Going Out After Lockdown

C-19

e.factor business

EATING & DRINKING

LEISURE & RETAIL

TAKING A LOOK AT THE LONG-TERM IMPACTS OF THE C-19 CRISIS

Why?

All businesses are facing major uncertainty.

The government has only just provided clear ‘green-light’ dates for some sectors, with others still awaiting news which has made short-term planning difficult.

But long-term impacts on consumer behavior are harder to predict and mitigate.

We wanted to provide current, local intel as a barometer of consumer sentiment – to help businesses to plan and innovate.

Our goal is to share insights on what actions will give consumers the confidence and motivation to spend locally.

efactor business
GAIN ENTERPRISE GROWTH
European Union
European Structural and Investment Funds

What we did

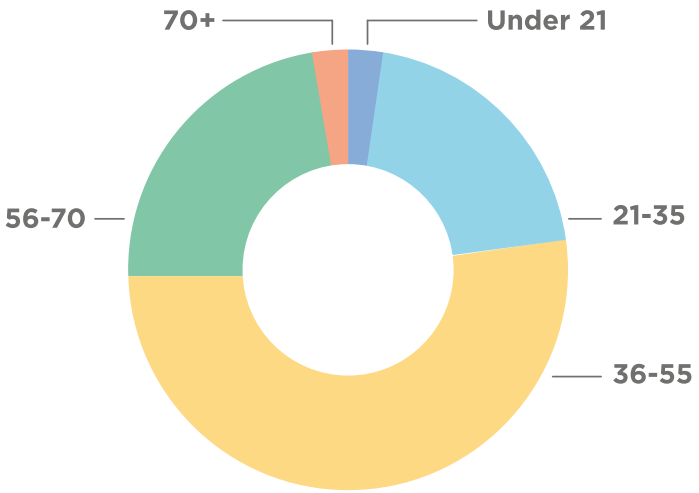
- Distributed an on-line survey via our networks
- The survey was live 4th-12th May
- Participation was incentivised
- **809** responses were collected

Respondent profile

Location:

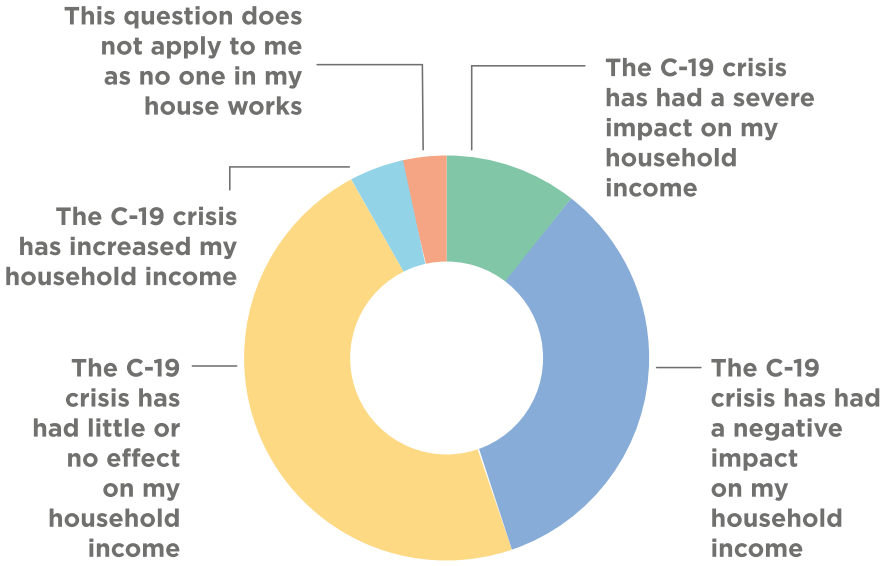
- 74% were from NE Lincolnshire
- 10% from North Lincolnshire
- 10% from elsewhere in Lincolnshire
- 6% from out of the County

Age:



Feeling the ‘squeeze’

- We asked about the impact on household income
  - 47% of households feel little or no impact
  - 35% of households feel there has been a negative impact
  - 10% feel they have been extremely hard hit



What people said

I am finding it easier to save money due to not being able to go out and do things like shopping or eating and drinking with my friends.

A drop to furloughed payments has meant applying for payment holidays but I stand to be furloughed much longer, working in hospitality.

No money coming in and no support from government (sole director ltd company taking less than £50k).

