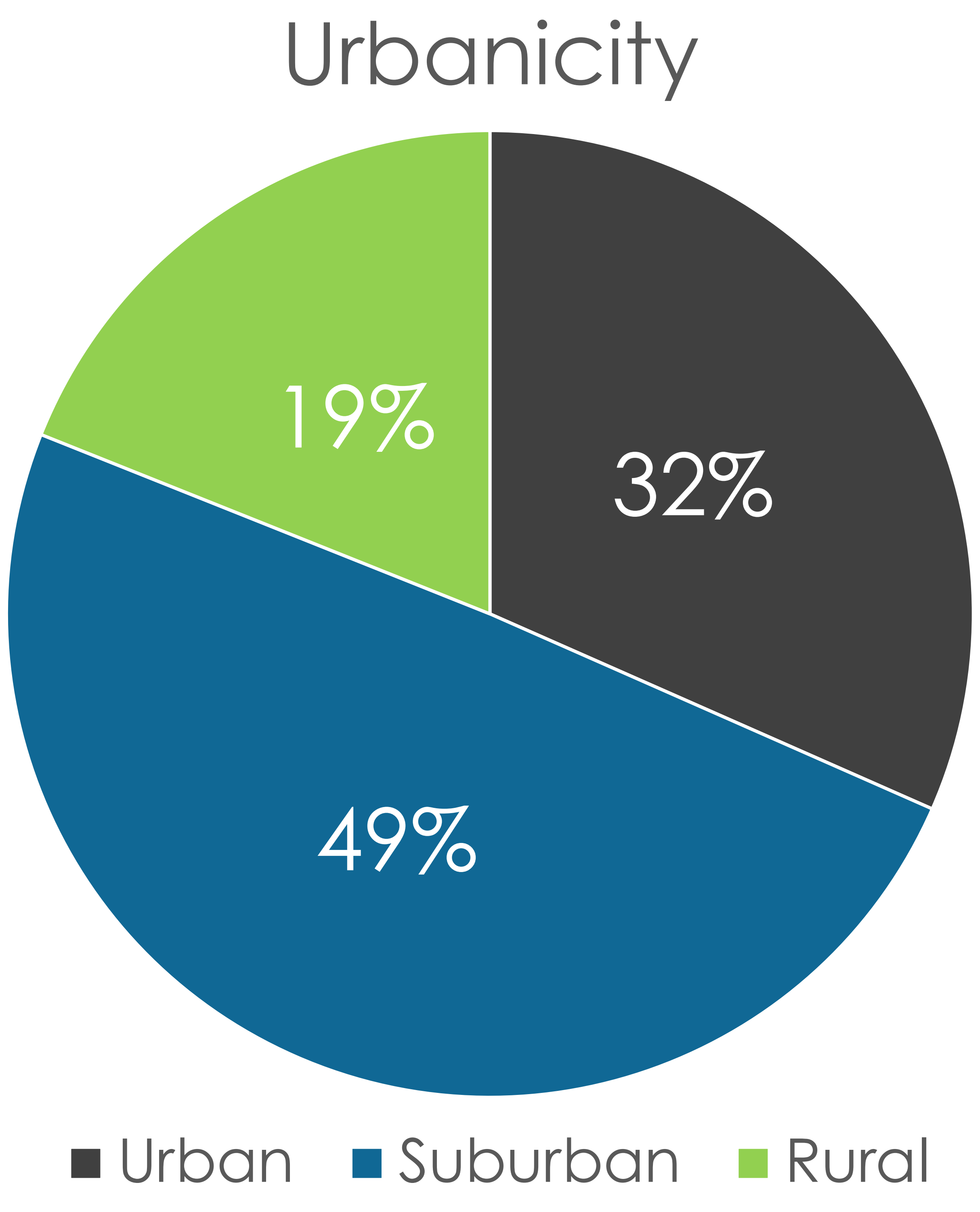
COVID-19 U.S. CONSUMER IMPACT TRACKING STUDY – WEEK 18

