



COVID-19

Human Impact Tracker

Christmas isn't cancelled

How food and beverage brands can adapt to a new kind of Christmas

Looking at global fear levels, we're seeing that consumers are still feeling very concerned about the virus. Yes, there was a dip after the initial peak in Spring but as many countries have already embarked upon their second national lockdown, this is likely to increase again.

And with Christmas just around the corner, people will undoubtedly be impacted by their fear of the virus itself as well as what restrictions mean for them and their loved ones.

In fact, over two thirds (67%) of consumers around the world expect a change to their normal celebrations this year.

But it's not just that people expect it to be different - this further disruption to their normal festivities is causing a lot of negative emotions. The most common emotional response is around sadness, anxiety and frustration. People are worried about the potential restrictions and don't like the prospect of celebrating Christmas in a different way this year.

The most affected group emotionally are older consumers who are more likely than anyone else to feel sad about the prospect of a different Christmas. They are more likely to live alone and are despondent and worried that they may not be able to spend the holiday with their family.

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I feel like it's something that's here to stay. We're all eventually going to get it. We just really need to not be so political with it. It's confusing for the public for so many conflicting reports to come out.

Female, 35, US

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It's changed everyone's lives and will have a lasting effect going forward. It's brought a lot of good out of people in the short term, however I feel that goodwill is now disappearing and people are going back to being selfish.

Male, 50, UK

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Because of coronavirus I lost my job so I stay in the house. I have financial problems and I'm not able to pay utility bills and home rent, so I'm very very unhappy because of coronavirus and lockdown.

Male, 26, India

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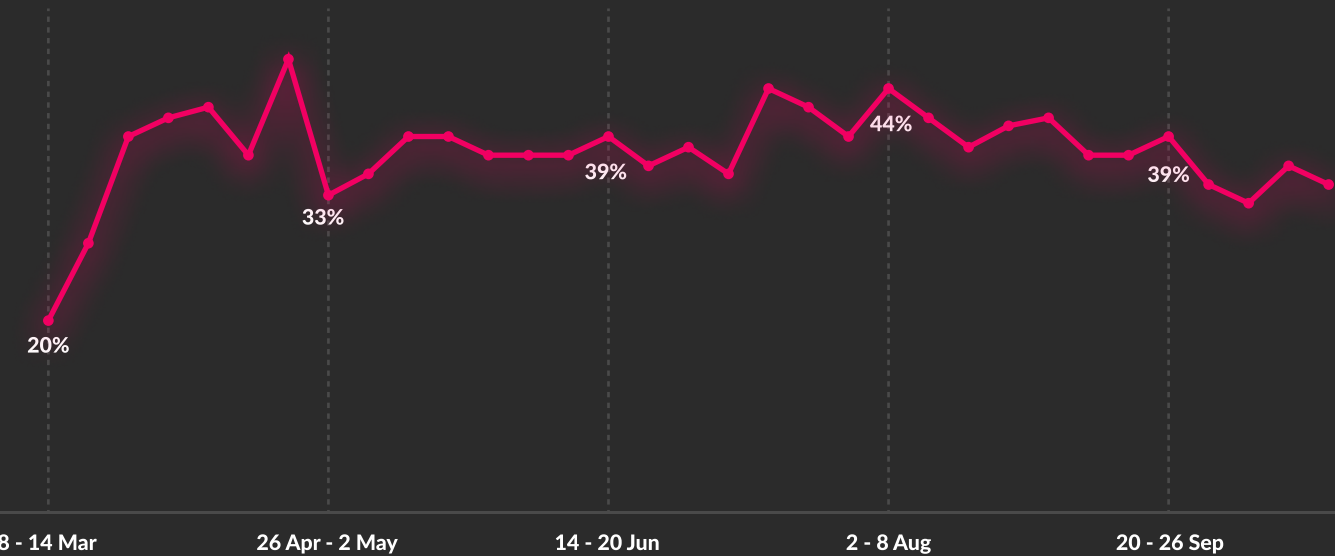


Brands have a great opportunity and responsibility to use their voices to focus on driving positivity and supporting people through this particularly difficult time. Food and beverage companies have played a big part in helping to fight loneliness over the years, and indeed during the first lockdown, so they are primed to have an even greater role now in connecting people and lifting their spirits.

