

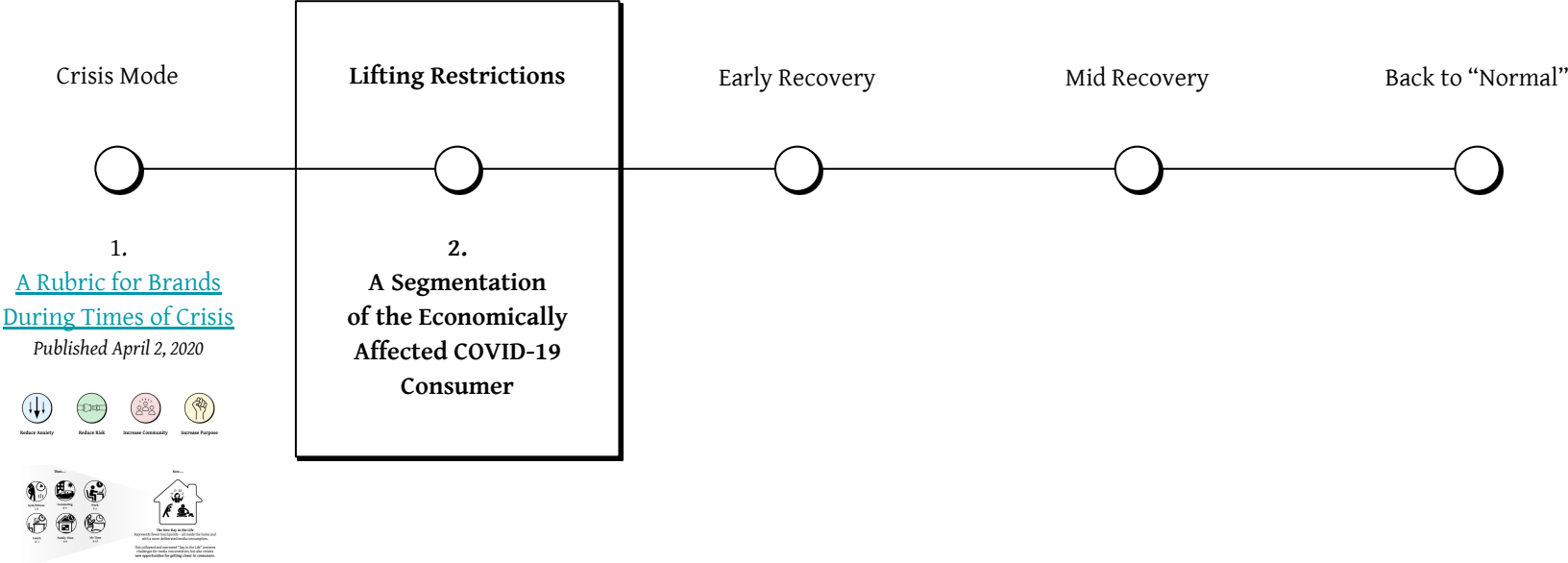
The logo consists of the letters 'FIG' in a bold, black, sans-serif font. A thin vertical line is positioned to the right of the letters.

# FIG

## A Segmentation for the Affected COVID-19 Consumer

Opportunities and strategies for connecting with the hearts and minds of consumers as restrictions affecting people's lives - and the economy - begin to be lifted.