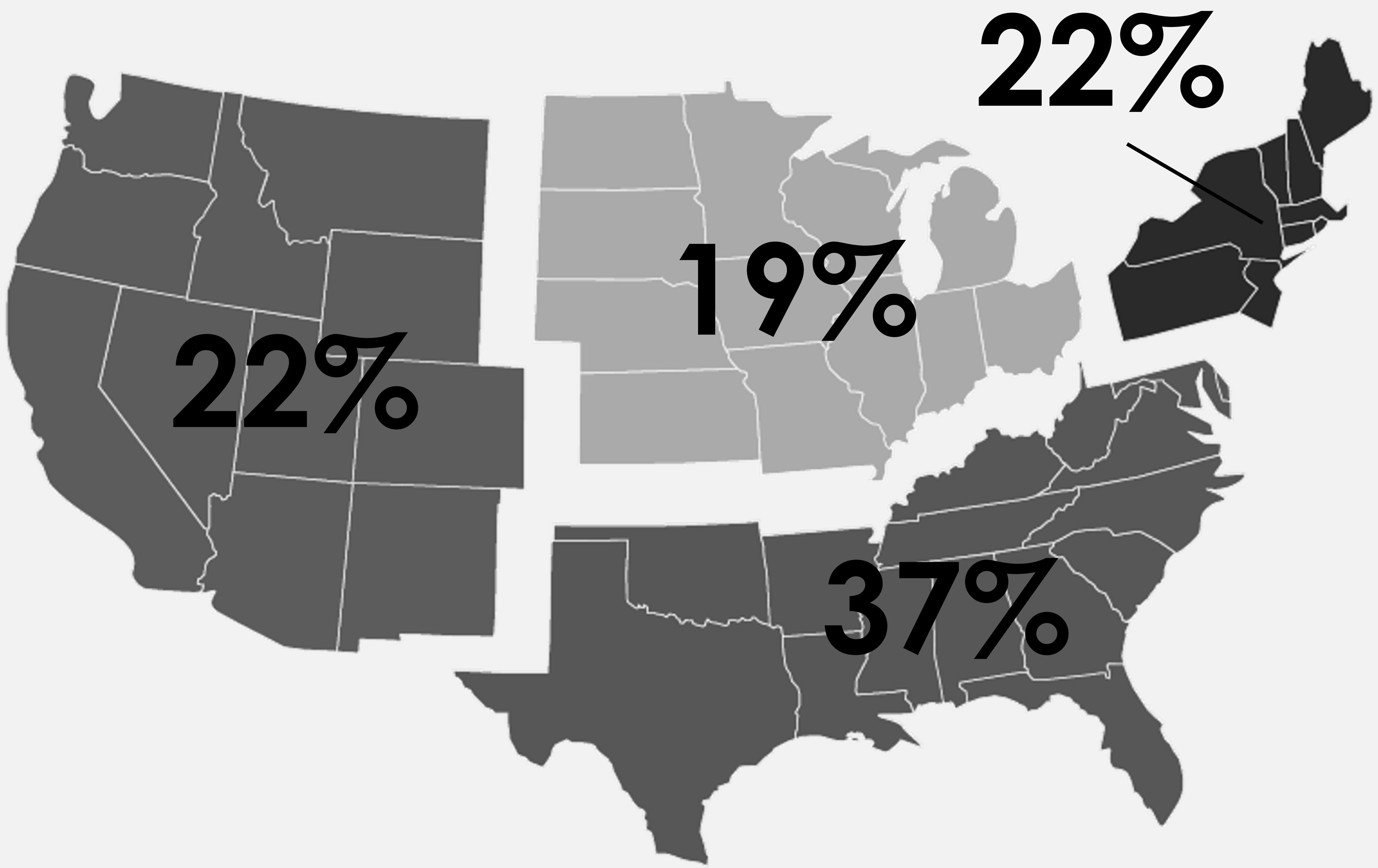
PRESENTED JULY 6, 2020

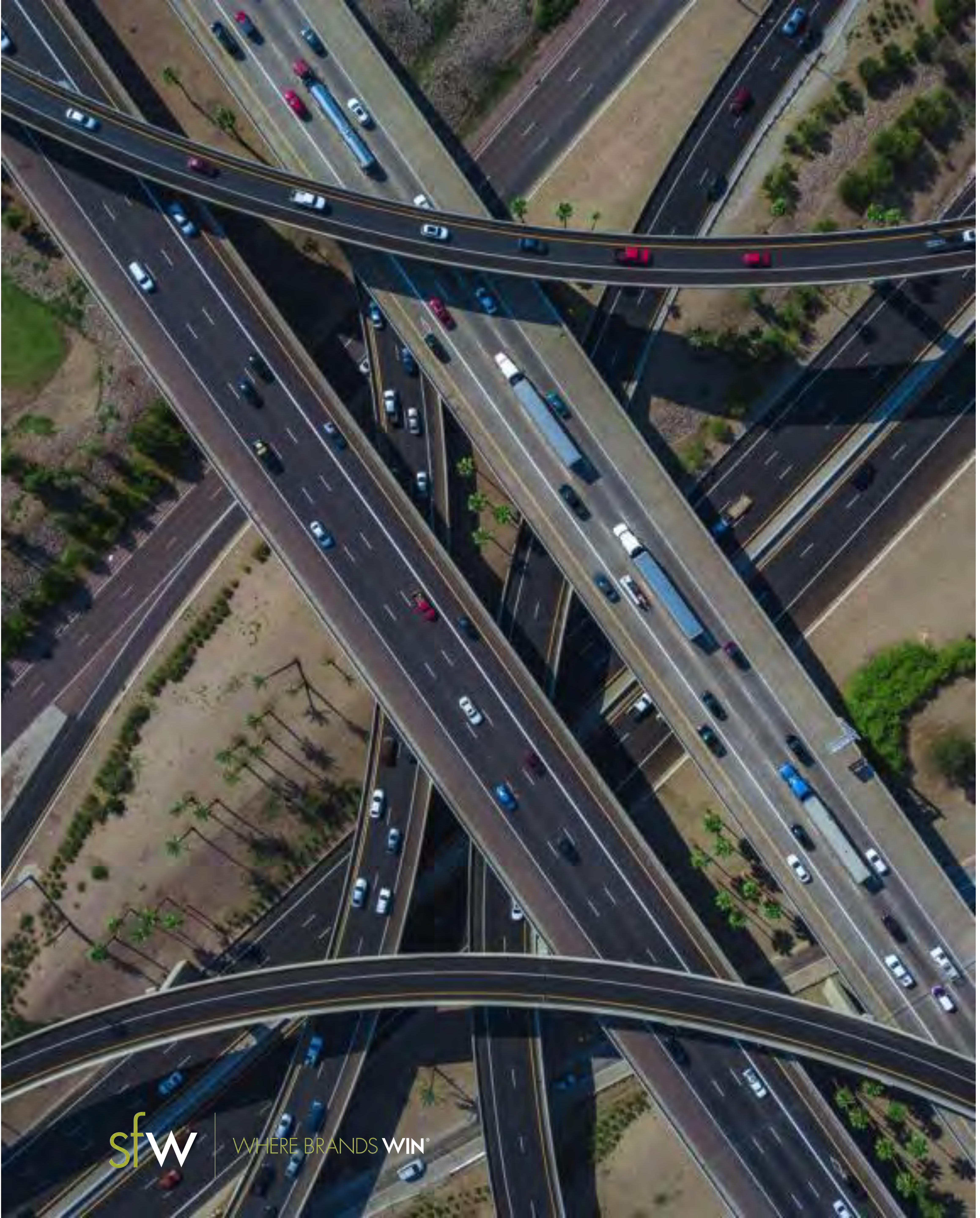
Methodology

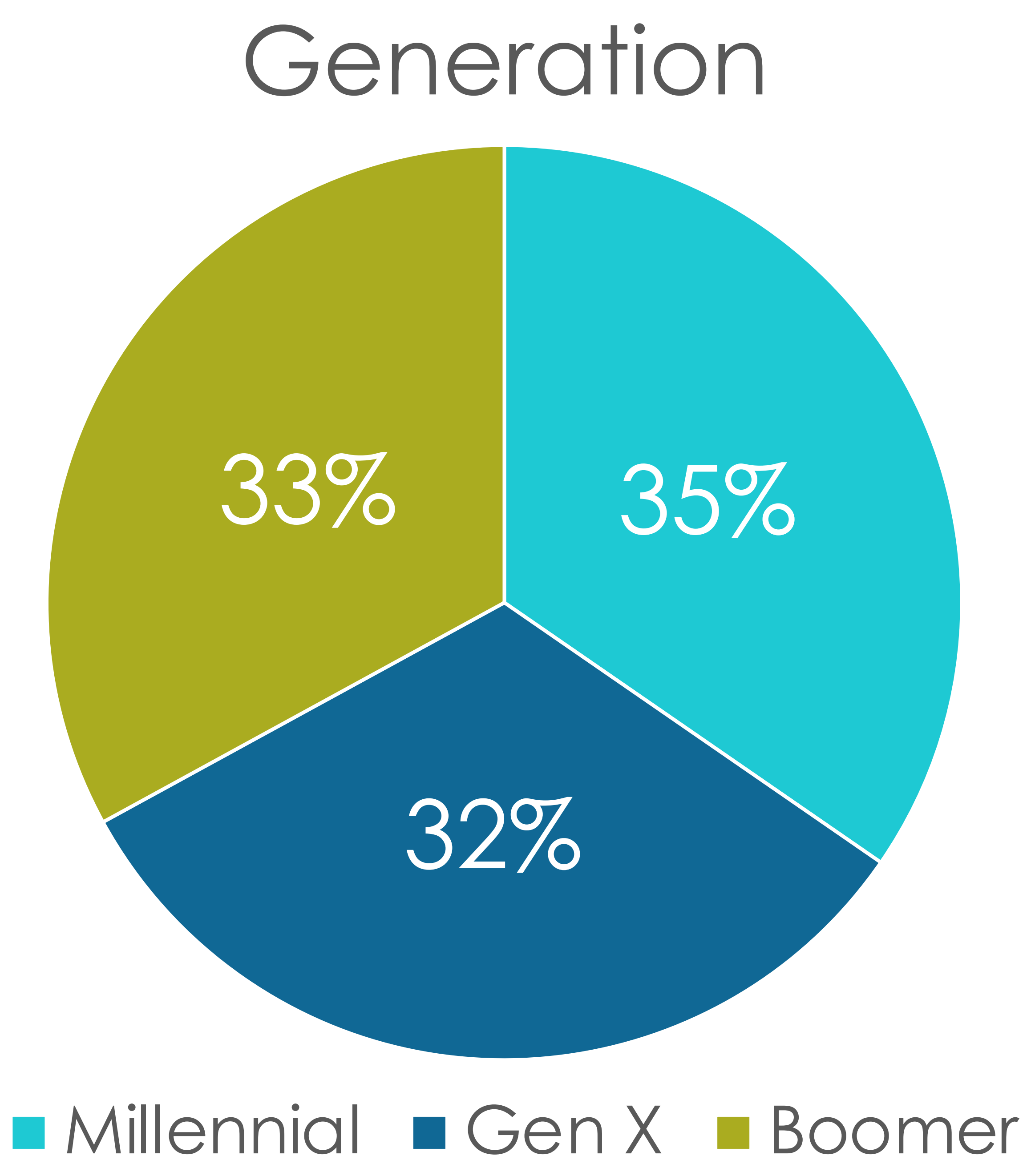
- N = 987; Census Balanced
- MOE = ± 3.12%
- Panel: General Population
- Collected: 07/02/20, 07/03/20

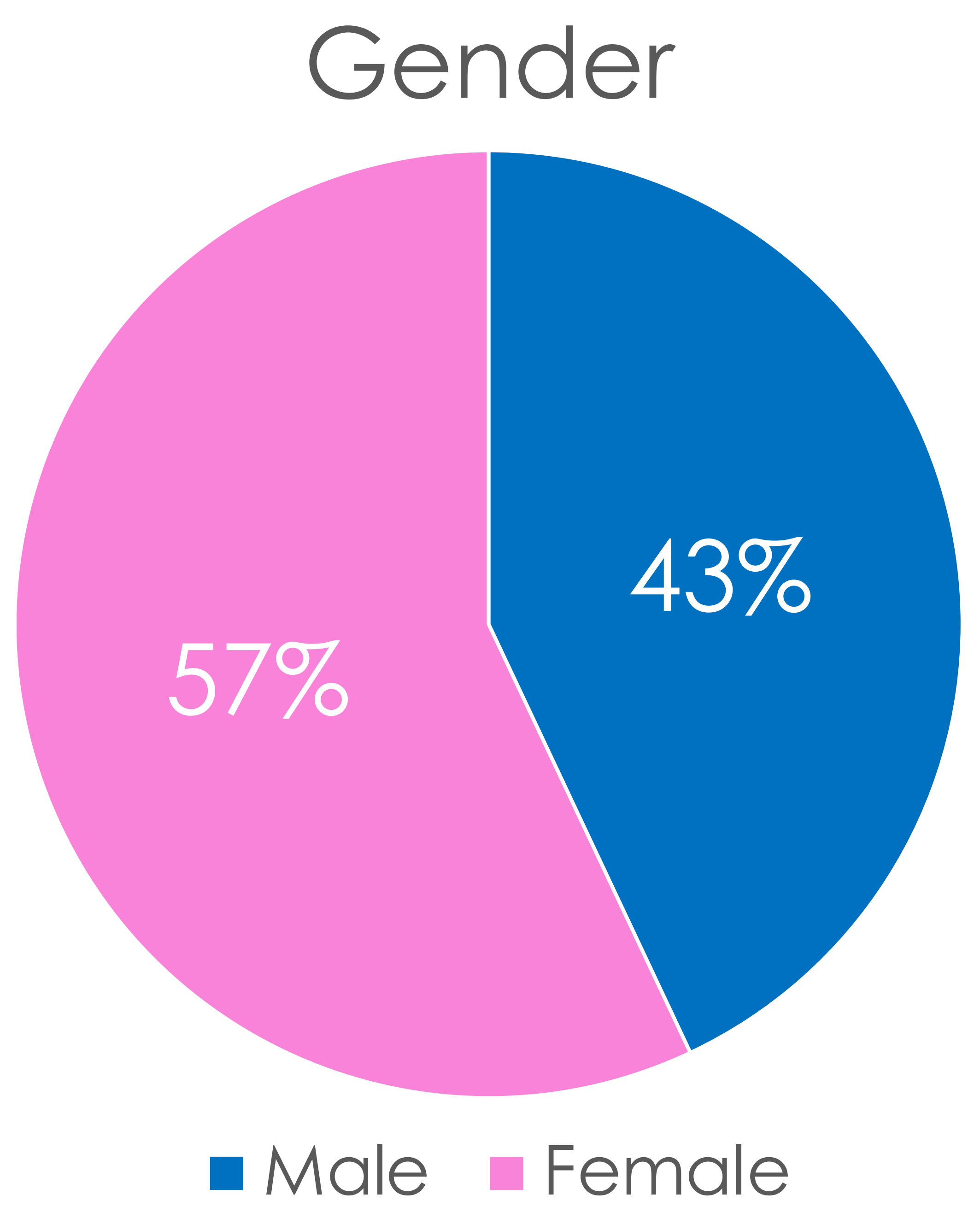
Census balanced panel is representative of America





