

Heart+Mind PulseSM

*Expectations, Emotions,
and Segments:*

*The Effect of Rising COVID-19
Cases on Consumer Confidence*

July 2020

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CEO and Managing Partner



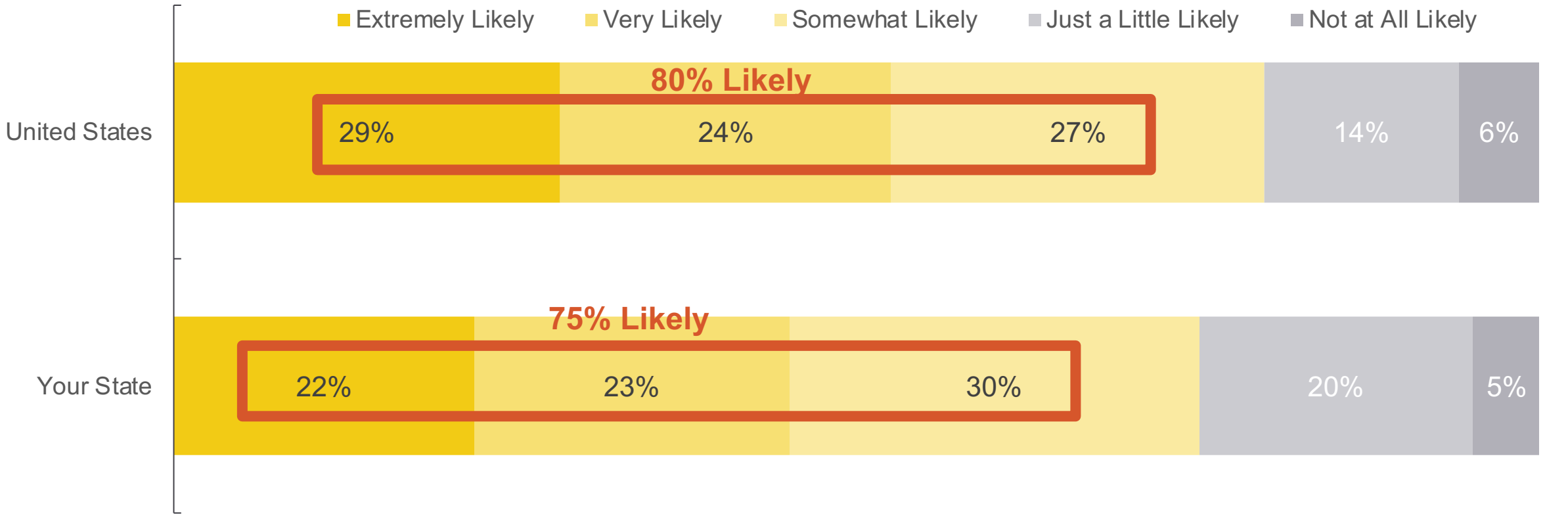
Expectations



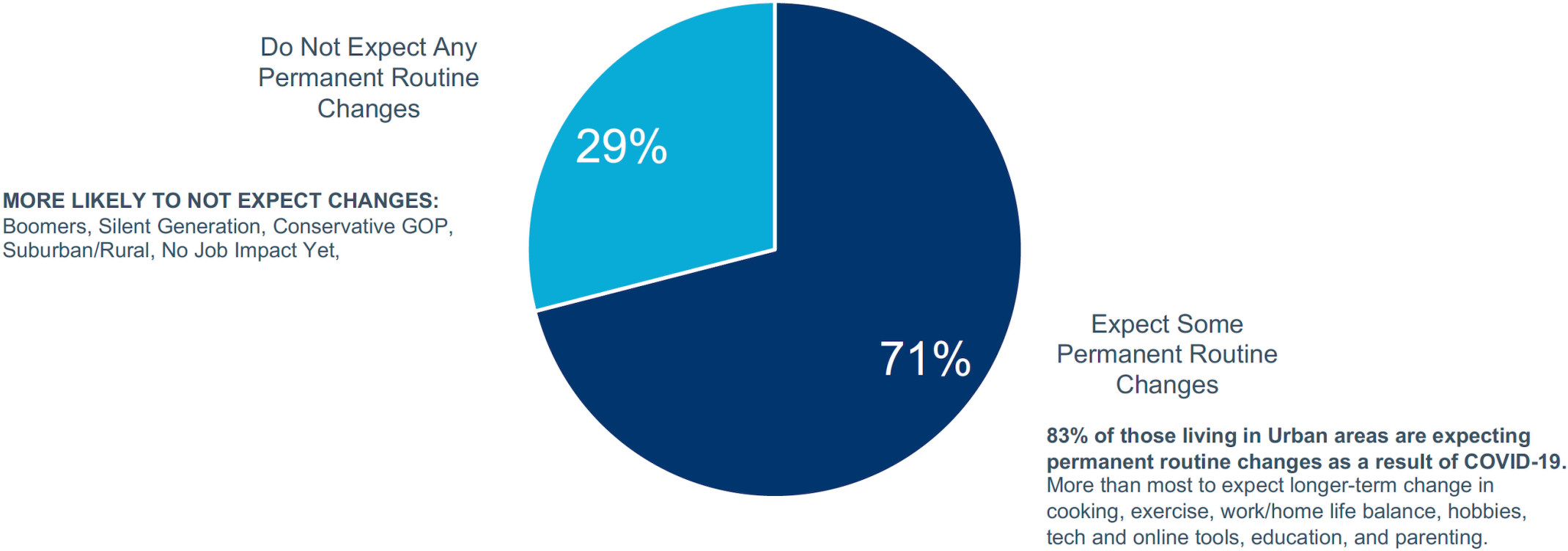
Three Quarters Expect a Second Shelter-in-Place Order