*May 2020*

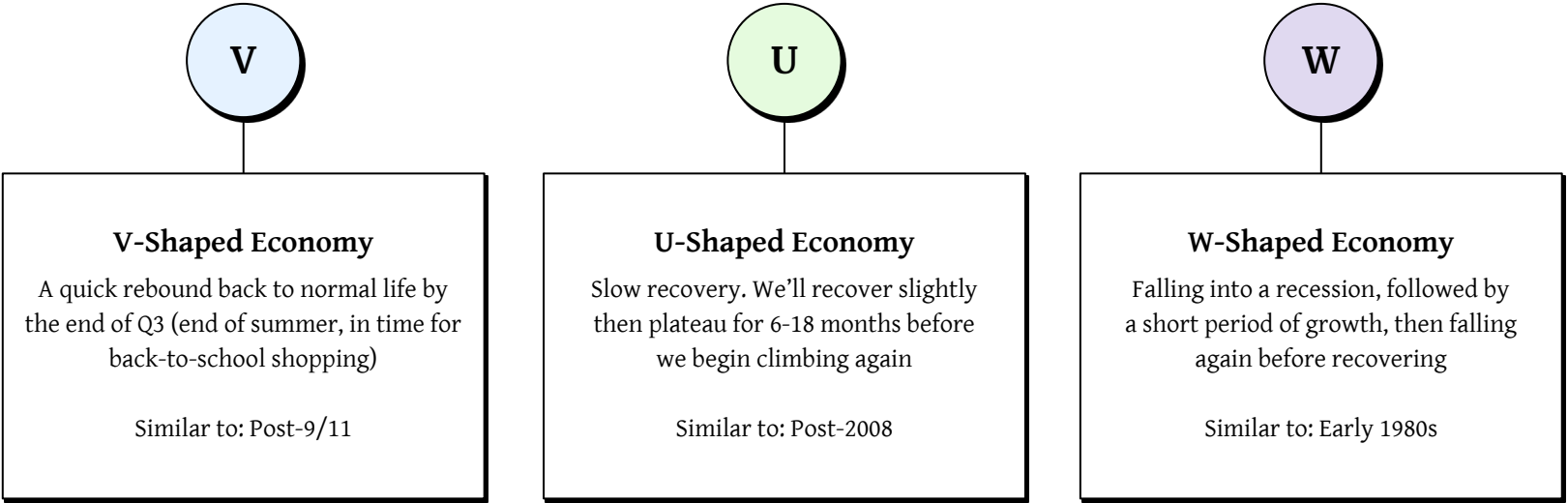


Our Crisis Code for Brands covered what to do during the early days of the pandemic. You can find it [here](#), on FIGagency.com

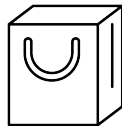
It's essential to plan for what comes next.  
This document provides a framework for how to connect with consumers as they're attempting to regain stability, in their Pre-Recovery Mindsets. It includes data from our proprietary study: "FIG COVID Segmentation Study. May 2020," a survey fielded among 1,200 participants across all ages and income levels.

The near future of the economy is uncertain.

There are a few different economic scenarios we could be facing:



New habits have formed that will  
universally change the way we consume.



**More Shopping Online**

Online sales in the US grew 56% compared  
to the same period last year

-Emarsys



**Hesitant Spending**

68% of consumers say they are  
spending less

-FIG COVID-19 Segmentation Study



**Continuing Social Distancing**

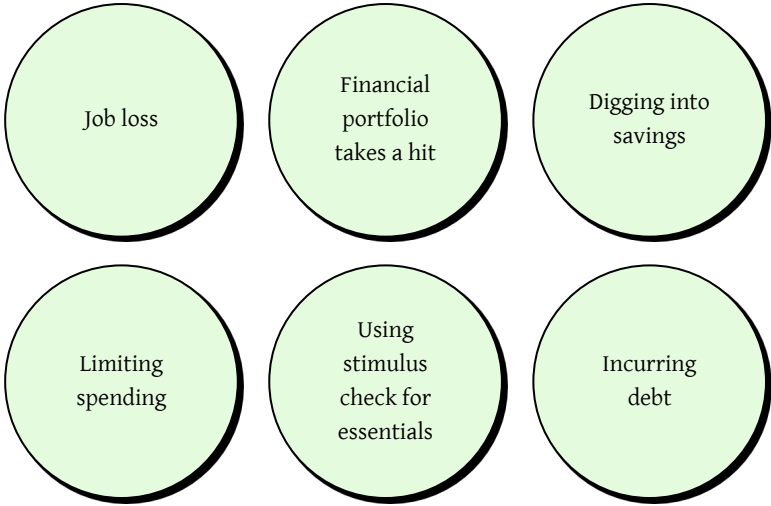
More contactless interfaces  
and interactions