We know that the connection between our emotions and our consumption decisions is stronger than any other category, meaning this is a great opportunity for brands to connect with consumers by showing empathy for their situation whilst also helping them make the most of it.



FEAR INDEX (% AFRAID - % NOT AFRAID)



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What consumers are most concerned about and driving this sadness is whether they will be able to see loved ones. With social distancing measures imposed across multiple markets, people will be forced to choose who they see and some may not be able to see anyone outside of their household. It will most likely come down to your close family - either partners and children, or parents and siblings. Extended family members and friends will have to wait until measures are relaxed, potentially not until next year. While this is something consumers are used to by now, having to do it at Christmas is proving to be a big blow.

So Christmas is likely to be a smaller affair than before and that will impact the products that people will buy, creating opportunities for brands to help consumers make connections with those that they are missing.

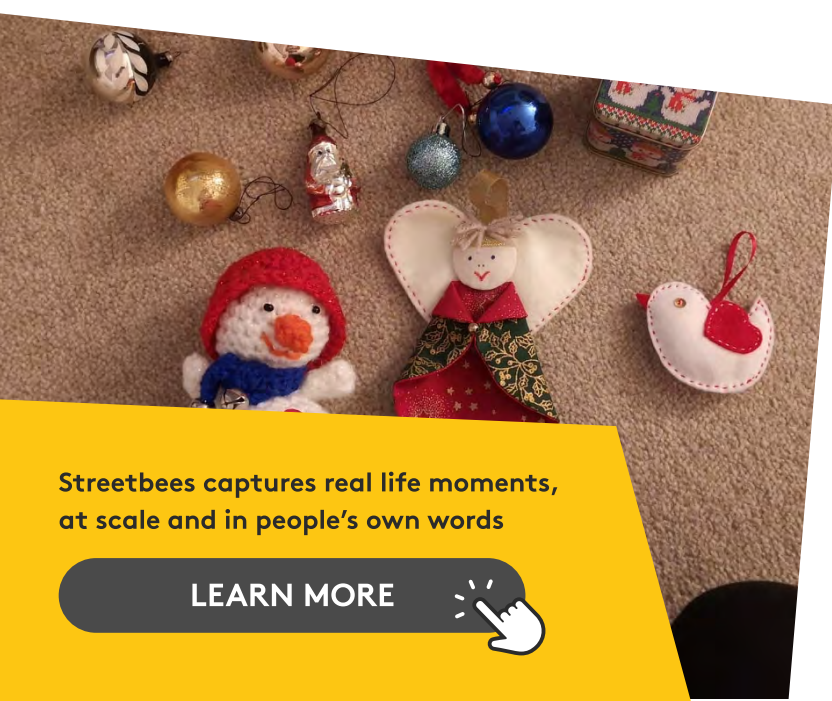
Another key issue bothering some consumers, particularly those in the US and Russia, is the lack of outdoor events like Christmas markets, festive parties and religious services. These large social gatherings are likely to be missed or held virtually this year. This will again change the way food and drink is consumed; brands need to be prepared to offer the right products for the right occasions.



Consumers might be likely to avoid messy foods and large sharing platters if they're joining a party on Zoom! Brands should also help consumers with ideas to create their own festivities in their homes - how can they bring the Christmas market from the townsquare to their own dining room?

Finally, the prospect of not being able to do their Christmas shopping as usual is another concern. The global adoption of online shopping has no doubt prevented this from becoming a bigger issue but it's important that brands empathise with consumers whilst showing them how they can still get all their Christmas shopping done.