I am a key worker alternating weekly between work and home. I have felt no negative impact in fact the opposite because I have saved on travel.

My shopping bill has increased about 3 times its normal amount having a child at home that would normally eat 3 meals a day at school.

My husband's income has completely ceased. We are tightening our belts so that we don't load up the Credit Cards.

Core consumer insights

Almost one in two consumers has been feeling the financial impact of the C-19 crisis. For many, this has involved being furloughed from work with a percentage reduction in salary.

Key workers report having experienced the least financial disruption. But for others, homeworking has brought unexpected financial benefits, with reduced spending on travel and less overall opportunities for leisure time and recreational spend.

However, the story for those at home isn't all good. Some report increased cost of living through disrupted shopping habits.

Others are feeling the burden of having to provide extra meals at home for family members and children who would normally be out of the house during the day.

The survey also revealed that whilst some small business owners had benefited from government grants, others had fallen through the cracks – particularly employed owner directors of small businesses, who didn't qualify for the various support schemes on offer.

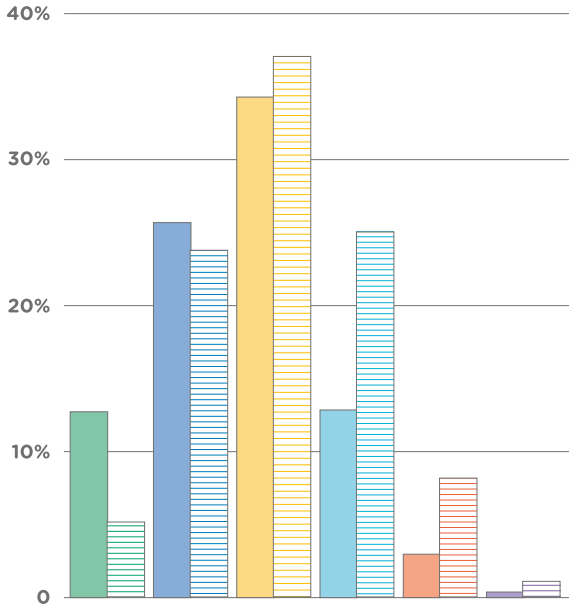
Across the board, we saw that whilst most people were coping financially through the crisis, there were anxieties for longer-term income disruption, as well as around the impact on pensions, investments and savings.

What are people missing the most?

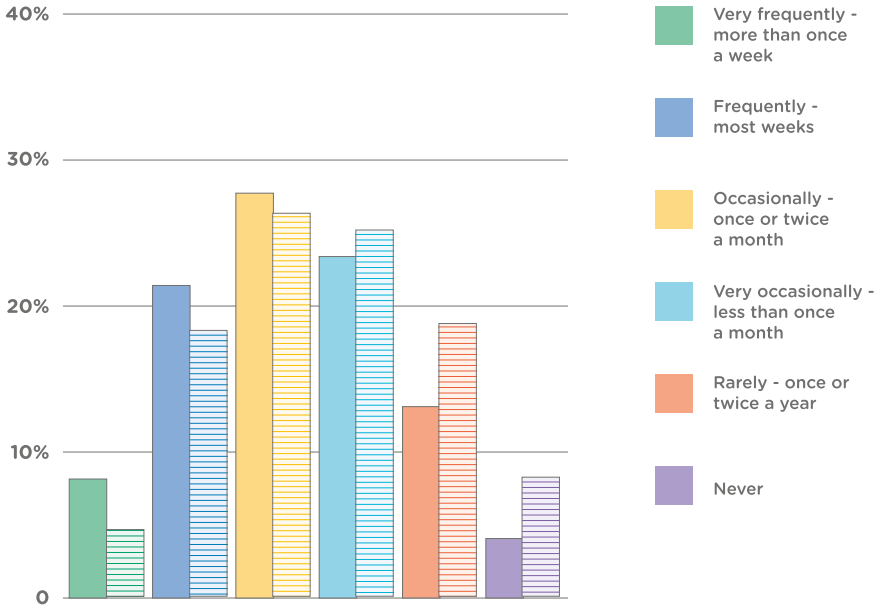
- Going out for a meal is the most missed activity
- Going out for a drink is joint second most-missed activity, alongside shopping
- Holidays and entertainment are being evenly missed
- Sports and health activities are being missed, but by a younger profile of respondents

Food & Drink – Before & After

Going out to Eat



Going out for a Drink



Eating & Drinking Summary

Before the crisis eating was more popular (frequent) than drinking.