-Forbes

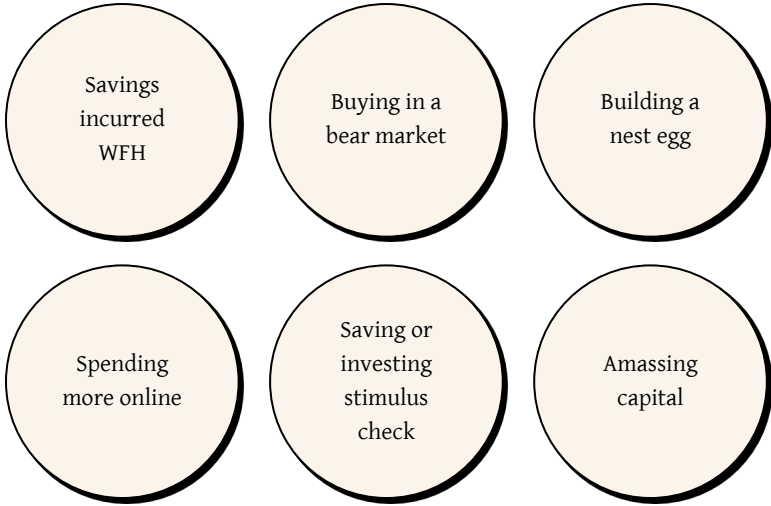
But not everyone will have the same financial experience  
on the other side of the lockdown.

For some there will be consequences, for others, opportunities.

People negatively affected

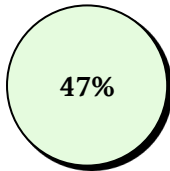
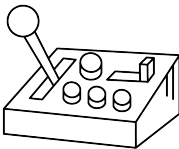


People ~~negatively~~ affected



We can segment the general population into three COVID-19 affected mindsets.

Through a proprietary survey, we've identified three different groups of people and segmented them not on their income levels, but by their COVID-affected mindsets.



**Recoverers**

Severely affected with an uphill climb ahead back to stability

**Modifiers**

Remained mostly stable with slight changes to daily life to make it through

**Optimists**

Remained stable, maybe even benefitted

All three segments currently have some things in common:



**They are spending less**

68% of all consumers say they are cutting back on spending.



**They want brands to help them tackle immediate challenges**

70% of all consumers say they would like brands to make sure their basic needs are met.



**They are consuming new forms of entertainment at home**

Over half of all consumers say they have subscribed to more streaming services.



**They are missing their daily routines**

Seeing friends and family  
Socializing  
Freedom

Going outside  
Eating at restaurants  
Working

Sports and exercise  
Shopping  
Going to the movies  
Travel and vacations

However, we can begin to forecast differences in how they will spend in the future.

How each segment will budget and spend can be divided in four categories.



**Essentials**

Necessary  
for survival



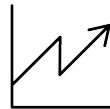
**Treats**

Indulgences that  
are affordable



**Luxuries**

Desired purchases that  
can be put off



**Investments**

Major financial  
commitments



For each segment, there will be opportunities for brands to play valuable roles.

Brands need to be prepared to play one or more of these three essential roles:

Recoverers need:

**Support for the long haul to  
get back to normal.**

**Brand role: To help**

Make sure their basic human needs are taken  
care of to make them feel safe and secure.

i.e.: Ford credit assistance

Help can also be just as important in creating  
experiences at low or no cost to replace trips  
or toys when parents can no longer  
afford them.

i.e.: Mattel offers free “play resources” with the  
rally cry, “Play is never cancelled.”

Modifiers need:

**To return to their usual day-to-day.**

**Brand role: To encourage**

Lift their spirits, and help them regain control  
of their daily lives and a sense of community.

i.e.: It’s Halftime in America

Apple rolls out cheaper iPhone as pandemic  
curbs spending

Optimists need:

**To enjoy personal growth.**

**Brand role: To inspire**

Stimulate their excitement, and help them  
find the opportunities that a post-lockdown  
economy can offer them.

i.e.: GM launched 0% financing after 9/11 to  
stimulate the economy

American and Delta extend elite status  
through the end of 2021

**Recoverers****26%**

Who they are

How they feel  
about the future

Spending habits compared  
to other segments

Media  
consumption  
habits

Notable traits

Consumers who bore the brunt of the negative financial consequences of the pandemic. These are people who have lost their jobs and will likely deplete their savings or go into debt in order to get through the recession. The return to financial stability will be a long and arduous trek for these consumers.