Q: How likely do you think it is that the United States will see a second wave of coronavirus cases in the fall that shuts down the economy again and leads to new stay-at-home and shelter-in-place orders?

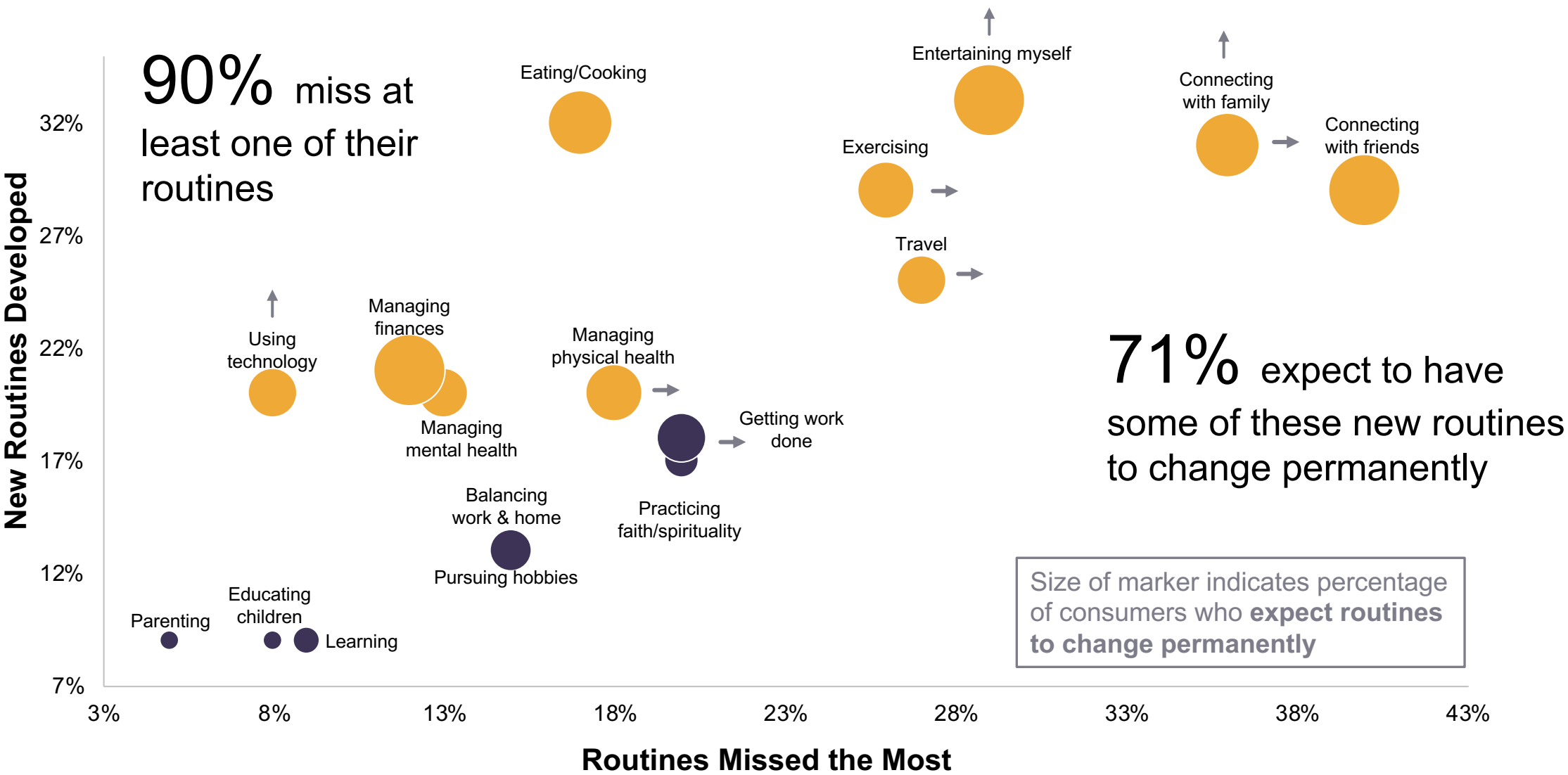
Q: How likely do you think it is that your state will see a spike in coronavirus cases that leads to a second shelter-in-place or stay-at-home order?