Connect with consumers, show them empathy for the situation that they're in, but ultimately it will require putting a positive spin on it.



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Alcohol is not a necessity and we just don't have the same amount of money as we have had previous years with spending on gifts and decorations.

Female, 39, Germany

Preparation, preparation, preparation

Christmas will not be the same this year; there's going to be a lot of change. But that doesn't mean it's all bad change.

When talking to our bees - or users - about how far they were with their seasonal preparations, 79% told us that they are at least already thinking about it! Over half are purchasing gifts, over a third are already stocking up on food and snacks and a fifth are even preparing their menus!

Gifting: While over half are purchasing gifts, we know that these aren't all going to be given and received in person - many will be sent online/via courier so we need to think about how we can maintain that sense of connection while not being in the same room.

The call here is for brands to create meaning around their products rather than showing materialism.

The most popular food & treats: Chocolate bar (16%), turkey (13%), cake (13%), cookie (12%), other candy (8%).

HOW ARE CONSUMERS CURRENTLY PREPARING FOR CHRISTMAS?



Purchasing gifts
56%



Stocking up on food & snacks
39%



Writing menus
21%



Menus:

We're already seeing a lot of influencers on social media promoting ideas for Christmas meals and confectionery. There is an opportunity here to partner or collaborate with these people - using beverages in cocktail videos, or chocolates in baking.

The four key rituals for Christmas 2020

The conversations with our bees revealed how people plan to celebrate Christmas and, while the basic structure will remain the same, they will still look different to normal. Here are the four key rituals brands can expect from consumers this year:

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We're going to mail gifts, then when everyone has gotten everything, we're going to video chat to open presents.

Male, 21, US



1. Cosy, intimate gatherings

What this means: Scaled-back fun

Activities include: TV & films, arts & crafts, fun family games

Focus for brands: Intimate, close family moments on comms and show consumers how your brands elevate those moments



3. Festive decorating

What this means: Finding ways to spread the cheer

Activities include: Putting up the tree, decorating the house and garden

Focus for brands: Expand beyond chocolates on the tree, candy canes and gingerbread houses. How can food/drinks be used in decoration?



2. Indulging in food

What this means: Fewer places around the table

Activities include: Traditional but smaller dinner, decorating, baking

Focus for brands: Less focus on large sharing formats and party foods, more focus needed on premium quality



4. Online exchanges

What this means: Connecting with family and friends

Activities include: Opening presents and sharing experiences over video call

Focus for brands: Accessibility and delivery options are key to make sure your products are viable options for those not able to be together physically

How will spending be different?

We know people are planning to celebrate and we know how they're planning to celebrate but how does this translate into spending? Well, it's no surprise that 48% of consumers are planning to spend less. There is also a significant chunk of people (39%) with no plan to change the amount they're going to spend. There's even a very small group there - 13% who are planning to spend more on Christmas this year.

Generally speaking, our COVID-19 Human Impact Tracker shows that the pandemic has had a serious impact on a number of people's personal finances. As of October 2020, 61% of people have had their jobs impacted by the crisis, the majority of which are negative changes like reduced hours, reduced income and of course job loss. And this is translating into 46% of consumers spending differently, with the overwhelming majority reducing their outgoings.

Therefore it makes sense that this is extending into the Christmas season as well. Budgets are going to be tight, and brands face an even more competitive environment.

HOW CONSUMER SPENDING WILL CHANGE FOR CHRISTMAS THIS YEAR:

48%

Spending less

39%

No change

13%

Spending more

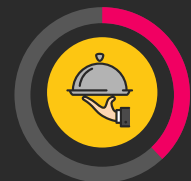
CONSUMERS ARE SPENDING LESS ON:



Gifts
64%



Food
44%



Dining out
38%



Decor
31%



Travel
29%

Streetbees has identified two key areas where spending will be affected this Christmas:

1 Fewer people around the table

Expenses are reduced, especially on gifts, food and alcohol as less people will be in attendance (this is the main money saver this year!)