Discouraged about job prospects and the state of their personal finances. They expect to have to limit their discretionary spending, and they're prepared to take on any job that will help them pay the bills.

#3 in spending on takeout

#3 in putting money into savings

#1 in planning to cancel any new services they paid for during COVID-19 when lockdown is over

-Heavy mobile consumers

-Over-index for streaming

-Active social users

-More likely to work in service industries

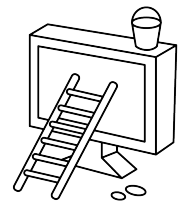
-More likely to be Hispanic or African-American

-More likely to be ages 18-24

-More likely to have an income of less than \$35K



How they will consume goods



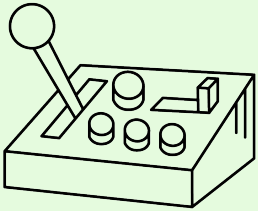
Recoverers



How they will consume media

	Essentials	Treats	Luxuries	Investments
As restrictions begin to be lifted	Out of necessity, their spending will be concentrated on the essentials, which will now include <u>debt or delayed payments</u> incurred during the pandemic.	If China gives any indication of global spending habits post-COVID-19, then these consumers will <u>stop spending money on treats</u> , like coffee and clothing, and look to make secondhand purchases when they can.	Luxuries will become largely unattainable, and those that remain possible will be minimized (e.g. vacations will become a weekend road trip rather than a week-long getaway).	They won't be able to afford major purchases like <u>housing</u> , and they won't want to invest in the markets. Instead, the epidemic may create a generation of <u>supersavers</u> .

	Mobile-First Online Activity	OOH	Social	OTT Streaming vs. Linear TV
As restrictions begin to be lifted	Recoverers will likely leave the home sooner than other groups. Their heavy mobile usage now largely at home -streaming content, checking social, playing games and browsing the internet - will quickly start to shift outside of the home, expanding touchpoints and mindsets. However, time spent will likely stay higher than before.	Recoverers may provide brands with increased opportunities for OOH touchpoints as restrictions begin to lift, especially with transit in the larger metropolitan areas.	Social consumption should stay high as restrictions begin to lift, given that before COVID-19, Recoverers over-indexed for heavy social use. However, the surge in usage of less monetized communication tools like WhatsApp and Facebook Messenger may start to decrease.	OLV and streaming could start to drop off slightly as restrictions start to lift and with some Recoverers shifting back to work. However, over half of Recoverers who subscribed to new streaming services intend to keep them. Additionally, given pre-COVID-19 habits and the acceleration of consumption during COVID-19, it's likely that streaming will sustain at higher levels than before.



Modifiers

47%

Who they are

How they feel about the future

Spending habits compared to other segments

Media consumption habits

Notable traits

The largest consumer segment, the Modifiers, will be able to bounce back quickly when the economy reopens. The majority of them belong to the middle class. Someone in their household may have experienced a layoff or furlough during the lockdown, but their job will more than likely be available to them when business picks back up again.

Currently stressed out but optimistic that things will get better. They're being proactive, looking for ways to gain control of the situation so they can get back on their feet as quickly as possible.

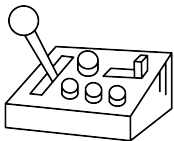
- #2 in spending on takeout
- #2 in putting money into savings

- Multi-device oriented
- Community-focused on social
- Linear TV and streaming audience

- Most likely in the middle class (average income \$55K )
- Over-index in industries able to bounce back (e.g. retail, business services, transportations, tourism, etc.)
- Over-index in parents and caregivers
- Most likely older Millennials and Gen X