Behavioral Changes to Life are Expected to Be Permanent



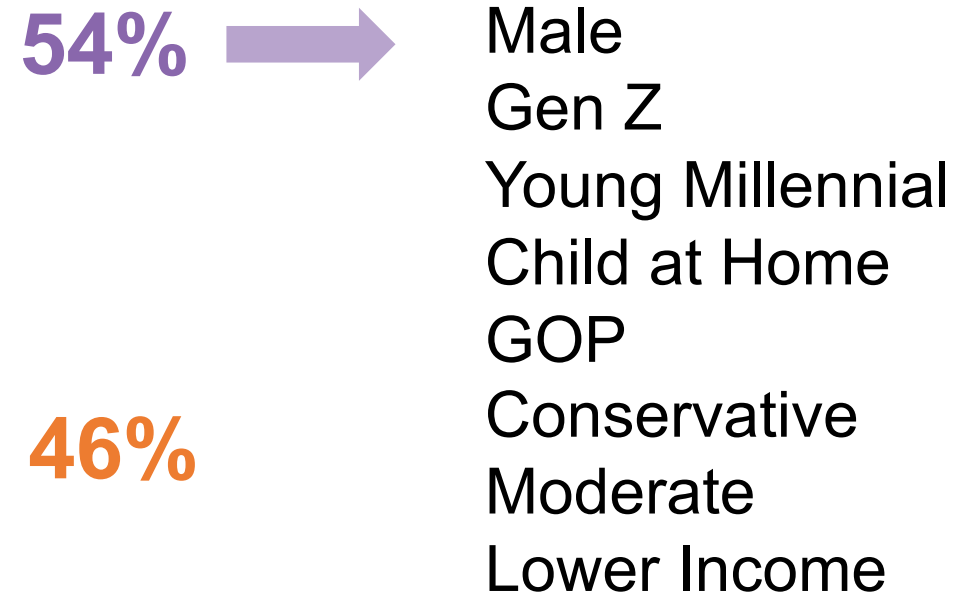
New Routines Forming That Could Last Longer



Balance Wins Out

Smith believes we must balance public health concerns with economic concerns. A complete collapse of our economy and financial systems creates its own public health concerns.

Jones: We must put all of our energy and resources into protecting public health. If there are consequences of that focus, we will deal with them after we have contained the coronavirus.