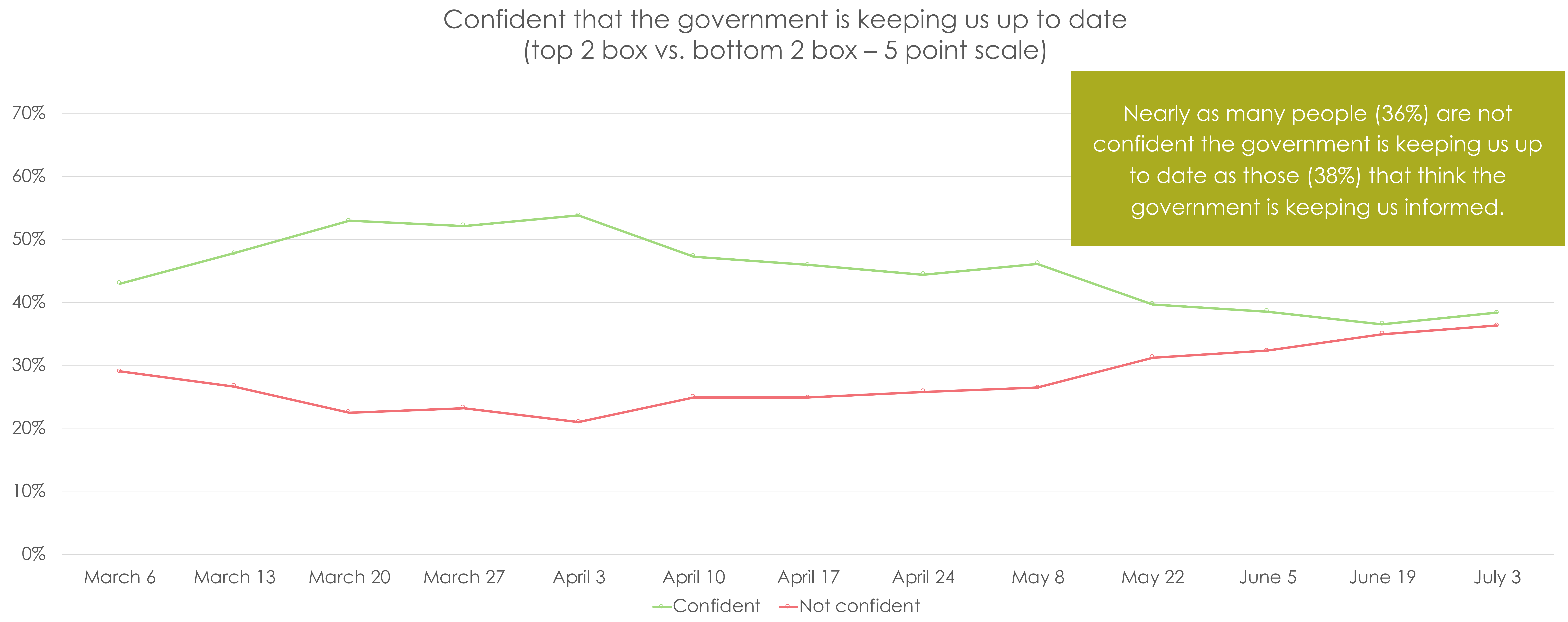



Generation
33%
35%
32%
Millennial
Gen X
Boomer


Gender
43%
57%
Male
Female

Attitudes about COVID-19

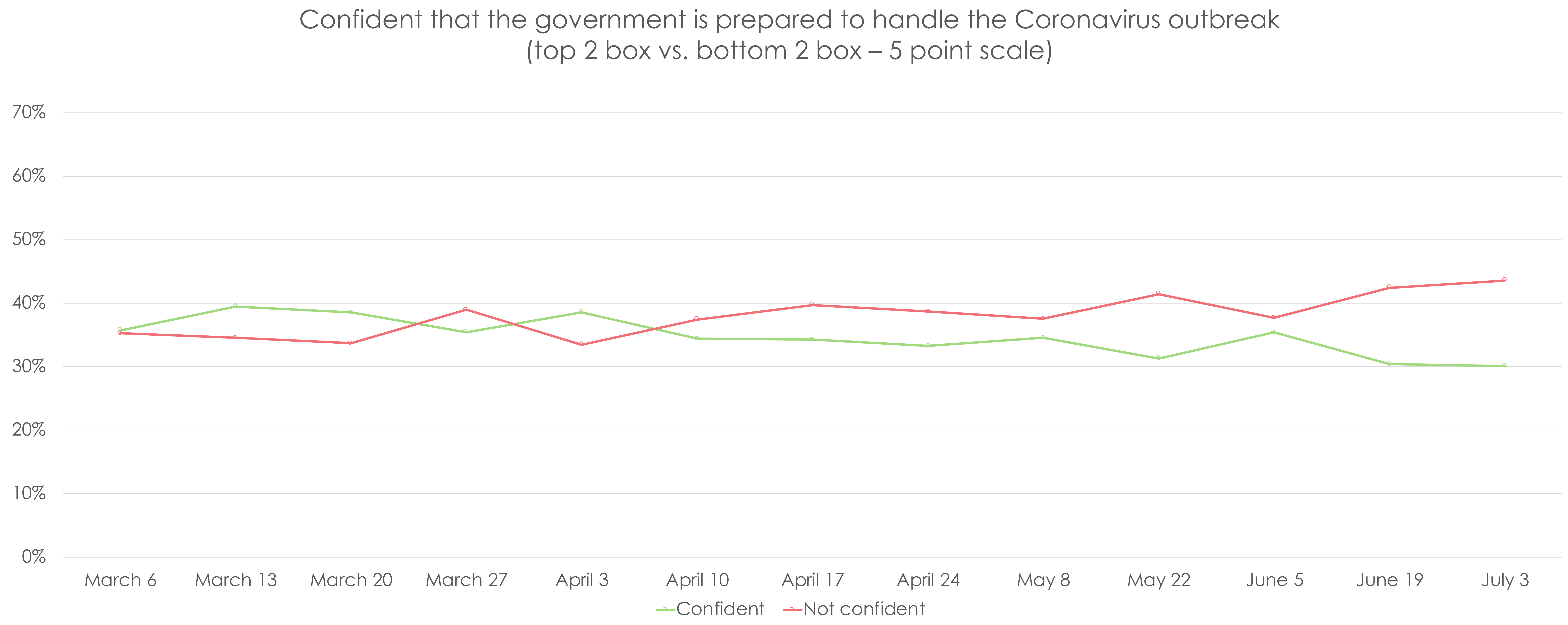
The substantial increase in COVID-19 cases over the past two weeks appears to be impacting opinions about how it is being handled by the government.



Nearly as many people (36%) are not confident the government is keeping us up to date as those (38%) that think the government is keeping us informed.

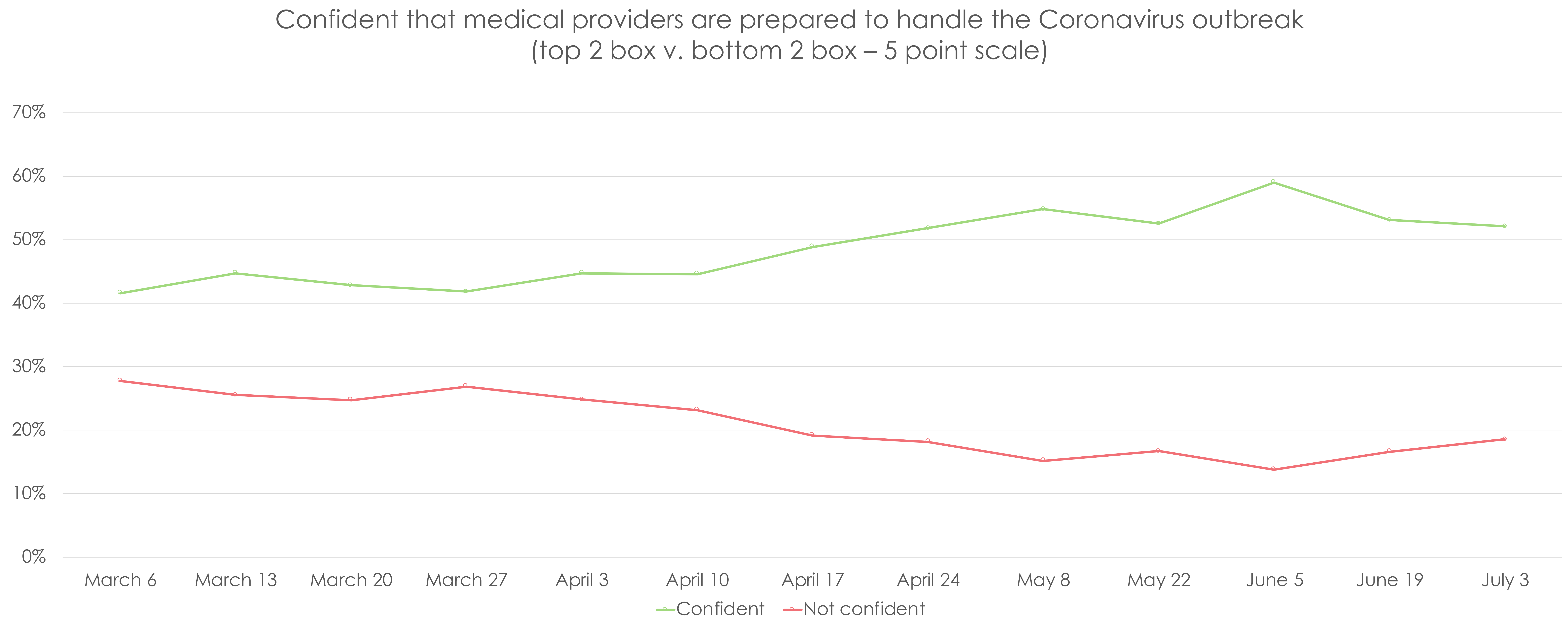
How confident are you that the government is keeping us up to date on the status of Coronavirus in the U.S.?

The lack of confidence in the government's ability to handle the outbreak continues to grow and reached a high of 44% this week.



How confident are you that the government is adequately prepared to handle a Coronavirus outbreak in the U.S.?

Confidence in the medical community's ability to deal with Coronavirus remains positive; however, it has slipped to 52% from a high of 59% on June 5th.



How confident are you that the medical providers (hospitals, doctors, etc.) in your community are prepared to deal with a Coronavirus outbreak?