How they will consume goods



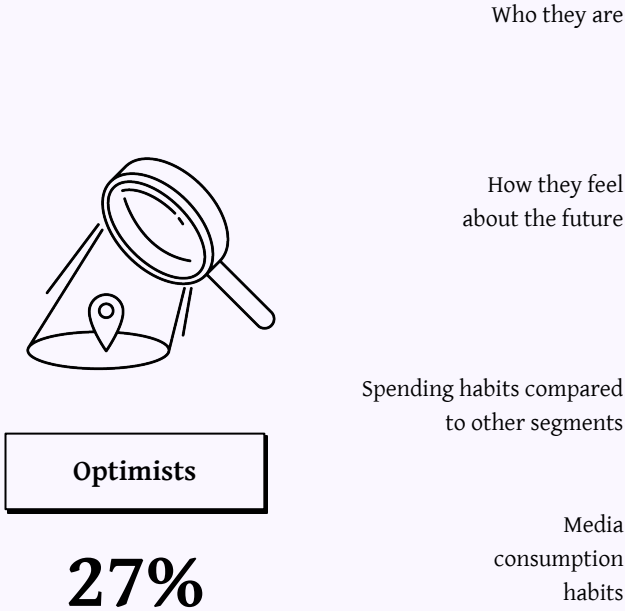
Modifiers



How they will consume media

	Essentials	Treats	Luxuries	Investments
As restrictions begin to be lifted	Essentials will still remain one of the most important needs. They will be extremely cautious about how and where they obtain them, now relying more on online <u>deliveries</u> , <u>local businesses</u> , and cutting back on things they once thought were necessary, like buying brand names.	Although they will still buy treats, Modifiers will be looking for cheaper versions of products or deals from brands. There will be changes in how they shop for clothes, looking for <u>second hand items</u> or <u>reducing the amount</u> bought.  Some at-home behaviors will also remain post-social distancing, including <u>DIY hair care</u> or skin care as a way to reduce cost.	The definition of luxury will change. This especially applies to travel. People are going to be more timid when it comes to flying, and will be looking for less expensive alternatives like <u>staying closer to home</u> and <u>shorter trips</u> .	Consumers will <u>hold off on making investments</u> like car purchases, home purchases and home improvements until at least 2021, but many aren't certain they'll be able to <u>afford</u> these things in the future either.

	Multi-Device Online Activity	Social	OTT Streaming vs. Linear TV	Audio
As restrictions begin to be lifted	Modifiers should remain a captive online audience as restrictions begin to lift, as they make sense of the beginnings of recovery and start to more intently look for jobs. There may be a spike in traffic on job sites like Indeed, Monster and Google as companies start expanding open positions.	As restrictions start to lift, this audience may continue to rely on their social networks, especially Facebook groups, for resources for recovery. However, as recovery continues, it is likely that social usage will start to trend down.  LinkedIn will continue to function as a content hub for new skill development, but usage will also likely surge for job searches.	Some Modifiers may continue to keep cable for news during the crisis. However, as the news focus starts to decrease, along with the slow increase of live sports, some of this group may begin to cord-cut if they haven't already in quarantine. Nearly 70% of those who subscribed to new streaming services intend to keep them.  The flexibility and choice of streaming, especially with tighter discretionary spending, could have staying power for Modifiers.	As some Modifiers start returning back to their commutes and increase their touchpoints, we are likely to see bumps in podcast consumption, especially given the explosion of content creation during COVID-19.  Streaming audio and radio, which have seen some increases during quarantine, should continue to be mainstay channels as restrictions start to lift. However, where and how they are used will start to shift.



Consumers who didn't experience any of the negative financial consequences of the epidemic (62% said their finances weren't impacted at all). These are people who were able to experience the opportunities that were presented – including maintaining income while spending less staying at home and buying in a bear market.

Excited to escape from what feels like the longest snow day ever. Cautious about their physical safety, they're beginning to think about where they can spend their time when they're freed from their homes. This segment, while doing so cautiously, will be the most likely to open their wallets again after lockdown.

