 6-9 months	25%	24%	51%

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Consumers will spend more on essentials such as groceries and less on discretionary items
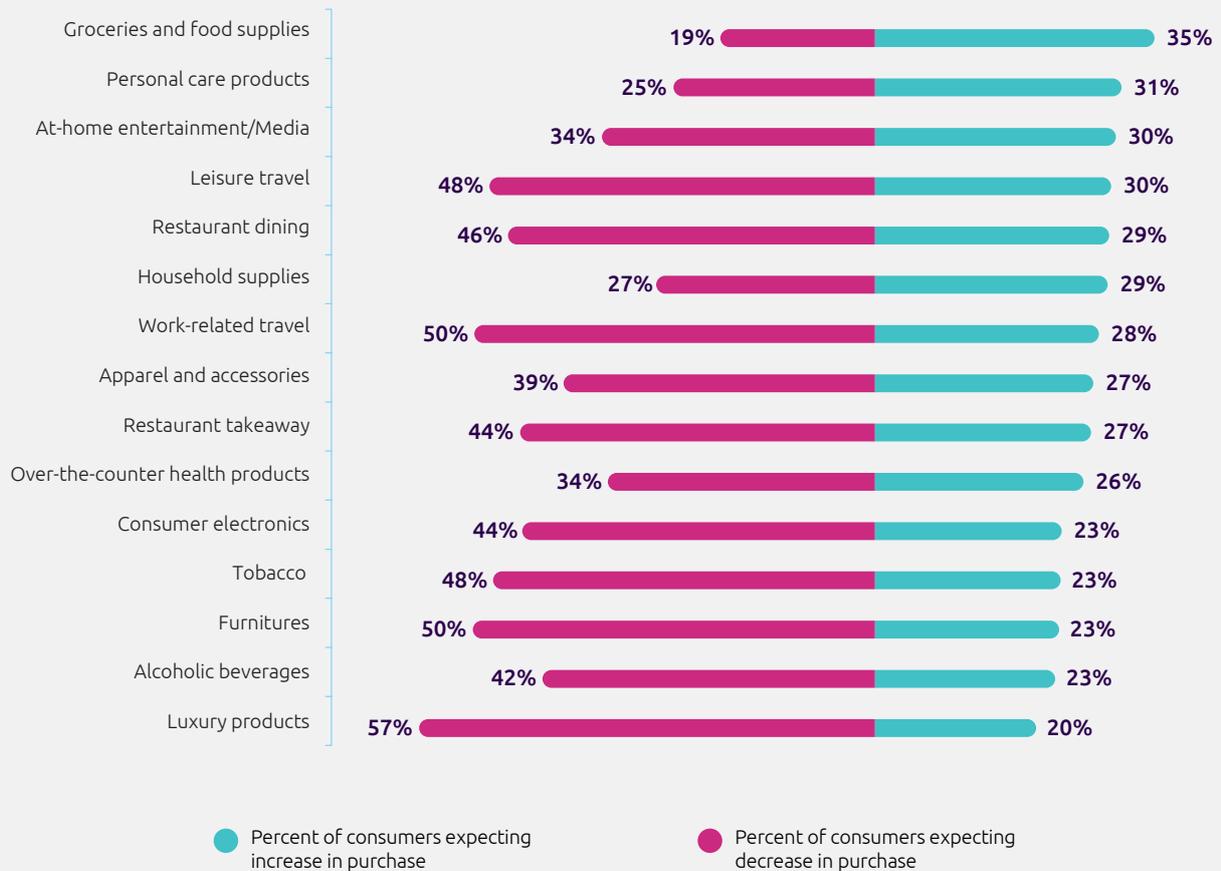
Consumer spending patterns across categories are shifting dramatically. When asked about the current situation, nearly one-third of consumers mentioned they have increased spending in categories like groceries and at-home entertainment.

This situation of preferring essentials over discretionary items continues in the next six to nine months as well.

• Only 19% see a reduction in grocery spend and over a third (35%) anticipate increased spending

• But in luxury, 57% see a reduction and only 20% see an increase (see Figure 8).