49% of people reported eating out frequently or very frequently (more than once each week). Those eating out once or twice a month was 34%, meaning a total of 83% of people would have be eating out on a monthly basis before the crisis.

30% of people reported going out for a drink frequently or very frequently (more than once each week). Those going out for a drink once or twice a month was 29%, meaning a total of 59% of people would be going out for a drink on a monthly basis before the crisis.

Switch to a consumer view of after the crisis and high-frequency eating out is dramatically impacted (down 19%).

Frequency of going out for a drink is also impacted, but less dramatically. Those who are going out for a drink once a week or more drops by 8%. But you can also see that some people are ruling out going out for a drink altogether, with the increase in those saying they will go out drinking 'rarely' or 'never'.

It appears that restaurants are set to be the hardest hit in terms of changing consumer behavior. But the 2m distancing rule is likely to contribute to the challenge by physically limiting the customer numbers that establishments can accommodate.

Building consumer confidence

What are the most popular measures that businesses can take to build consumer confidence?

1. ***Providing hand sanitiser on entry would encourage 60% of respondents***
2. ***Social distancing (2m rule) would encourage 55% of respondents***
3. ***Only contactless payment would encourage 47% of respondents***
4. ***Limited contact with staff would encourage 44%***

Other ideas

Make more outdoor eating and drinking space available, with at-table service to avoid queuing.

Implement entry checks for symptoms (temperature) at public venues.

Giving special attention to hygiene and cleanliness in toilet facilities – as these are perceived as ‘hot spots’.

Mask-wearing in public – for consumers and venue staff.

Keep changing rooms closed in clothes shops.

Consider self-serve options for food and drink to minimise interaction with staff. Ordering via apps are a possibility.

Emerging themes

When we asked consumers what product and service providers could do to give them the confidence to go out eating, drinking, shopping and for leisure, three clear themes emerged.

Firstly, consumers are keen to minimise the amount of person-to-person contact they are likely to have as part of a visit to any venue, or as part of an experience or transaction.

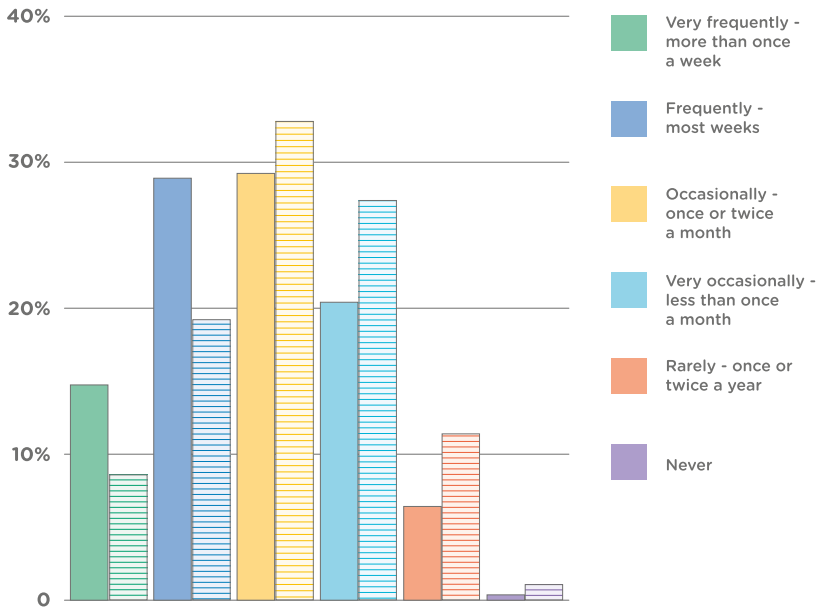
Secondly, consumers were also clear to point out that they expected businesses to show an obsessive attention to cleanliness and hygiene.

Critically, saying that this is the case is simply not enough. Consumers want to see the evidence of cleaning. For example, suggesting that restaurants have clear 'sittings' to enable a comprehensive deep clean between them.

Thirdly, consumers are looking to their hosts to allow the space to satisfy social distancing guidelines. Whether this is in seating, queueing or visiting conveniences – any kind of close proximity to others is perceived as a risk to personal safety in the face of C-19.

How have shopping habits been hit?