Some are making a Trade-off: Rationally and Emotionally; Attitudinally and Behaviorally

Open the
Country/My State;
Lift Restrictions

Likely that US will have second wave of CV-19

Likely US economy will shutdown again

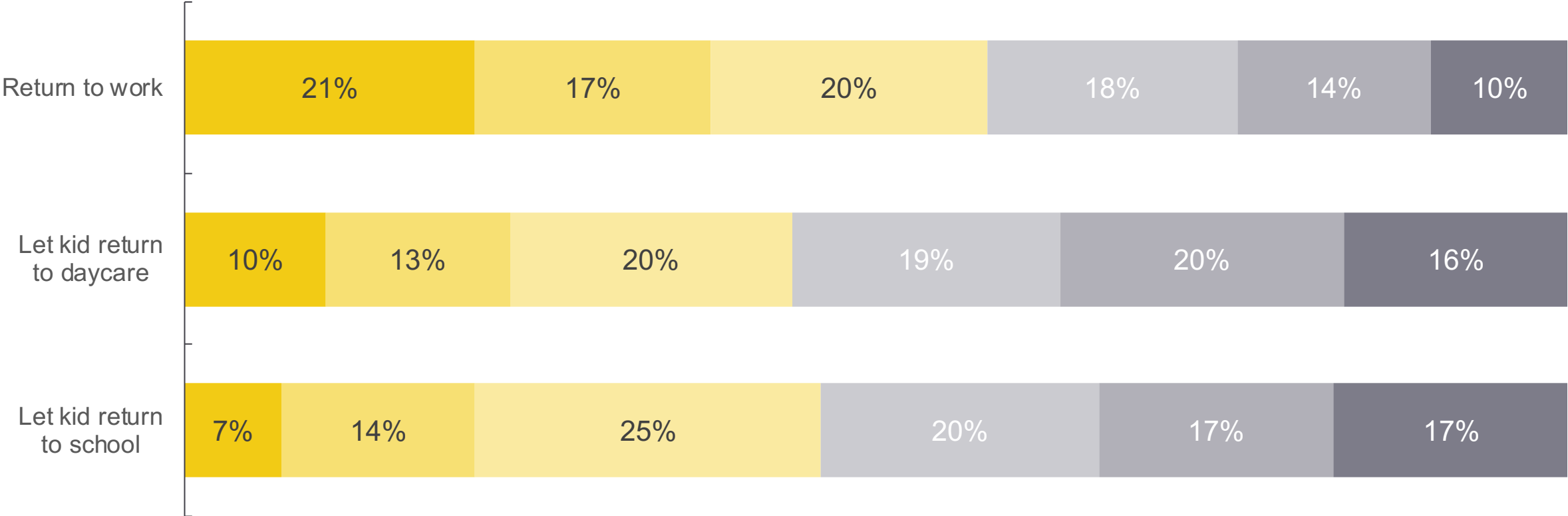
88%

Even though Americans believe that a second wave will happen and that the economy is likely to shut down again, some are willing to take on more personal risk.

Work Is Expected to Return Well in Advance of Childcare; Moms Growing Anxious and Stressed

Q: When are you likely to do each of the following?

■ Next Week ■ Next Month ■ 2-3 Months ■ 4-6 Months ■ 7-12 Months ■ More than Year



What Employees Expect at Work

Health and Safety Practices	Must Have	Nice to Have	My Responsibility
Require wearing face masks	●		●
Require social distancing	●		●
Flexibility to work remotely		●	
Provide temperature checks		●	●
Frequent sanitizing – especially common areas	●		●
Regular handwashing			●
Sanitizing stations/Hand sanitizer/Wipes	●		●
Provide PPE	●		
Provide safety/CDC guidelines	●		
Encourage sick days/quarantine		●	●
Plexiglass barriers between desks/customers	●		
Reduce capacity at office/onsite locations	●		
Provide gloves		●	
Offer mental health days		●	
Offer COVID-19 testing		●	
Flexible work schedules		●	

“Separate our cubes so they aren’t so close together or add some type of plexiglass barrier. Provide masks and hand sanitizer. Clean and disinfect the area regularly.”