Country-wise, 65% of consumers in India say that they will see their grocery purchases rising in the next 6–9 months. This is followed by China (56%), US (42%), and Italy (41%). Conversely, luxury goods will see a major fall in Spain, with 69% of consumers saying they will buy less. This is followed by Sweden (67%), France (65%), and Norway (65%).

Figure 8: Expected consumer purchase changes per category in the next 6–9 months

Category	Decrease	Increase
Groceries and food supplies	19%	35%
Personal care products	25%	31%
At-home entertainment/Media	34%	30%
Leisure travel	48%	30%
Restaurant dining	46%	29%
Household supplies	27%	29%
Work-related travel	50%	28%
Apparel and accessories	39%	27%
Restaurant takeaway	44%	27%
Over-the-counter health products	34%	26%
Consumer electronics	44%	23%
Tobacco	48%	23%
Furnitures	50%	23%
Alcoholic beverages	42%	23%
Luxury products	57%	20%

● Percent of consumers expecting increase in purchase

● Percent of consumers expecting decrease in purchase

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Organizations that embody a sense of purpose and strong sustainability credentials will see greater consumer engagement

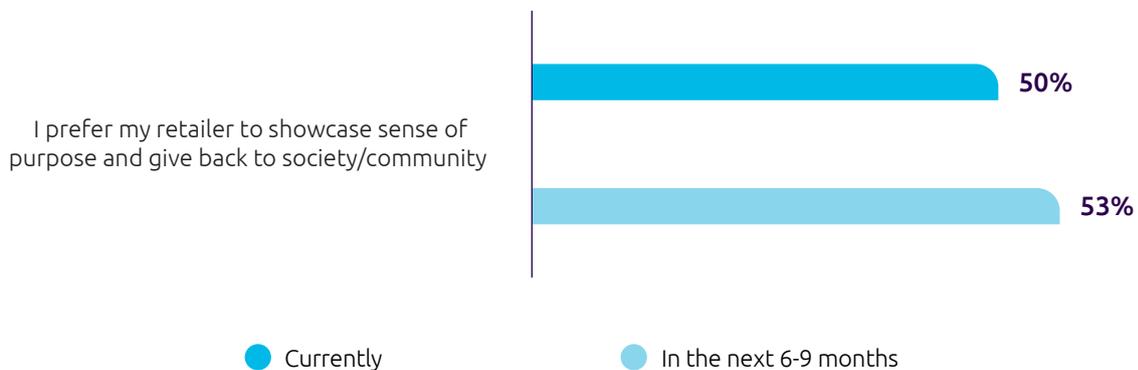## Consumers want CPR organizations to embody a sense of purpose in the crisis and beyond

Purpose is an organization's "raison d'etre," or its reason for existence that goes beyond profit. Research has shown that purpose-driven organizations grow at more than twice the rate of other organizations.[36] In these critical times of crisis, consumer look to organizations to step up and showcase a sense of responsibility towards the society and community. Our survey reveals that more than half of the consumers expect organizations to showcase their sense of purpose and give back to society – both during the crisis and beyond (see Figure 9).

Action points for CPR organizations:

- **Repositioning idle capacity:**
  H&M is working to arrange its supply chain to produce personal protective equipment for hospitals and health care workers.[37] Diageo India is repurposing 15 manufacturing units to produce 300,000 liters of hand sanitizer.[38]

- **Supporting staff:**
  Organizations are going the extra mile to make sure workers have the necessary resources during the crisis. In the UK, Tesco increased staff discounts on products to 15%,[39] while Morrisons launched a new colleague hardship fund that aims to support employees who are in financial difficulty as a result of the coronavirus outbreak.[40]

- **Providing support to at-risk groups:**
  Retailers are offering exclusive hours and separate ordering channels for the elderly and for health workers. Woolworths, an Australia based retailer, opened 41 priority delivery hubs focusing on home deliveries to the elderly, people with disabilities, and those who need to be in isolation.[41] In France, Carrefour set up a telephone delivery service for the elderly, who are not always comfortable ordering online.[42]

- **Supporting suppliers and logistics partners financially:**
  Providing finance for struggling but strategically important suppliers or logistic operators, especially smaller ones in the chain, can also help in maintaining operational continuity. Unilever has offered a €500m of cash flow relief to support its small- and medium-sized suppliers.[43]

