



Consumer Concern about Global Outbreak of COVID-19

Global Data survey results show that, although the percentage of consumers who are extremely concerned slightly decreased from 40 to 37 per cent in the third quarter in 2020, most consumers are highly concerned about the global COVID-19 outbreak. Likewise, the Conference Board of Canada recently reported that their Consumer Confidence index declined by 4.1 points in August compared to the previous month. According to the Conference Board of Canada, pessimism about COVID-19, financial situation, and future jobs rose in August.

Impact on Consumer Products

According to Global Data, consumer products sector revenue is expected to decline by \$362.2 billion (3.9 per cent) in 2020, compared to baseline predictions. Consumers continue to focus spending on indispensable items including essential food, health products and household products. Shelf-stable products such as canned foods, frozen foods, pasta and noodles have a positive valuation outlook. In contrast, consumer spending in savory and deli, ice cream, fish and seafood has fallen in 2020. Overall, the food sector is expected to show a slight increase of 3.4 per cent in sales value in 2020, while alcoholic drink sales is expected to decrease by 14.7 per cent compared to the baseline forecast. Non-alcoholic drinks will decline by 8.3 per cent, with carbonates, tea, energy and sports drinks being the most affected categories and both water and hot drinks, the less affected categories.

Impacts of COVID-19 on Consumers' Shopping Behaviour

Some experts have pointed out the COVID-19 pandemic has been an accelerant of already existing trends—most notably online shopping and “buy local”. Grocery deliveries have been increasing in popularity and are expected to continue growing in the near future. For consumers shopping in stores, shopping time has been reduced dramatically. Consumers are avoiding crowded stores as they go in and out as quickly as possible, making the shopping experience shorter than before. Consumers are displaying a greater interest in meal deliveries. Global Data survey results show that at least 34 per cent of consumers plan to order deliveries from restaurants more often than before. In addition, Euromonitor reports that the average basket size has grown as people become accustomed to stockpiling and pantry loading amidst the uncertainty of the pandemic.

Euromonitor International Health and Nutrition Survey reported that 48 per cent of global consumers seek natural and traditional solutions for preventing illness versus 30 per cent of consumers who take over-the-counter medicine. Ancient grains like amaranth, quinoa and buckwheat and naturally functional foods including turmeric or ginger are becoming popular among consumers. Consumers are showing an increased interest in locally sourced products with shortened supply chains as they become more conscious about their needs, income, and type of products they will supply to their household members.

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