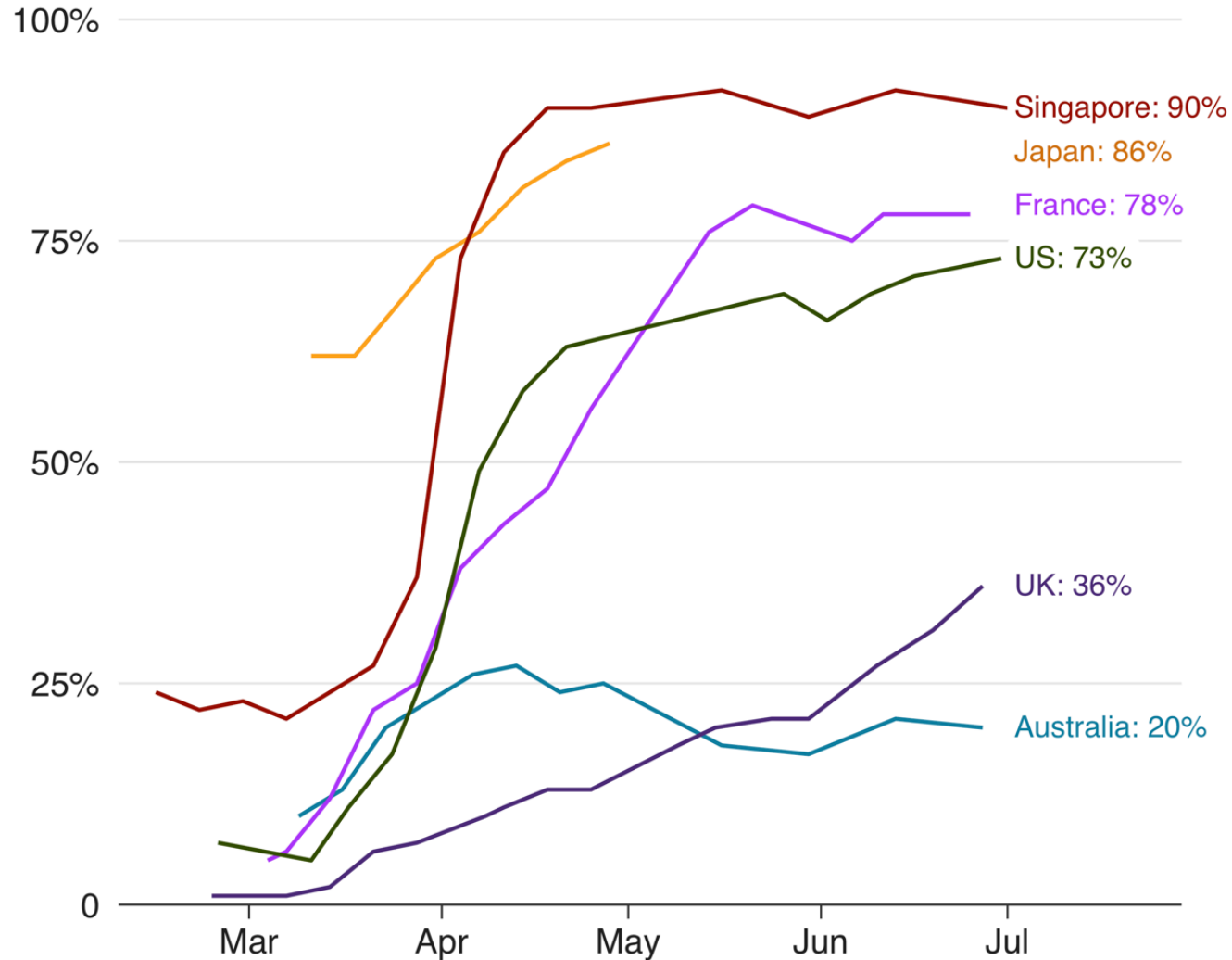
"I am responsible for my health, for making sure my area is clean and sanitized even if the cleaning crew has already done so during after-hours. I'm also responsible for washing and sanitizing my hands on a regular basis. Wearing a mask is my responsibility regardless if my employer requires it or not to keep me and my fellow workers safe."

Source: Heart+Mind Strategies. Base: Qualitative Community (n=729)

Q. What are the required or 'must-do' practices you expect your employer to enact in order to protect your mental and emotional health and well-being, and that of your co-workers? / Q. What are the 'nice to have' practices you would like to have your employer to enact in order to protect your mental and emotional health and well-being, and that of your co-workers? / Q. What are your responsibilities – NOT your employer's responsibility - in the workplace in order to protect your physical health and safety?