- **Donations to support the wider community:**
  Unilever has pledged to contribute €100m through donations of soap, sanitizer, bleach, and food.[44] PepsiCo is directing $45 million to communities hardest hit by the pandemic.[45] French sporting retailer, Decathlon, is donating 30,000 snorkeling masks to hospitals in France and Spain to help overcome ventilator shortage.[46]

Figure 9: Consumers expect CPR organizations to be purpose-led

Percentage of consumers agreeing to the below statement

I prefer my retailer to showcase sense of purpose and give back to society/community

50%

53%

● Currently   ● In the next 6-9 months

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Consumers will focus on sustainability

Although, consumers have become more cautious when it comes to their health and wellness, with 40% preferring disposable product packaging both today and in the next 6–9 months; overall sustainability is also a key issue: 67% said that they will be more cautious about the scarcity of natural resources and 65% said that they will be more mindful about the impact of their overall consumption once the pandemic is over. (see Figure 10).

Action points for CPR organizations:

- **Strengthen your sustainability initiatives across the value chain:**
  With consumers becoming more mindful and aware, strengthening the organization's sustainability actions will cultivate authentic relationships and build engagement and brand loyalty. This means looking at the entire value chain and beyond and identifying opportunities for sustainable product design – with a circular approach – or looking at responsibly sourced raw materials, a greener manufacturing process and store operations, reducing waste throughout the lifecycle, and looking for opportunities for eco-friendly packaging, etc.
  We have seen several examples of organizations using innovative approaches or technological advances to make their operations more sustainable and, in return, gaining consumer trust and confidence. For instance, Adidas and Parley for the Oceans collaboration sold more than one million sneakers made with recycled ocean plastic in 2017.[47] Unilever's "Sustainable Living Brands" are growing 69% faster than the rest of the business and delivering 75% of the company's growth.[48]
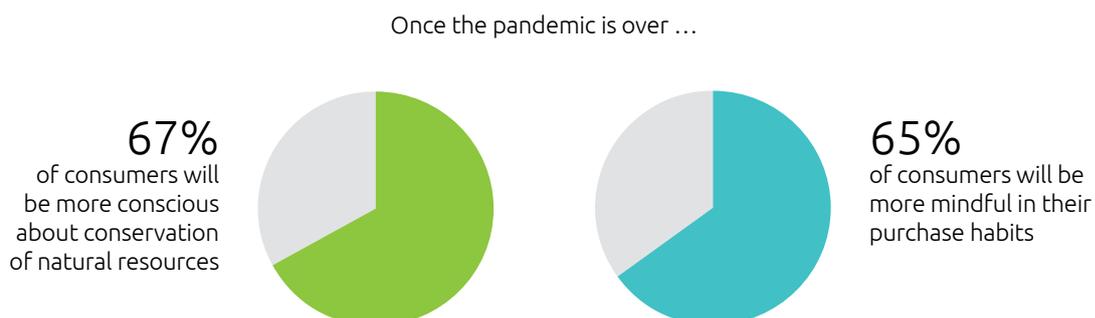
As mentioned previously, consumers are increasingly looking for local products – both for health and safety reasons and for sustainability. So, providing transparency on the origin and footprint of the goods will help consumers make a sustainable choice and build trust. French retail group, Auchan, is looking towards blockchain for food traceability. Customers would be able to scan a product with a QR code in the supermarket, and the app would show where the product came from, who handled it, and how it reached its end destination – addressing concerns on food safety as well as the carbon footprint of the product.[49]

- **Make your e-Commerce greener:**
  Consumer preferences for online shopping is accelerating fast. This gives retail and consumer goods organizations an opportunity to adopt sustainability initiatives that integrate with their digital presence:

  - **Combine deliveries:** Allowing to consumers to have all their orders delivered together can help reduce both cost and carbon footprint. In 2019, Amazon introduced a new delivery option for its Prime members called Amazon Day, which allows customers to choose any day of the week to receive all the orders at one time.[50] Letting consumers opt for wider delivery slots can help optimize routes and reduce carbon emissions as well as costs.