Non-food shopping habits



This data is specifically for non-food shopping:

- Those shopping very frequently (more than once a week) is likely to fall from 15% to 8%
- Those shopping frequently (most weeks) is likely to fall from 29% to 20%
- The trend is that frequency is likely to be diminished across the board

The rise of on-line

Food Shopping

20% Before

35% During

Up 15%

Non-Food Shopping

47% Before

68% During

Up 19%

Shopping Insight

There's little surprise that in line with the government's 'stay home – stay safe' messaging that consumers have turned to on-line as a way to shop as safely as possible.

However, respondent comments suggests that these figures could have been even higher (particularly for food shopping), if consumers had been able to secure home-delivery slots, which have been in short supply.

This change in behaviour potentially marks a threat to traditional 'bricks and mortar' retailers, who were already wrestling with the convenience and aggressive pricing of on-line retail ahead of the crisis.

The question here is: will shoppers be tempted to resume their pre-crisis shopping habits, once they feel that it is safe to do so?

Shopping Local

Do you consider yourself to be a supporter of 'shop local'?

- On average people rated themselves **7.7/10** for shopping local
- The under 35s were slightly less locally focused with an average of **7.4/10**
- Whilst the over 56s were most locally focused with an average of **8/10**

This intel, combined with data on on-line shopping habits, suggests that local retailers will be best-served by persuading older shoppers to resume their pre-C-19 and shop local habits.

What could local providers do to encourage you to shop and spend local?

- **Offer a good range of produce – choice and quality are important**
- **Improve availability and ease of purchase – from simple being open regular hours and being able to take card payments through to on-line shopping and home delivery options**
- **Be competitive in pricing – a proportion of shoppers believe they pay a premium to shop local**
- **Advertise so that local people are aware of offers and deals**
- **Free parking**
- **Convince customers that they are safe to shop local (hand sanitiser, social distancing measures etc)**

What shoppers had to say…

I shall probably revert to previous habits

Will enjoy the experience of being able to see/touch the products and appreciate handmade at fairs etc.

I will still do it on line as I don't want to go out into shops.

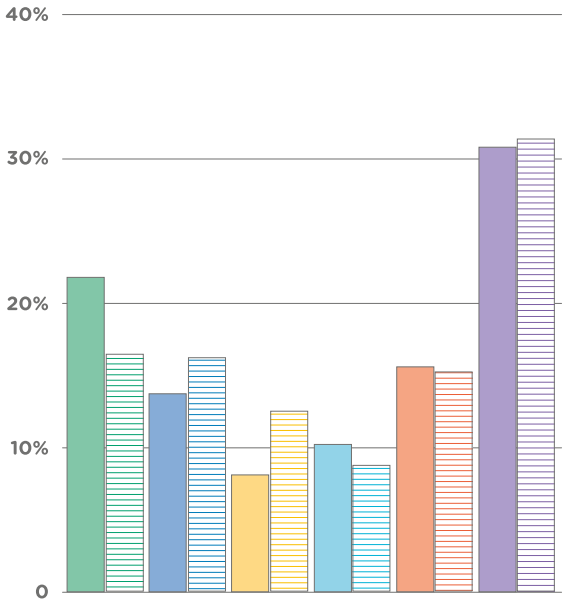
We will stay local & support local business for 99% of our shopping

I realise how much money I wasted on non essential items so will reduce my spending.

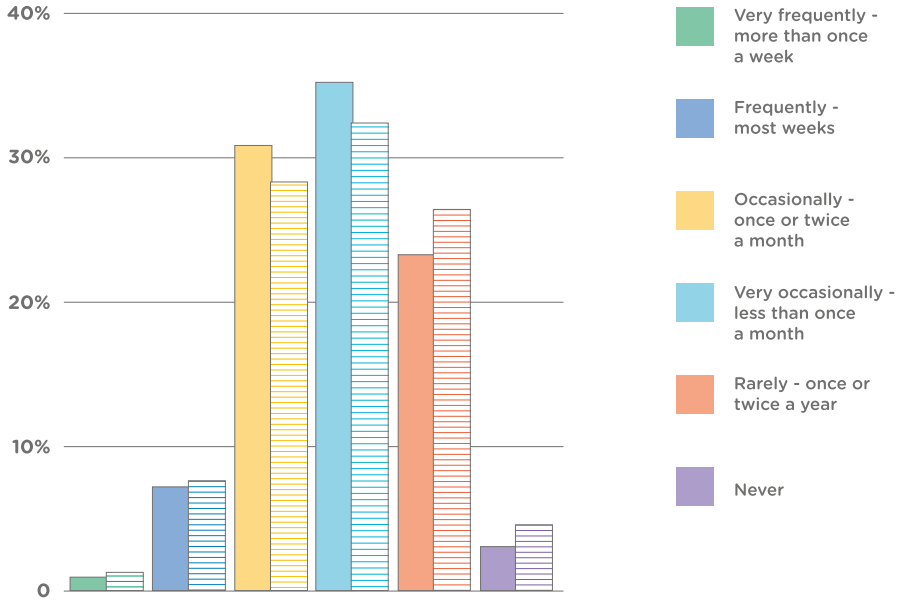
Continued online purchases. Less High Street exposure.

