IBM Newsroom

IBM Study: COVID-19 Is Significantly Altering U.S. Consumer Behavior and Plans Post-Crisis

Personal Mobility, Retail Shopping, and Event Attendance Are Among the Areas Most Impacted

ARMONK, N.Y., May 1, 2020 /PRNewswire/ -- Findings from an IBM (NYSE:IBM) Institute for Business Value (IBV) survey of U.S. consumers reveals shifting personal behavior and preferences resulting from the COVID-19 pandemic.

The study polled more than 25,000 U.S. adults in the month of April to understand how COVID-19 has affected their perspectives on a number of issues, including retail spending, transportation, future attendance at events in large venues, and returning to work. The results revealed that not only do U.S. consumers surveyed plan to make significant changes in the way they go about their lives and work in the wake of the virus, but also that there tend to be stark regional contrasts about those plans depending on where those consumers reside.

Many consumers indicated that they plan to reduce their use of – or forgo entirely – ridesharing and public transportation. They also indicated they are less likely to attend large events once the crisis abates but are more likely to attend sporting events. Many respondents also expressed changes in the way they will shop and spend their money, including an increased willingness to use contactless payment technologies when shopping, alongside a reluctance and hesitation to make new car purchases due to personal financial concerns resulting from the pandemic.

"The study provides further evidence that COVID-19 is permanently altering U.S. consumer behavior. There are long term implications of the new consumer behaviors for industries like retail, transportation, and travel among others. These organizations need to quickly adapt their business models to serve the new consumer behaviors in order to survive and thrive," said Jesus Mantas, Senior Managing Partner, IBM Services.

Among the more noteworthy findings:

Personal mobility could be different after the pandemic
The survey results show consumer attitudes toward public transportation have shifted notably. More than 20 percent of respondents who regularly used buses, subways or trains now said they no longer would, and another 28 percent said they will likely use public transportation less often.

More than half of people surveyed who used ridesharing apps and services said they would either use these less or stop using these services completely. Findings were not quite as dire for taxis and other traditional car services, as a smaller 24 percent of people surveyed indicated they will no longer use these modes of transportation.

More use of personal vehicles, but purchases are delayed
More than 17 percent of people surveyed said that they intend to use their personal vehicle more as a result of COVID-19, with approximately 1 in 4 saying they will use it as their exclusive mode of transportation going forward.

One-third of respondents said that constraints on their personal finances will "greatly" influence their decision to buy a vehicle once COVID-19 restrictions are lifted. More than 25 percent said that a lack of confidence in the global and U.S. economic outlook will impact their decisions to buy a vehicle – with nearly the same number of people saying they would be holding off on buying for more than 6 months. Consumers added that manufacturer incentive programs are not likely to persuade or change

their thinking.

Event attendance will be down for some time

When asked about attendance at various types of large events once stay-at-home restrictions are lifted, more than half of respondents said they are unwilling to be exposed to large crowds for the remainder of 2020. Conferences and trade shows had a strong response, with 75 percent indicating that they are unlikely to attend an in-person conference or trade show in 2020. Bars and restaurants are more likely to fare much better.

More than one-third of consumers indicated they will visit these establishments, with only about ten percent saying they will not. Outdoor parks also represent a favored destination; one-third of respondents said they are very likely to visit an outdoor park after restrictions are lifted. Approximately 25 percent of consumers also indicated they will be ready to visit the beach and 1 in 5 will be ready to go shopping at malls and shopping centers.

The Retail Experience Continues to Evolve

Due to their concerns about COVID-19, nearly 40 percent of consumers surveyed said they are likely to use contactless payment options via their mobile device or credit card when shopping. More than 75 percent of respondents indicate they are choosing to visit stores to buy *essential* goods (i.e., food & beverages and household & cleaning products); however, responding consumers in the Northwest were more likely to buy essential goods online and ship to home or another destination than any other U.S. region.

The study also reveals that the pandemic has created a priority on shopping local for those surveyed – with 25 percent of respondents indicating they are now shopping more often at locally owned stores and buying more local made, grown or sourced products.

The Rise of the Remote Workforce

The forced shift to operating as a largely remote workforce has led to nearly 40 percent of respondents indicating they feel strongly that their employer should provide employee opt-in remote work options when returning to normal operations. And remote work appears to be growing on people, as more than 75 percent indicate they would like to continue to work remotely at least occasionally, while more than half - 54 percent - would like this to be their primary way of working.

The shift toward a more remote workforce could require more than a simple change of location – it may require the use of soft skills to continue to be productive and successful. A 2019 study from the IBV revealed that adaptability, time management and ability to work well on teams as some of the most crucial to the workforce today – however, only 41 percent of CEOs surveyed felt they had the capability in terms of people skills and resources required to execute their business strategies. It will be imperative for organizations to prioritize reskilling employees around these core capabilities.

For further information on IBM's Institute for Business Value, please visit:https://www.ibm.com/thought-leadership/institute-business-value/

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CONTACT: Jeannine Kilbride, jkilbri@us.ibm.com

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