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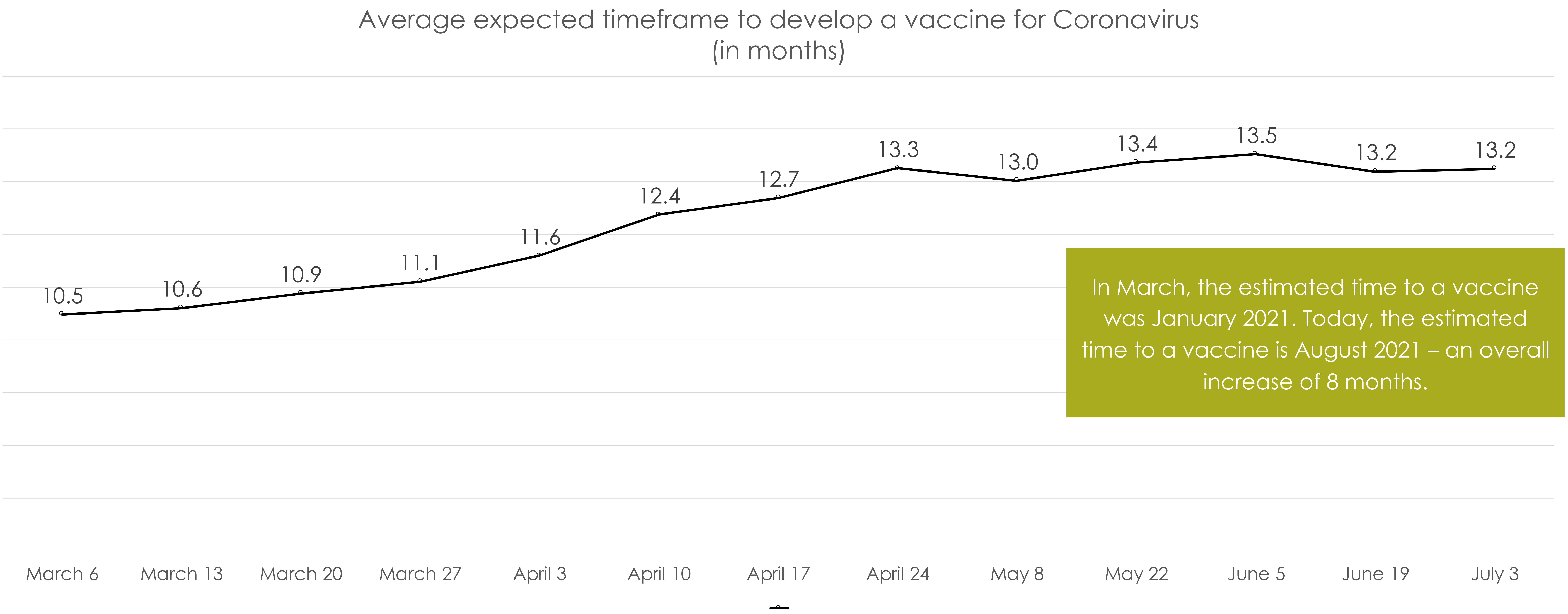
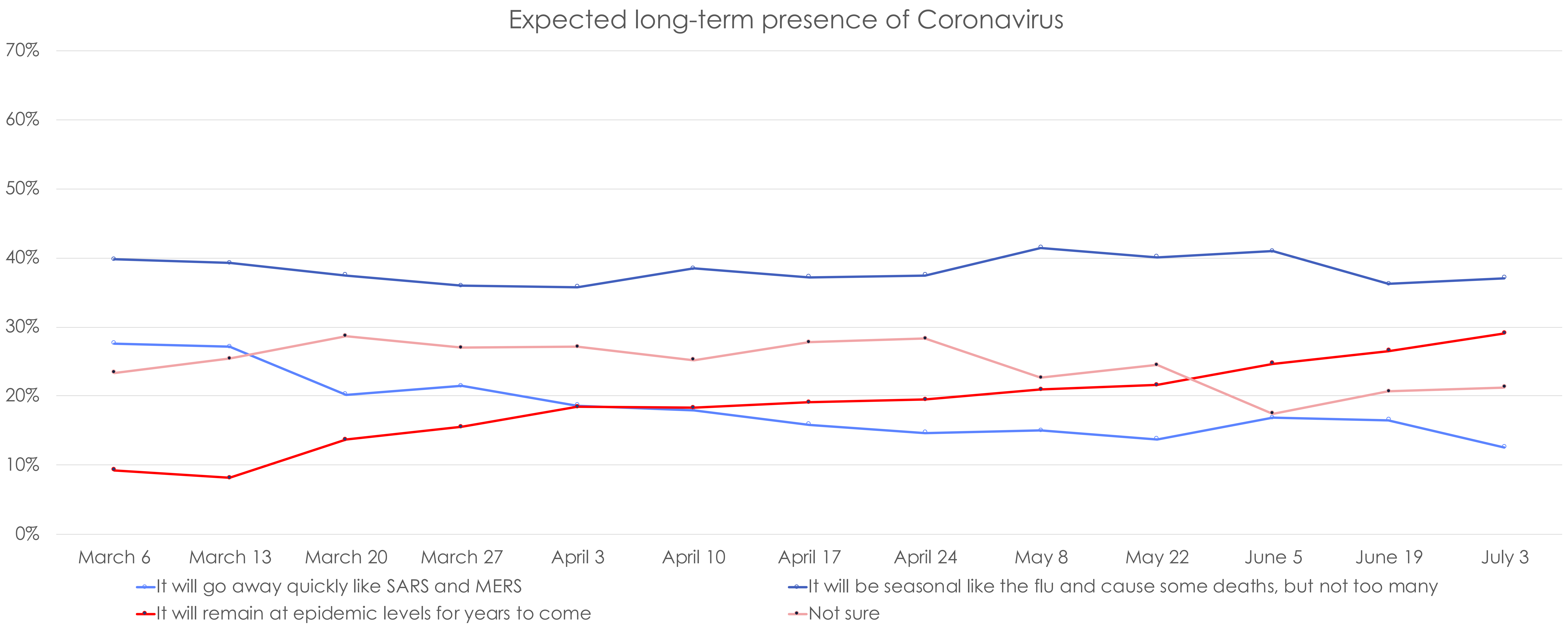
The average expected timeframe for the development of a vaccine continues to hover at just over 13 months.



In March, the estimated time to a vaccine was January 2021. Today, the estimated time to a vaccine is August 2021 – an overall increase of 8 months.

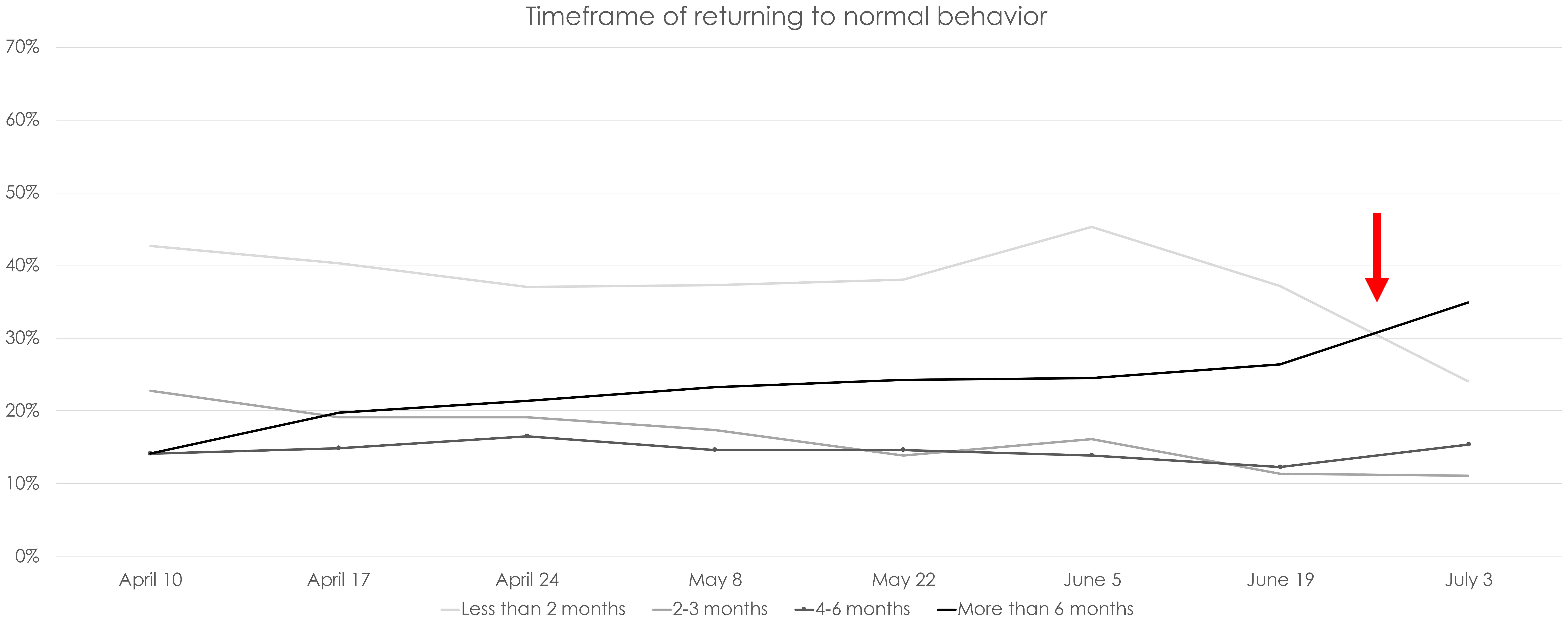
How long do you think it will take to develop an effective vaccine to protect people from Coronavirus?

29% expect COVID-19 to remain at epidemic levels for years to come, which is a significant increase vs. the 9% that thought the same on March 6th.



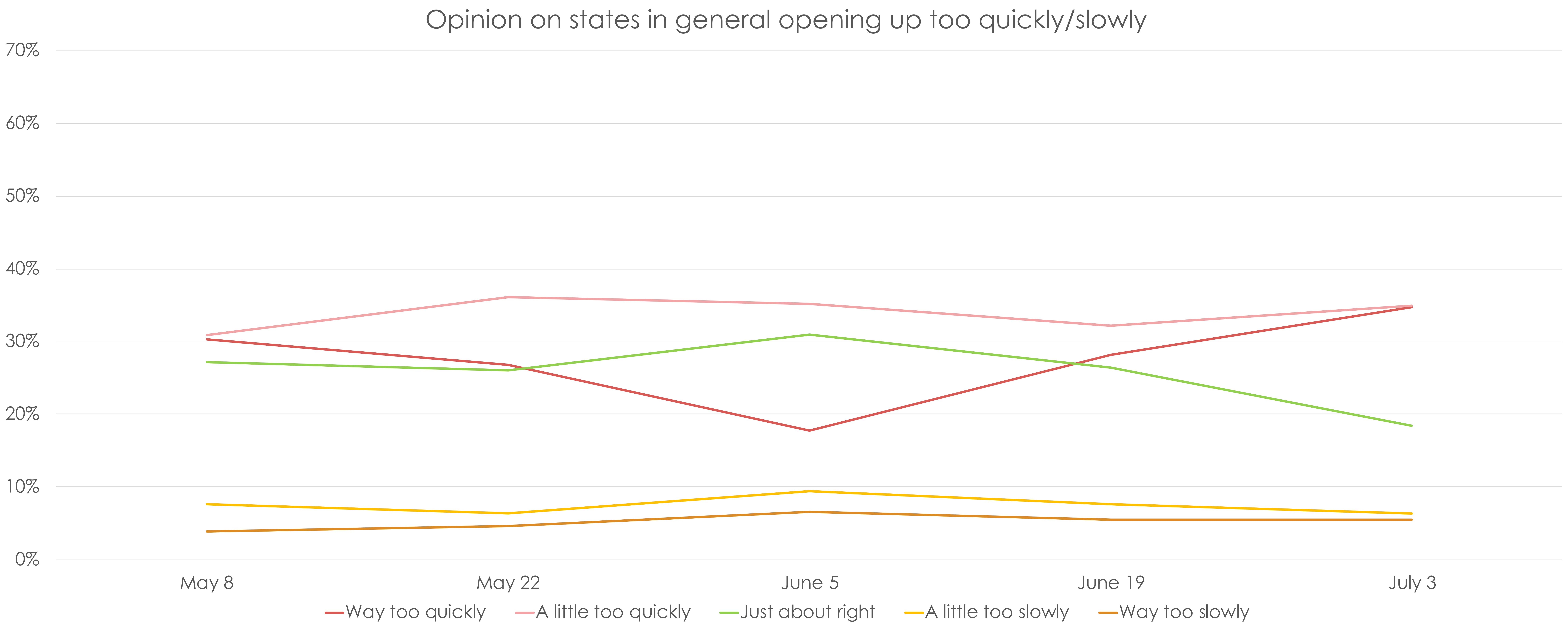
Which of the following best describes your expectation for the long-term presence of the Coronavirus?

An inflection point was reached this week as more people expect it will be more than 6 months until they return to normal behaviors (35%) than those believing they'll return to normal in less than 2 months (24%).