What is the impact on Leisure?

Going out for sports/health clubs



Going out for entertainment



Leisure Insights

Going out to health and sports clubs is slightly diminished at the very frequent end of the graph – but otherwise shows minimal impact.

It's worth noting here that the high number of 'nevers' in this graph corresponds to an age-related cohort, for whom these activities are not of interest – for obvious reasons.

Going out for entertainment is not profoundly affected by C-19. It appears that those who were occasional, very occasional or rare entertainment seekers will reduce their frequency – but keen entertainment seekers will be broadly unaffected by the crisis.

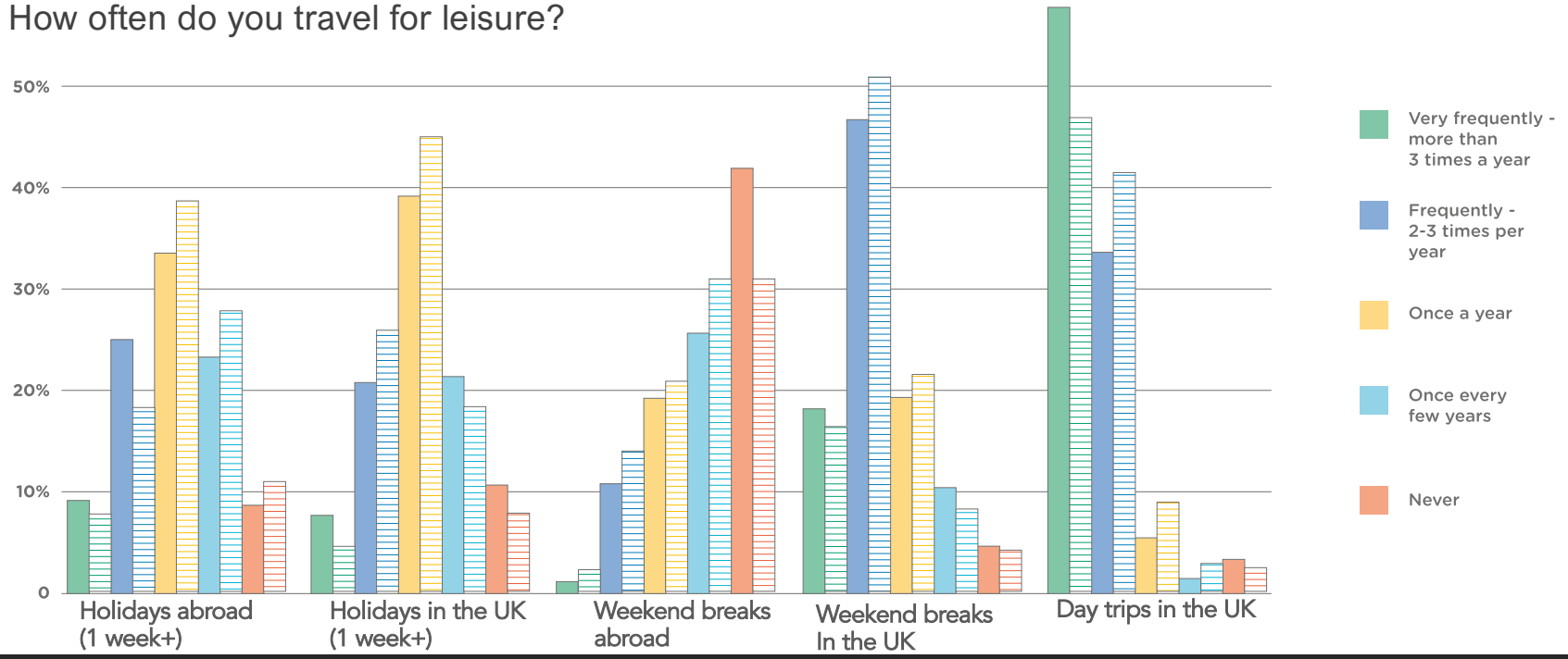
Overall, this spells good news for the leisure industry, if venues and providers can fulfil the key criteria associated with hygiene and personal safety outlined earlier in this report.

