



2020 Consumer Analysis

FOR A SMARTER 2021 MEDIA BUDGET

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Overall, the pandemic hasn't changed consumer behavior so much as it has accelerated trends the market was already experiencing. This was true for general, purchase, and media consumption behaviors of American consumers.

GENERAL BEHAVIOR

During the uncertainty of the pandemic, Americans adopted a “wait and see” attitude as reflected by what they postponed or canceled.



40% decided to forego travel of any kind.



39% stopped seeing their hairstylist, manicurist, or their pedicurist.



35% put off a doctor visit. The finding is unsurprising given COVID precautions; however, it could have unintended repercussions as health conditions that benefit from early detection may have gone undiagnosed and untreated.

PURCHASE BEHAVIOR

Paring down how much paper we exchange became paramount. It became more common for online orders to arrive without inserts (or very few) and for receipts to be digital instead of physical. In addition, American consumers:



Skipped a non-essential purchase (34%) in spite of most reporting that they could still afford it. Decreased spending hasn't been this widespread since the Great Depression. (The current economy is expected to rebound much more quickly so further parallels are limited.)



Bought more household cleaners and soap (+120% in some categories), at-home hair color (+30% or more), and pantry staples, a category that usually experiences flat growth. Even though the initial spike in Spring 2020 has leveled off, all categories continue to show strong growth into 2021.



Used more cashless payment systems (+130%). Cashless payment options were already on the rise and, with the unexpected boost from the pandemic, are expected to gain even more traction in 2021.



Bought less cosmetics, sunscreen, and meals out. Those categories are expected to rebound, but will do so slowly.



Consumed more coffee, alcohol, and vitamins/supplements. This trend is also expected to continue well into 2021.



MEDIA CONSUMPTION

Americans consumed more media than ever before during 2020 as families spent more time at home.

Ironically, as a reaction to the pandemic's uncertainty, many businesses cut back their ad spend in Spring 2020.

While certain media channels are mentioned, ad spending in all of them is rebounding after initial declines in March 2020. Digital is the only tactic showing growth in ad spend above the previous year (+6%).

While initial spikes have settled, experts agree that this growth will hold through 2021 and likely beyond. Specifically, consumers:



Cut the cord more than ever before. We've seen a steady migration to streaming services such as Hulu and Sling TV from cable; however, the pandemic was a boon for both (+44% and +30% respectively). Cable television is still a major contender, but streaming platforms should not be overlooked for 2021 media placement. In addition to their growing viewership, ads can't always be skipped and are highly targeted. Additionally, 2020 saw those aged 55+ adopt streaming services in record numbers, a trend experts don't expect will reverse post-pandemic.



Tune in to their local news. It seems contrary to the cord cutting trend, but consumers still trust their local news stations. While prime time television viewership has declined, likely because of an inability to produce new episodes, according to Nielsen, local news broadcasts have spiked as much as 192% over 2019 as viewers seek the latest COVID updates for their area. The recent election and related events have reinforced this trend.



Consume media throughout the day. The shift to working and schooling from home is reflected by a reciprocal shift in viewing times. Consumers are now tuning in, logging on, and scrolling throughout the day instead of confining their use to lunch breaks and after 5 p.m. Furloughs, layoffs, and less commuting is also contributing to this trend.



Gave podcasts a try. Podcasts were already trending upward, but during the pandemic their listenership has tripled. More than 55% of Americans report listening to podcasts in 2020. This media presents a double opportunity for 2021 as companies explore creating their own podcasts to educate their customers or purchasing ads during existing ones already catering to their target demographic.



Skipped the sports. The kingpin of many media buying strategies, sporting events and the related content they generate, toppled during the pandemic. They have rebounded some, but it's too early to tell how they'll perform in 2021. Setting aside some advertising dollars and monitoring the situation is the best plan, especially for the first quarter of 2021.



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