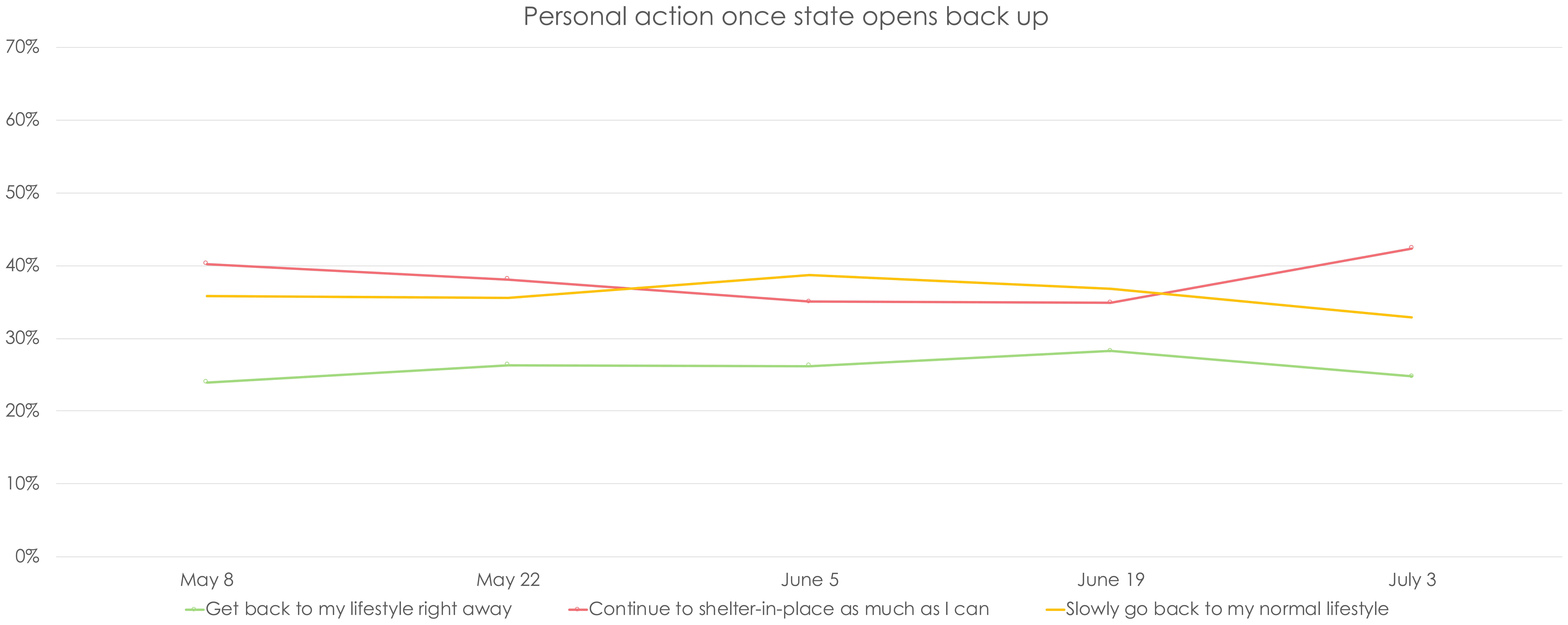
When do you think it is likely that you'll return to your normal behaviors (going to work, eating out, shopping, etc.)?

Concern about the pace at which states are opening back up, which reached a low on June 5th, is now at an all time high. 70% of respondents feel states are moving too quickly.



In general, do you think states are opening too quickly or too slowly?

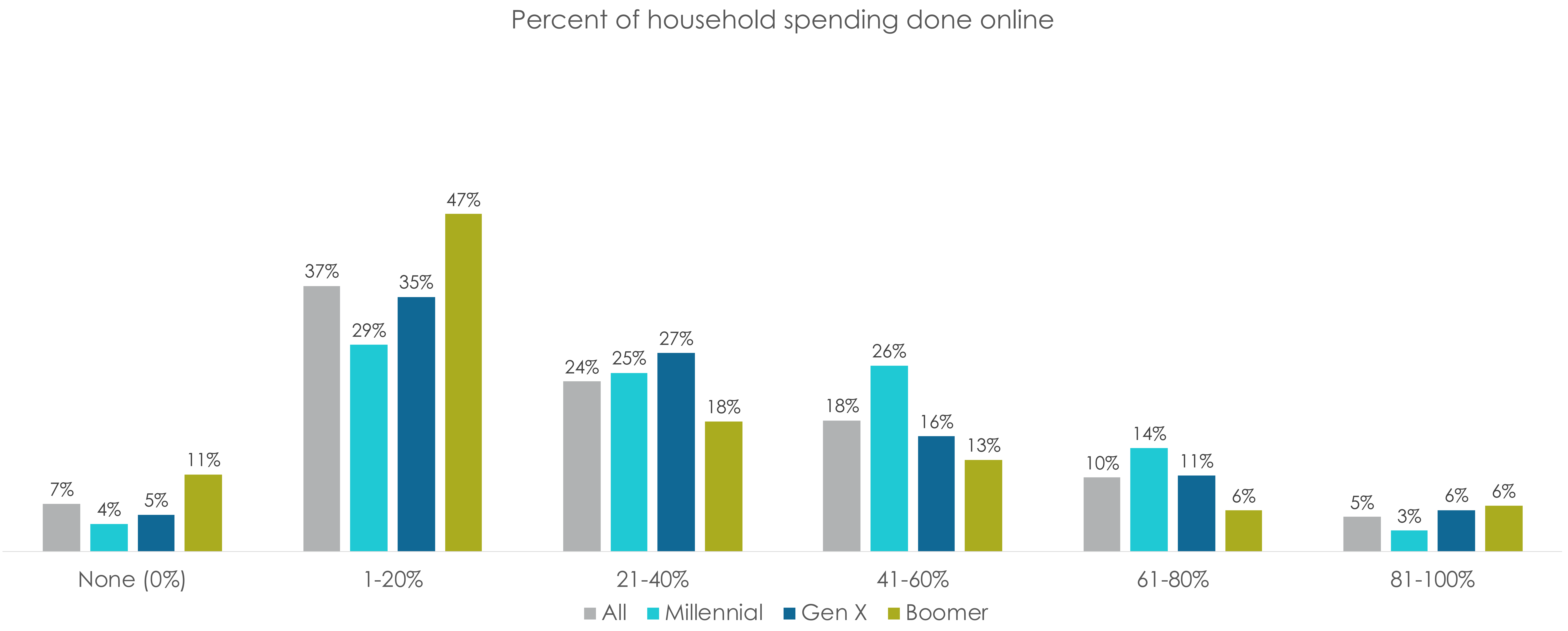
While those planning to return to their normal lifestyle immediately has remained steady for the past 2 months, there has been an ebb and flow for the majority of the sample between slowly returning to normal and continuing to shelter in place.



Which of the following best represents what you'll do when your community opens back up?

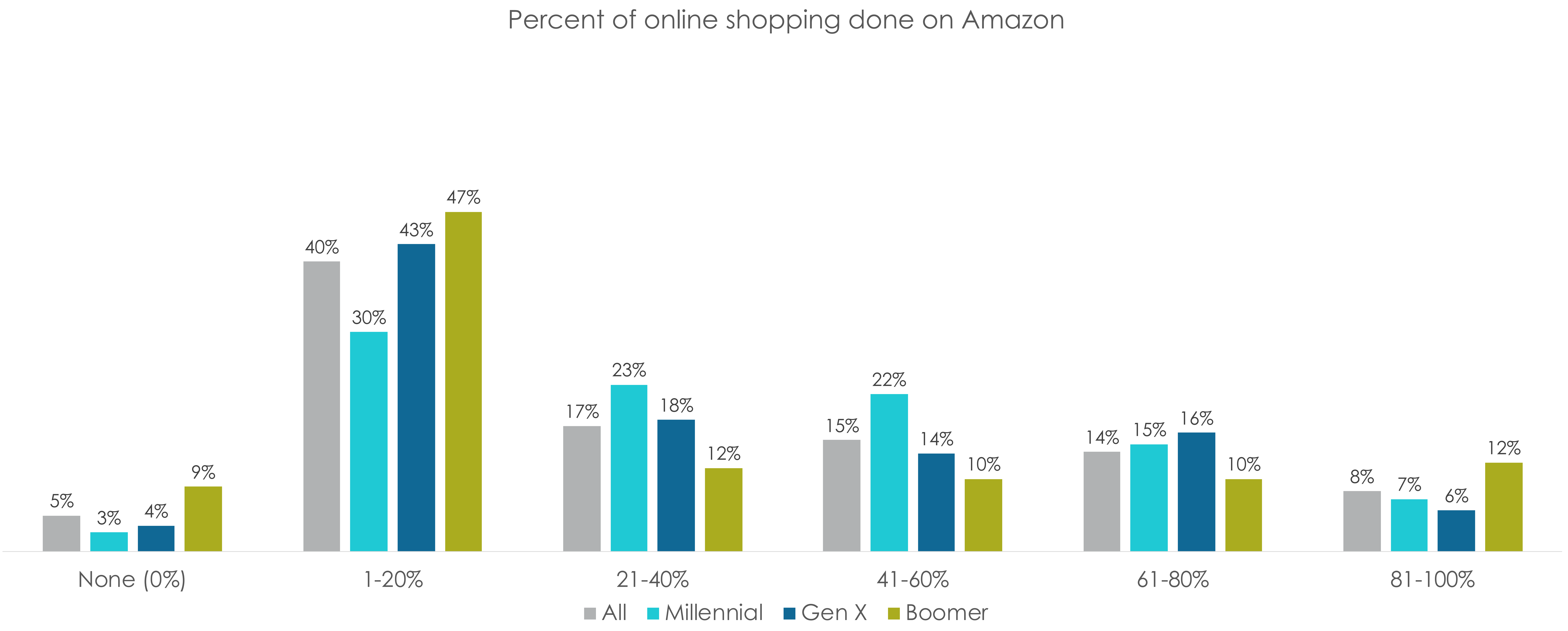
Online Shopping Behaviors

Only 7% of reporting households do not shop online at all. 58% of Boomers are doing 20% or less of their shopping online, compared to 40% of GenXers and 33% of Millennials.