The main questions remaining here are: when will the government give the green light to open up these types of services? And: what guidelines and standards will need to be adhered to?

The realities of social distancing will inevitably have an impact on capacity/numbers, which are likely to have a knock-on effect on revenue and profitability for the sector.

What is the impact on Travel

How often do you travel for leisure?



Travel Insights

The ‘before’ C-19 picture tells us that ahead of the crisis, week-long holidays abroad, were slightly more popular (by frequency) than UK holidays. 34% of respondents were taking two or more week long holidays abroad, against a figure of 29% for the UK.

However, weekend breaks in the UK, were proving much more popular than weekend breaks abroad, with 65% of people taking more than 2 weekend breaks in the UK each year, against a figure of just 13% abroad.

90% of respondents were taking frequent or very frequent UK day trips, showing a strong day-tripper market in the UK before the crisis.

The ‘after’ picture shows us:

- ***Holidaying abroad is diminished with frequent and very frequent trips going down 10% from 34% to 24%***
- ***Holidaying in the UK remains stable with frequent and very frequent trips rising by 2% from 29% to 31%***
- ***Weekend breaks abroad remain stable with frequent and very frequent trips rising by 3% from 13% to 17%***
- ***Weekend breaks in the UK remain stable with frequent and very frequent trips rising by 1% for 65% to 66%***
- ***Day trips in the UK remain fairly stable with frequent and very frequent trips going down by 3%***

Travel Insights

The insights from our questions around travel offer good news for our tourism industry as the UK travel market appears to be resilient to the C-19 crisis.

We can expect a reasonably buoyant UK holiday market, with increased demand for week-long breaks (main holiday) and strong, stable demand for weekends.

The super-frequent visitors (those making over 3 trips per year), are a little diminished. However, frequent visitors (2-3 visits per year) show growth for all types of UK trips.

Given the current discussion around the possibility of 'local' lockdowns to tackle further C-19 outbreaks, it remains to be seen how confident consumers will be about making UK travel plans, once the government gives the green light to do so.

However, as it stands, our location has a relatively low incidence of C-19 (compared to other UK conurbations) so it may be that our region benefits from perceived relative safety.

Considerations still apply around being visibly 'safe' and compliant with social distancing rules at all visitor attractions, venues and accommodations.

Getting back to ‘normal’

15% of consumers are keen to return to their pre-lockdown routine as quickly as possible.

39% will consider go out when they feel confident that precautions have been taken

29% are likely to be wary of going out in public until it is declared ‘safe’

15% anticipate that their behavior will be fundamentally changed by C-19

The challenge for local businesses is to take every possible step for consumers to feel confident of their own personal safety.

However, customer numbers may be negatively impacted for the medium/long term

Summary

- One in two households have experienced a negative financial impact from the C-19 crisis. This may mean that 50% of consumers feel themselves to have less disposable income and may be more cautious in their spending.
- Eating out is the most missed activity – but also likely to be one of the most hard hit as consumers reduce their frequency of eating out and venues have to restrict capacity to comply with social distancing.
- Drinking will also be impacted, but less dramatically.
- Shopping is also likely to see a negative impact with two threats playing out – a reduction in disposable income for many and a switch to on-line shopping behaviours. Consumers do express a desire to shop local – which may offer an opportunity.
- The leisure economy appears to be relatively resilient, with small drops in frequency of visit
- A strong UK holiday market and some apparent switching behaviour from foreign to UK holidays presents an opportunity for the visitor economy
- Consumers are looking for confidence that their health and wellbeing is protected when going out – all providers should seek to excel in compliance and make measures visible

Thank You!

A full copy of the research findings is available at:

[INSERT INFO]

Survey and analysis work was completed by:

Sara Scott of Virtubrand

www.virtubrand.co.uk