- #1 in spending on takeout
- #1 in putting money into savings

- Diversified online content consumption
- Mobile-heavy user
- Over-index for Linear TV use

- More likely to be white-collar professionals
- More likely to pay for premium services (e.g. Amazon Prime, Uber, etc.)
- More likely to be in metropolitan areas
- More likely to be Boomers or Gen X
- More likely to travel/vacation often



How they will consume goods



Optimists



How they will consume media

	Essentials	Treats	Luxuries	Investments
As restrictions begin to be lifted	With growing fears of the <u>high-touch environments that stores present</u> , their habit of shopping for essentials online is likely to remain and grow. Personal protective equipment will become an essential purchase. This group in particular may even opt to buy <u>masks and gloves from their favorite fashion brands</u> .	Since dining will take <u>longer to get back to normal</u> , their favorite restaurants will continue to evolve their delivery and takeout options. They'll see "treating themselves" by ordering from their favorite restaurants as an act of social good in supporting them. Fitness studios and gyms they frequented before will see a major shift toward at-home services. The lockdown <u>expedited at-home fitness offerings</u> that in some cases are less expensive and more convenient.	<u>Travel in the near future will be closer to home and driving tourism will grow</u> . When travel gets safer, they will start planning bigger trips, most likely combining credits from canceled trips. As for luxury goods, <u>China saw a surge in purchases when stores reopened</u> , indicating that a similar behavior may happen globally as well.	<u>Lockdown has meant cautious spending</u> . Unlike the other segments, they didn't cautiously spend to survive, their cautious spending resulted in savings. They spent their time in lockdown fantasizing about what their big purchases could be. There is a major opportunity for real estate, cars, etc. to capture these consumers and <u>get them excited about deals and opportunities</u> when lockdown is over and they're ready to buy.

	Multi-Device and Diversified Online Activity	Social	E-Commerce	Linear Vs. Streaming
As restrictions begin to be lifted	As restrictions begin to lift, Optimists will likely keep the online news publication subscriptions they've signed up for for COVID-19 information and other premium content like recipe or lifestyle content.  They will continue to explore podcasts, virtual workouts, game streams, live events and streamed music, Optimists may also start more seriously researching travel opportunities.	In this stage, Optimists may begin to post more content and engage more intently with their favorite influencers. However, voices of authority and positive impact over gossip and celebrity content will still be important to this audience as the world will be in the first stages of a shift back to normal.	Optimists will likely continue to shop online for groceries and home essentials, especially in this early stage. They may also extend their online shopping to other categories. It will be imperative for brands to have seamless integrations with shoppable ads that will allow consumers to easily purchase products.	Optimists will likely continue to work from home for a while. TV viewership has shifted from traditional dayparts to all day viewing. We likely won't see a return to peak daypart viewership in early morning and primetime until later in recovery.  They were already subscribed to more streaming services than other groups, but of those subscribing to more during COVID, 75% expect to maintain services.

Reaching these segments will require an omnichannel plan that accounts for the changing media landscape.

Across all segments, marketers will need to ensure they are creating 360 media plans that account for the increases and shifts in media consumption accelerated by COVID-19 that may remain long after the crisis.



### Paid Search

Will remain a key evergreen channel as messaging can be quickly updated as search engines are the first place many people turn to for information and advice.



### Social Media

Will continue to see a major increase in traffic and time spent on this platform as many people are indoors. Decreasing costs create an opportunity to increase brand exposure while utilizing similar budgets.



### Programmatic Display

Should be leaned into at this time. Its built-in bidding algorithm makes it nimble by nature, allowing customized targeting and interactive rich media units to reach core audiences efficiently.



### TV & OTT

Viewing has seen a major uptick and linear scatter market prices are inflated. Over half of all study respondents have subscribed to more streaming services and more than 60% of those who have subscribed plan to continue their subscriptions when restrictions lift. Capitalize on the increase in impressions with laser-focus targeting with OTT streaming & Addressable options.



### Out of Home

Has seen a major decrease in foot traffic. As society begins to slowly reopen for business, OOH will play an important and valuable role in 360 media plans.