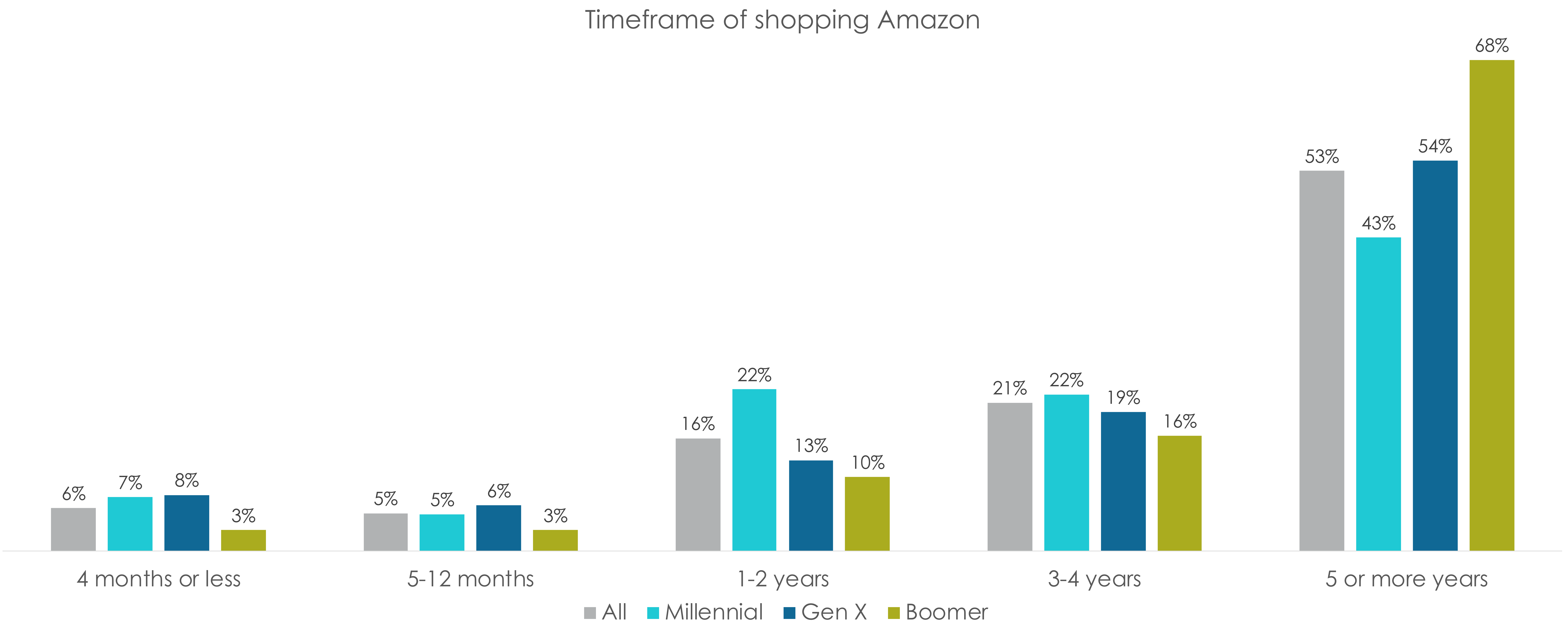
Approximately what % of your total household spending (<u>not counting your home or cars</u>) is done online?

Boomers are the least likely (32%) to be doing 40% or more of their online shopping at Amazon, while Millennials lead the way at 44%.



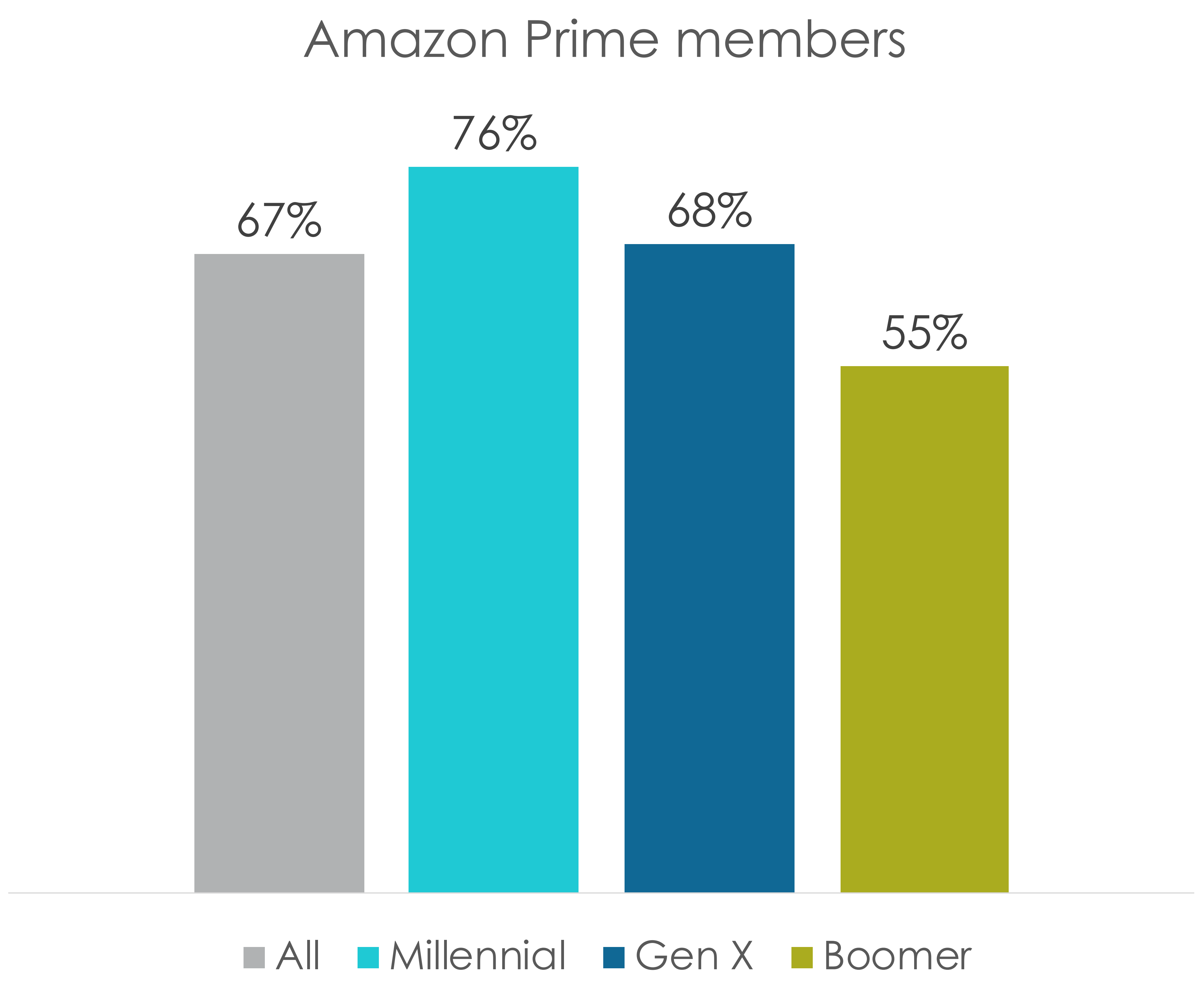
Approximately what % of your online shopping is done at Amazon?

6% of respondents have started shopping Amazon since the arrival of COVID, while more than half (53%) have been shopping Amazon for 5 or more years.



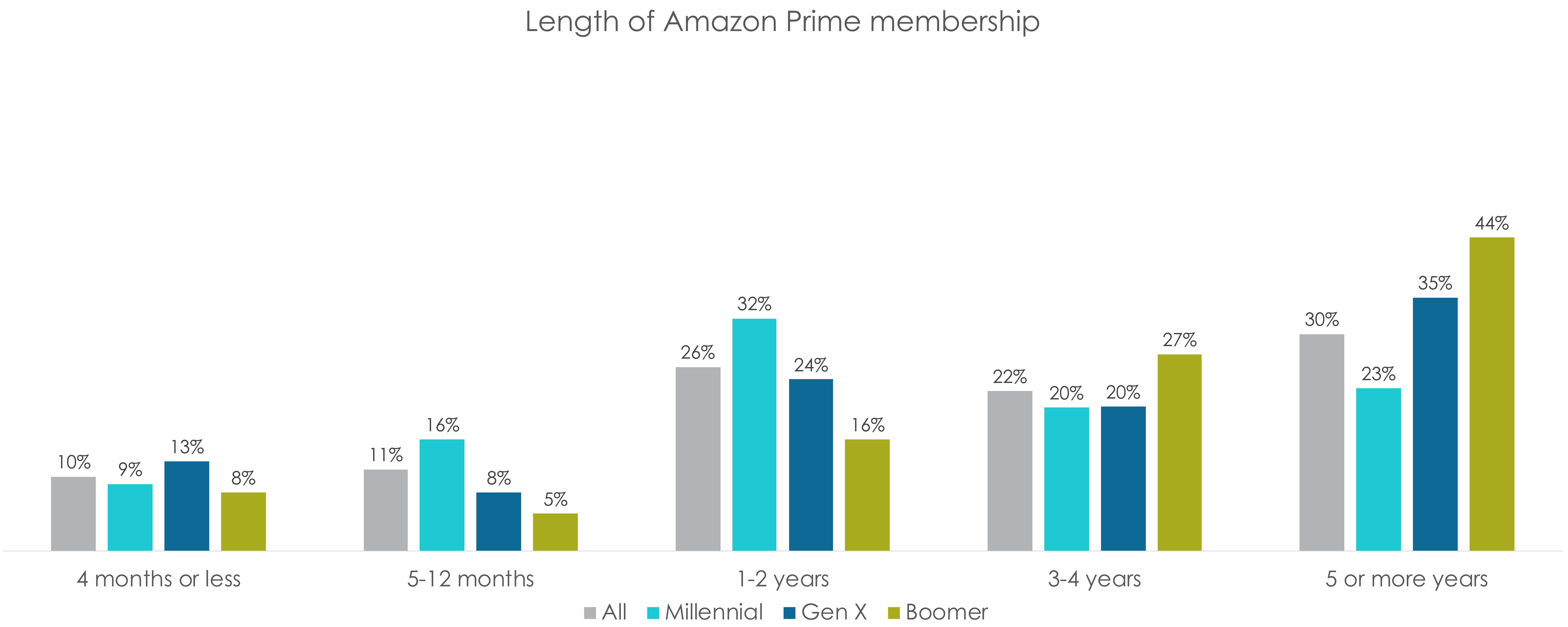
How long have you been shopping at Amazon?

Two thirds (67%) of those shopping Amazon are Prime members.