  - **Streamline returns and pick-ups:** e-Commerce returns, as well as being costly, add to landfill waste and increase carbon emissions. Technologies such as AI and data analytics can help to streamline returns from e-Commerce channels. For example, IKEA is using AI to predict the best possible destination for returned merchandise. The algorithm currently covers items returned from in-store purchases but can accommodate online returns as well.[51]

Figure 10: Consumers will be more mindful in their purchase habits and conscious about conserving natural resources

Once the pandemic is over …

67% of consumers will be more conscious about conservation of natural resources

65% of consumers will be more mindful in their purchase habits

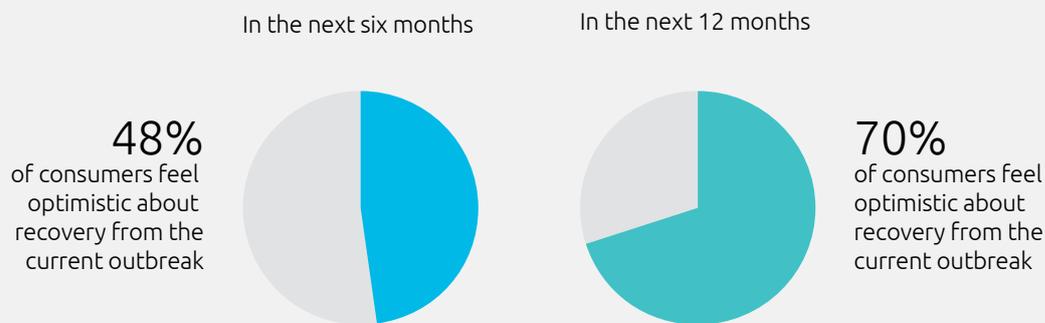**Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.**

- **Optimize delivery routes:** Over many years of operation, retailers have experimented with optimal route plans in their supply chain. Using technologies such as AI, each optimized route plan is saved for an algorithm to learn and improve its suggestions. UK-based Tesco, China's JD.com and Alibaba are some of the retailers implementing AI-based optimized routing and they are gaining sustainability benefits.[52]

Outlook: Customer sentiment points towards optimism and recovery in a 12-month timeframe

We conducted this survey with more than 11,000 consumers from April 4–8, 2020. Our survey findings highlight that close to half (48%) are optimistic about recovery from the current crisis in the next six months. When asked about the next 12 months, positive sentiment increases, with 70% optimistic about recovery (see Figure 11)
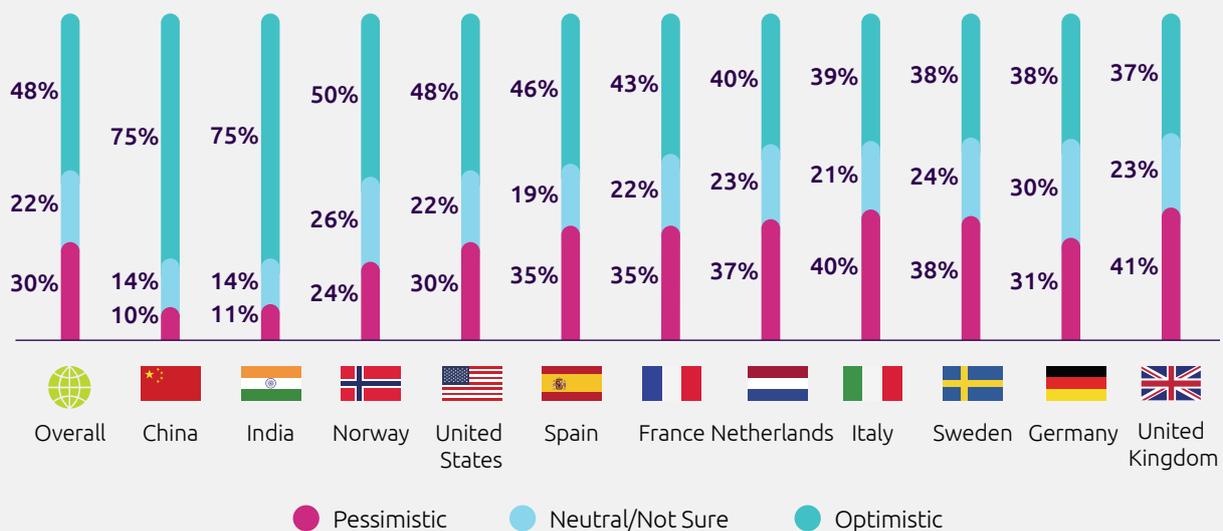
Figure 11: . Consumer optimism about recovery