# Bearing in mind a new cultural calendar for a COVID-19 world in 2020

	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
SEASONS	Graduation Season Asian Pacific Month Mental Health Awareness Month		LGBT Pride Month		National Hispanic Heritage Month Back to school season		2020 Presidential Election	
HOLIDAYS	5/10 Mother's Day (20M Instagram tags) 5/25 Memorial Day (5M)	6/21 Father's Day (10M Instagram tags)	7/04 U.S. Independence Day (8M Instagram tags)		9/07 Labor Day (3M Instagram tags)	10/31 Halloween (85M Instagram tags)	11/26 Thanksgiving (18M Instagram tags)	12/25 Christmas (132M Instagram tags)
NEW HOLIDAYS	5/04 Star Wars Day (1M Instagram tags)	National Selfie Day (506K Instagram tags) 6/12 Red Rose Day (2K Instagram tags)	7/17 World Emoji Day (97K Instagram tags) 7/13 Prime Day (111K Instagram tags)		9/13 National Grandparents Day (31K Instagram tags)	10/11 International Day of the Girl (117K Instagram tags)	11/16 International Day of Tolerance (1.6M) 11/20 Cyber Monday (2M)	
CULTURAL EVENTS								
THOUGHT LEADERSHIP	5/19-5/21 Microsoft Build Conference (virtual only) <b>//build/</b>		POSTPONED DATE: 7/20-26 Ted 2020 (most likely will be virtual) <b>TED</b>					
TECH AND GAMING				POSTPONED DATE: 8/4-8/6 Game Developers Conference (digital only summer event)				
MEDIA MOMENTS	<b>Sports Illustrated</b> Sports Illustrated Swimsuit Edition						<b>People</b> Late Nov Sexiest Man Alive	 12/31 Dick Clark's New Year's Rockin' Eve
MOVIE RELEASES	POSTPONED DATE TBD 5/1 Black Widow 		POSTPONED DATE TBD 7/03 Minions 2 POSTPONED DATE: 7/24 Mulan 	POSTPONED DATE: 8/14 Wonder Woman 1984 POSTPONED DATE: 8/7 The SpongeBob Movie 	POSTPONED DATE: 9/4 A Quiet Place II 9/25 The Many Saints of Newark (prequel to The Sopranos) 	10/16 Halloween Kills (highest-grossing horror franchise in US)	POSTPONED DATE: 11/25 No Time to Die (25th James Bond film)	POSTPONED DATE: 12/23 Top Gun: Maverick 12/18 West Side Story 12/23 The Croods 2
SPORTS				POSTPONED DATE: 8/6-8/9 PGA Championship POSTPONED DATE: 8/23 Nascar 	POSTPONED DATE: 9/05 Kentucky Derby POSTPONED DATE: 9/14 Boston Marathon POSTPONED DATE: 9/17-9/20 U.S. Open		POSTPONED DATE: 11/18-11/15 The Masters 	
FESTIVALS					POSTPONED DATE: 9/24-9/27 Bonnaroo  BONNAROO IS A 4-DAY MUSIC AND ARTS FESTIVAL	POSTPONED DATE: 10/9 & 10/16 Coachella  COACHELLA VALLEY MUSIC AND ARTS FESTIVAL		
AWARD SHOWS		6/28 BET Awards 	POSTPONED DATE TBD Tony Awards 7/15 ESPY Awards 	POSTPONED DATE TBD 8/9 Teen Choice Awards 	9/19 MTV Music Video Awards POSTPONED DATE: 8/20 Emmy Awards POSTPONED DATE: 9/16 Academy of Country Music Awards	POSTPONED DATE: 10/14 CMT Music Awards 	Mid Nov E! People's Choice Awards Mid Nov CMA Awards 	12/10 The Nobel Peace Prize Award Ceremony 

Applying the thinking: A briefing template for reaching the COVID-19 affected consumer

<i>Target</i>	<b>Help the Recoverers</b> Make sure their basic human needs are taken care of to make them feel safe and secure.	<b>Encourage the Modifiers</b> Lift their spirits by helping them gain back control of their daily lives and a sense of community.	<b>Inspire the Optimists</b> Stimulate their excitement and help them find the opportunities that a post-lockdown economy can offer them.
<i>Brand Purpose / Mission</i>			
<i>Post-COVID-19 Action for Each Segment</i>			
<i>Key Media Channels</i>			
<i>Key Dates / Events</i>			

FIG are Storytellers for the Information Age, on a mission to raise the bar in our industry by improving the quality and effectiveness of the stories told.

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