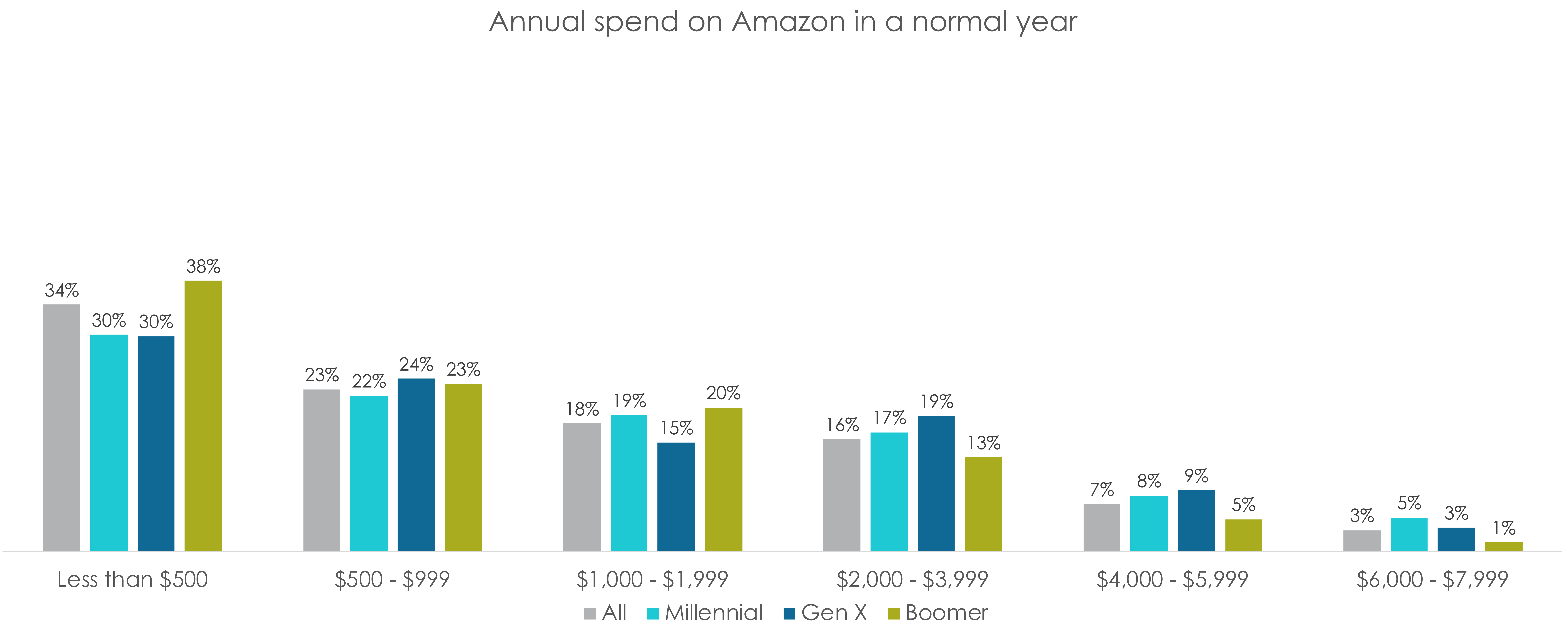
Are you an Amazon Prime member?

10% of Amazon shoppers have become Prime members since the Coronavirus developed, while 30% have been Prime members for 5 or more years.



How long have you been an Amazon Prime member?

Respondents' average spend on Amazon is about $1,500 per year.



Approximately how much money do you spend at Amazon in a normal year?

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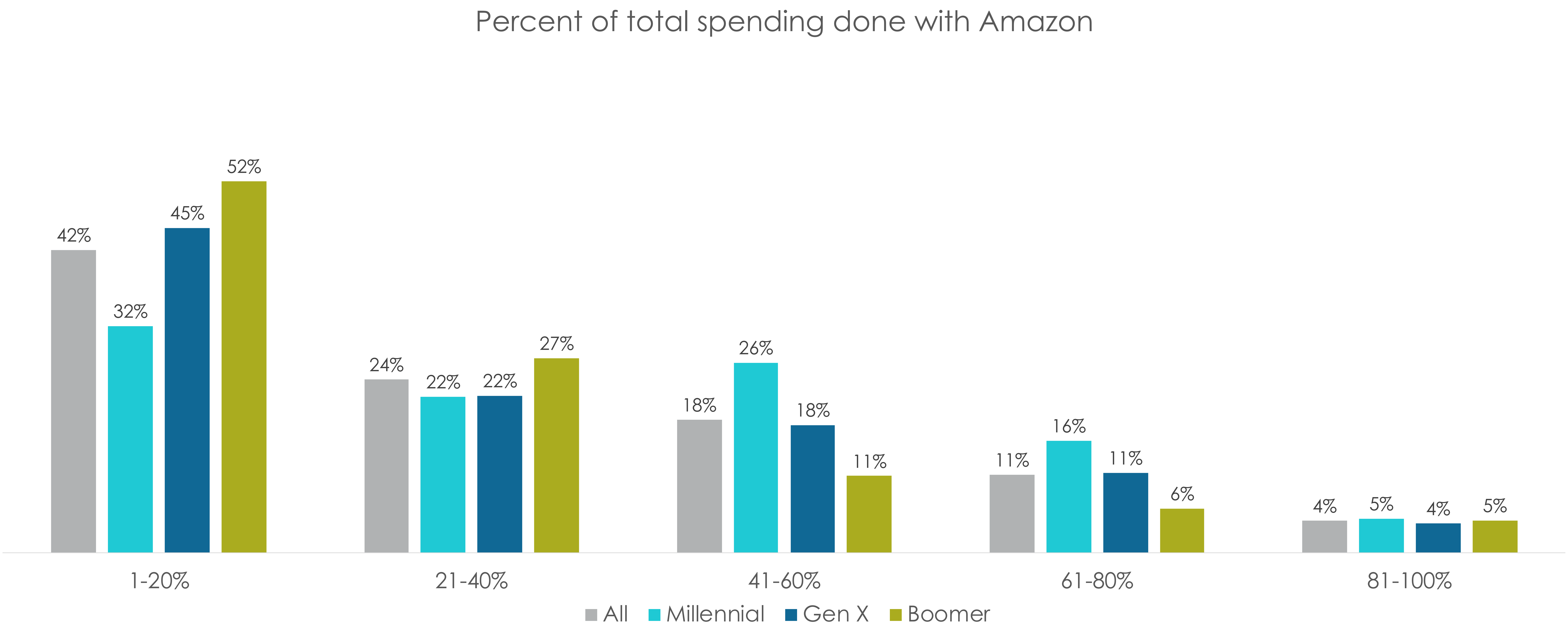
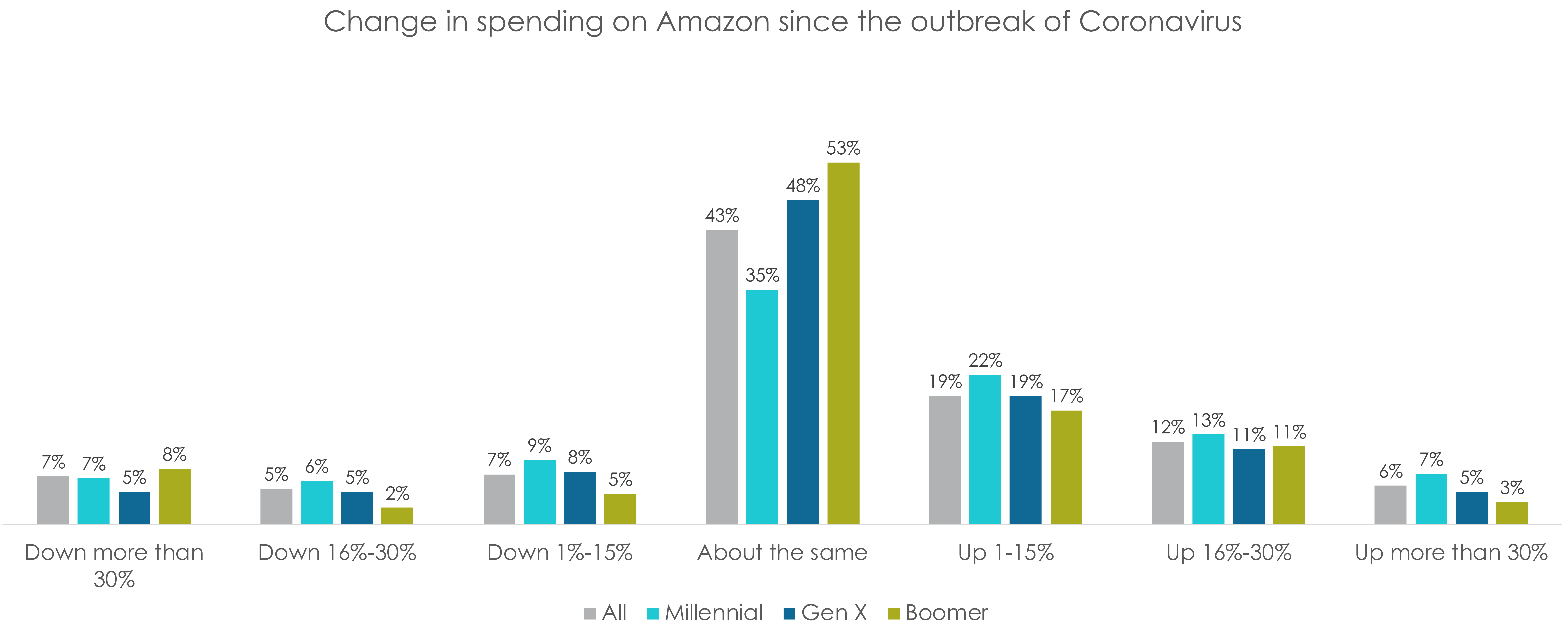
Nearly two-thirds of households do less than 40% of their total household spending with Amazon; however, 15% of households do 61% or more.



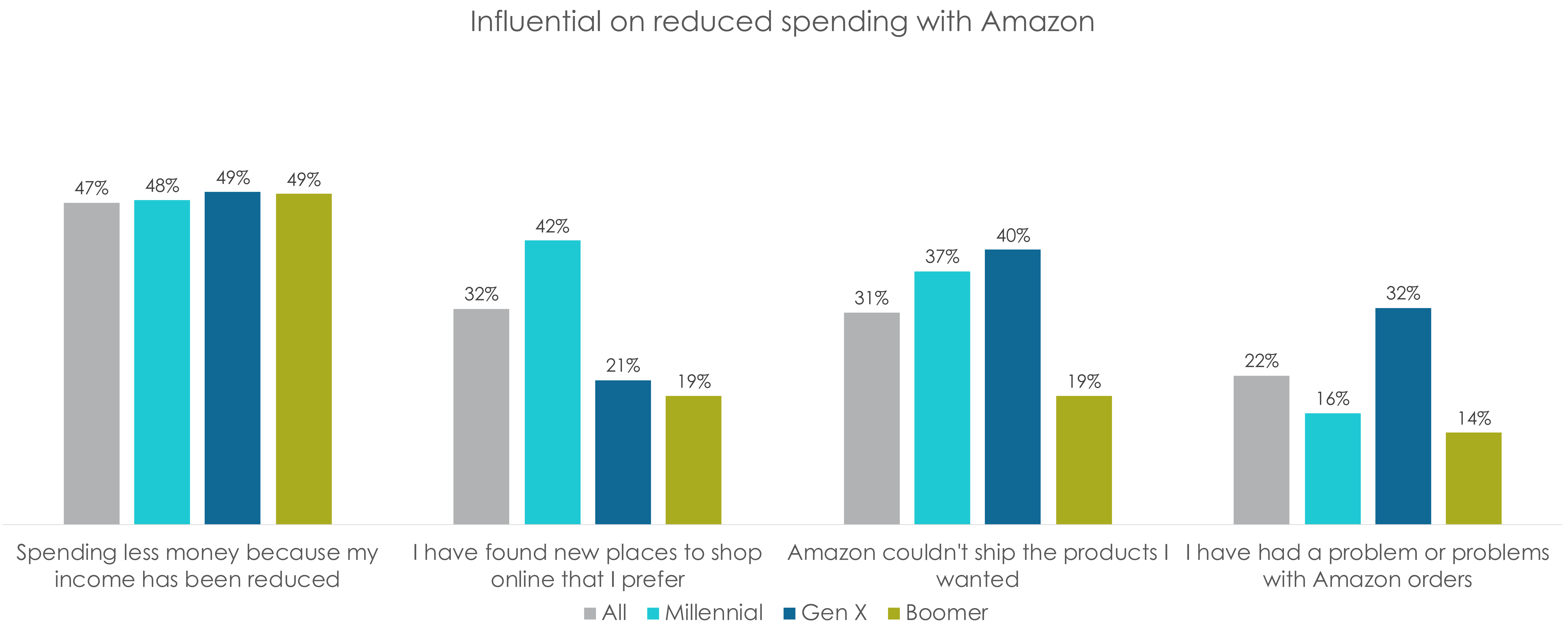
What % of your total spending (what you spend online and in stores) is done with Amazon?