2 Not going out

Less money spent on travel, large social gatherings and eating out.

When looking at how our bees are responding to these changes, two key groups emerge:

Spend & Splurge: This group is taking the money they saved from not going out/having smaller celebrations and is choosing to redistribute it to those key rituals which we discussed earlier.

These consumers want to make those moments really special. This is especially prevalent for households with kids - they've had a tough year and they really want to spoil the family, in order to end the year on a more positive note.

Skimp & Save: This group has an added factor - cautious spending. Job insecurity and greater pressure on personal finances have resulted in a re-evaluation of what's important. They're avoiding all unnecessary spend.



How to connect with consumers this Christmas

Brands need to find ways to appeal to both the Spend & Splurge group, and the Skimp & Save group this Christmas. Having nuanced communication strategies for these different audiences is essential and they must be careful not to get stuck somewhere in the middle.

Streetbees' COVID-19 Consumer Tribes, discussed in more detail here, are a result of two main factors - their fear towards the virus itself and how impacted they are financially.

First, you have the Opportunists and the Shielders - these tribes have been impacted less financially. On the flip side, you have the Survivalists and the Jugglers who have seen massive economic impact from the pandemic. Looking through the lens of the different tribes, brands can start to think about how they can communicate with these different groups this Christmas.

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We will still have a festive lunch with all the trimmings but it will be on a smaller scale.

Female, 34, UK

“

At home in a small circle with the family, my grandparents are afraid of Corona, unfortunately they won't come this year.

Female, 39, Germany

“

With my immediate family in my new home same way we do every year we decorate and put up the tree.

Female, 30, US

“

It's been such a depressing year. We've already put our tree up and decorated the living room, just to give the house a lift and keep up our spirits!

Female, 42, UK

SPLURGE & INDULGE

Saving elsewhere, means more freedom to choose where and what to spend on



Low financial and virus fear levels

How to communicate:

Products don't need much justifying. 'You deserve it' products will add to and 'elevate' rituals



Higher fear levels of the virus rather than financial concerns

How to communicate:

Communicate with empathy. More likely buying online. Recommend more premium alternatives

SKIMP & SAVE

Others choose to save altogether and will avoid spending any more than is necessary



Massive economic impact, with higher financial concern than fear of the virus

How to communicate:

Justify the role of the product from an emotional angle, a mechanism to 'escape' from current going-ons



Fear of the virus and concern over financial impact, both intertwined

How to communicate:

Comfort through the positive power of society. Bringing family/friends together through food & drink

Fancy a Christmas takeaway?

Here are three key learnings that food and beverage brands need to keep in mind as they continue to navigate the impact of the COVID-19 pandemic this Christmas:

Provide hope

Consumers know Christmas will be different and the overwhelming feelings about that are negative. Brands need to empathise with them but their main role this year is to offer them hope and to show them how they can make the most of this Christmas, whether that's finding parts of the old traditions that they can still do, or finding new ways of doing things.



Keep connected

The main driver of negative feelings is the prospect of being unable to spend Christmas with the people that you would normally be with. So staying connected to loved ones that can't be with you is going to be really important and something that brands should try to help people achieve. Food and drinks brands have a role in helping make these connections memorable by being a major part of people's virtual experiences this year.

Quality over quantity

Finally, the physical result of the restrictions is that Christmas celebrations will be smaller this year, with fewer people celebrating together physically. This means that the product format of Christmas lines is very important, but it also means that consumers are going to value quality over quantity. A lot of consumers will be saving money in some ways this year and food and drink brands should be trying to convince consumers to trade up on their regular food choices to more premium ones this year, especially if they are downsizing on the volume of their shopping.



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Access rich data with photos and videos from millions of demographically representative consumers.

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Streetbees identifies hidden growth opportunities by applying AI to millions of real life observations from real consumers.

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BEEES

2.5 Billion

DATA POINTS

190

COUNTRIES



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