In the next six months

In the next 12 months

48% of consumers feel optimistic about recovery from the current outbreak

70% of consumers feel optimistic about recovery from the current outbreak

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Looking at sentiment over the next six months, optimism is particularly high in China and India. China's optimism can be attributed to the country emerging out of lockdown towards potential glimpses of recovery.[53] At the time the survey was conducted, India reported lower impact numbers than the other countries,[54] which can be related to high optimism levels. On the other hand, pessimism is high in the UK and continental Europe (see Figure 12).

Figure 12: Consumer sentiment about recovery in the next six months – by country

	Overall	China	India	Norway	United States	Spain	France	Netherlands	Italy	Sweden	Germany	United Kingdom
Optimistic	48%	75%	75%	50%	48%	46%	43%	40%	39%	38%	38%	37%
Neutral/Not Sure	22%	14%	14%	26%	22%	19%	22%	23%	21%	24%	30%	23%
Pessimistic	30%	10%	11%	24%	30%	35%	35%	37%	40%	38%	31%	41%

● Pessimistic   ● Neutral/Not Sure   ● Optimistic

Source: Capgemini Research Institute, Consumer Behavior Survey, April 4–8, 2020, N=11,281 consumers.

Conclusion

The COVID-19 pandemic has forced the CPR industry to review its core markets and operating model. The sector has had to reassess consumer preferences and behavior in an era of great uncertainty and consumer nervousness about the economy and their own future. We are seeing a pattern shift in the way we consume and think about consumption, leading to a change in buying behavior. And, many of these behavioral changes may turn out to be permanent. At the same time, supply chains have received a significant shock and we have seen unprecedented demand for – and mass stockouts of – essential items. Technology will be key to meeting those challenges. This is true for both for the recovery phase – where it will underpin innovative new solutions – but also for the longer-term, relaunch phase, where it will be key to future-proofing the organization for a new reality. In such unprecedented times, consumer products companies, retailers, and restaurants should combine technology with an understanding of societal sentiments, giving importance to a greater purpose and sustainability to people.

TThis document is part of the Capgemini Research Institute's special series of research notes on pragmatic tips to help organizations tide over the COVID-19 pandemic. You can find more such research notes and other tips and analyses at : https://www.capgemini.com/our-company/covid-19-insights-for-today-and-tomorrow/

Contributors

Tim Bridges, Global Sector Lead, Consumer Products, Retail Distribution, Capgemini; **Kees Jacobs**, Vice President, Global Consumer Products, Retail Distribution, Capgemini; **Achim Himmelreich,** Global Head Consumer Engagement CPR, Germany; **Cyndi Fulk Lago**, Vice President, Supply Chain, Capgemini Invent; **Shannon Warner**, Vice President, Retail and Consumer Goods, Capgemini Invent; **Lindsey Mazza**, Global Retail Supply Chain Leader; **Katja Van Beaumont**, Vice President, Capgemini Netherlands; **Marc Rietra,** Vice President, Consumer Products, Retail, Distribution, Capgemini Netherlands; **Kristin Anita Ringvold**, Senior Manager, Capgemini Invent Norway; **Elin Skauge**, Vice President, Capgemini Invent Norway; **Nick Farrington-Darby**, Managing Consultant, Capgemini Invent, UK; **Jerome Buvat**, Vice President and Head of Capgemini Research Institute; **Subrahmanyam KVJ**, Director, Capgemini Research Institute; **Nancy Manchanda**, Manager, Capgemini Research Institute; **Abirami B**, Manager, CPRD Sector Hub; and **Arnab Chakraborty**, Manager, Capgemini Research Institute have contributed to this research note.

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