Not surprisingly, 37% of households shopping on Amazon have seen their purchases increase since the arrival of COVID-19, while 19% have reduced their Amazon purchases.



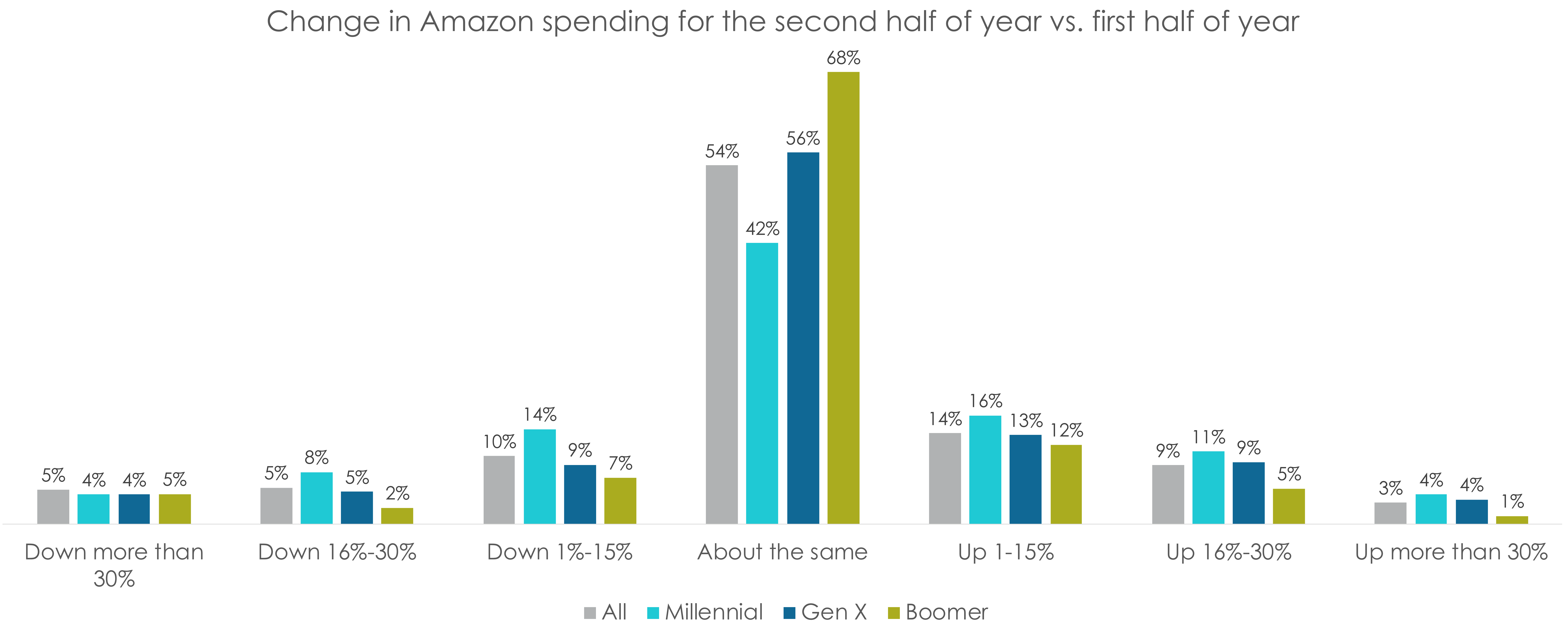
Since the outbreak of COVID-19 how has your spending at Amazon changed?

Among those spending less with Amazon, nearly half (47%) are doing so because of a reduction in income. In addition, nearly one-third (32%) have found new online shopping venues they prefer to Amazon.



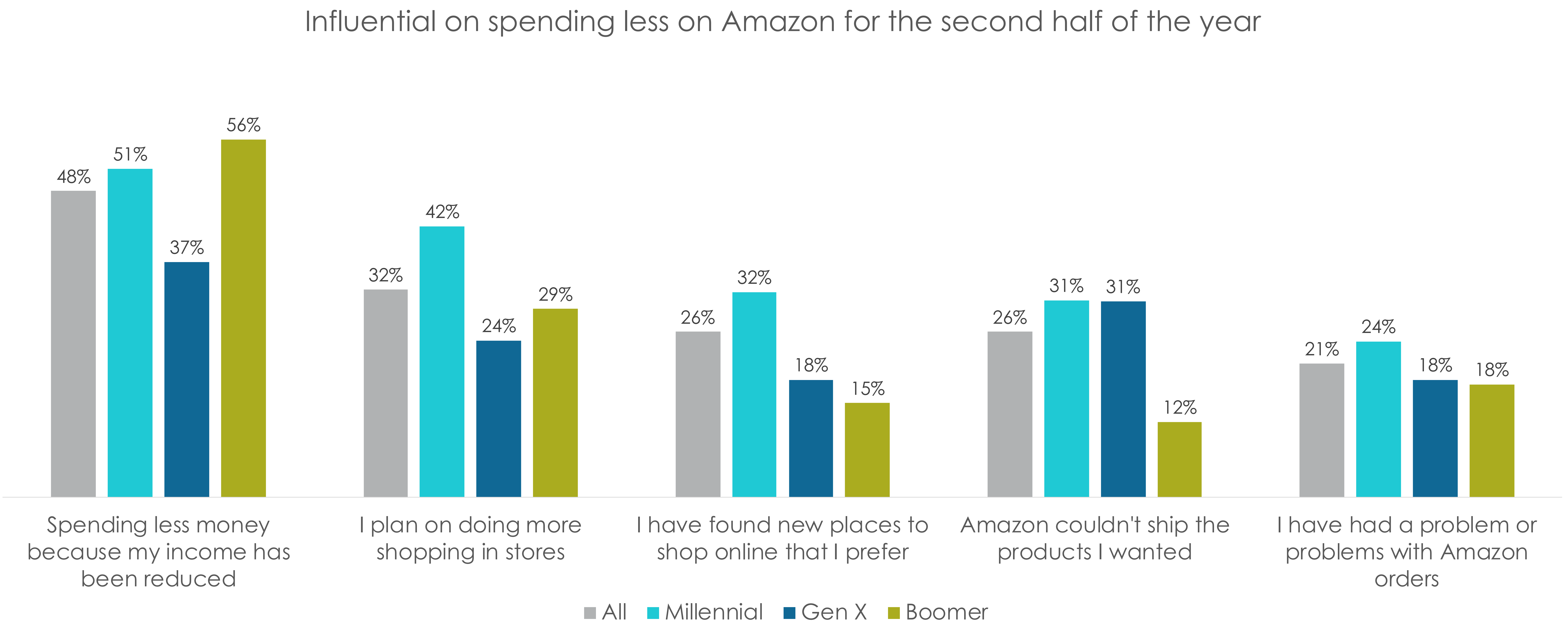
How influential have the following been on your reduction of spending at Amazon?

While the majority of households (54%) expect their 2nd half Amazon purchases to remain the same, more expect them to increase (26%) than decrease (20%).



How do you think your spending at Amazon in the second half of the year (July-December) will compare to the money you spent with Amazon in the first half of 2020 (January-June)?

Among those expecting to spend less on Amazon in the 2nd half of the year, nearly half (48%) have suffered an income reduction. Additionally, nearly one-third (32%) plan to do more shopping in stores.



How influential are the following on your expectation that you'll spend less with Amazon in the second half of the year than you did in the 1st half?

Summary

The substantial increase in COVID-19 cases over the past two weeks appears to be impacting opinions about how it is being handled and what they should do.

- Nearly as many people (36%) aren't confident the government is keeping them up-to-date on COVID as those who believe in the job the government is doing (38%).
- The lack of confidence in the government's ability to handle the outbreak has grown to a 4-month high of 44%.
- Confidence in the local medical community's ability has slipped to 52% from a high of 59% on June 5th.
- The average expected timeframe for the development of a vaccine continues to hover at just over 13 months.
- Half the respondents either don't know what to expect from the virus (21%) or expect it to remain at epidemic levels for years to come (29%).
- More than one in three respondents now believe it will be 6 or more months until they can return to their normal routines.
- 70% of respondents feel that states are opening too quickly.
- Those planning to continue sheltering in place once their state opens back up has reached a high of 42%.

Summary - Continued

Only 7% of households report doing none of their shopping online.

- Boomers do the least shopping online. 58% of Boomers do less than 20% of their total shopping via the Internet, while Millennials do the most, with 43% saying they do more than 40% of their shopping online.
- Boomers are the least likely (32%) to be doing 40% or more of their online shopping at Amazon, while Millennials lead the way at 44%.
- 6% of those shopping online started using Amazon since the arrival of COVID-19.
- Two thirds (67%) of those shopping on Amazon are Prime members.
- 10% of Amazon Prime members have joined in the past 4 months.
- Respondents' average spend on Amazon is about $1,500 per year.
- Nearly two-thirds of households do less than 40% of their total household spending with Amazon.
- 37% of households shopping on Amazon have seen their purchases increase since March, while only 19% have seen a decline.

Summary - continued

- The biggest reason for a decline in Amazon spending (47%) has been a reduction in household income.
- The majority of households (54%) expect their 2^{nd} half Amazon purchases to be the same as those made in the first half of the year.
- A reduction in HHI (48%) and the desire to do more shopping in-store (32%) are the leading reasons for a planned reduction in Amazon spending in the 2^{nd} half.