Masks Usage by Country: US at 73%

Selected countries: % of people who say they wear face masks



Attitudes vs Behavior:

Our observational and ethnographic results suggest that consistent mask usage is no more than 50% in the US.

Data is based on a poll of at least 1,000 adults in each country

Source: YouGov

BBC

Expectation Section/Q&A:

- 1. Communicate What to Expect**
- 2. Be Realistic and Honest**
- 3. Manage**

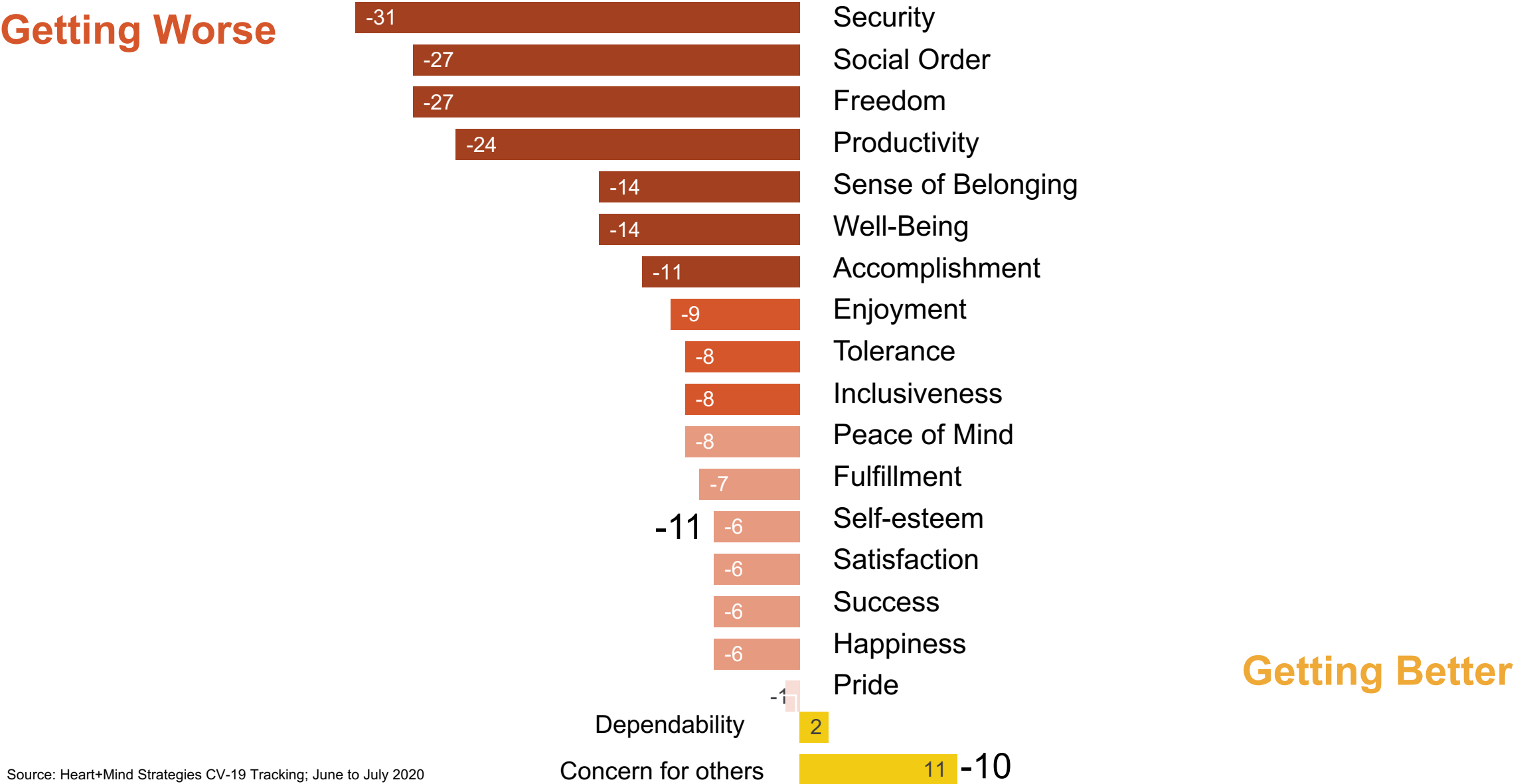




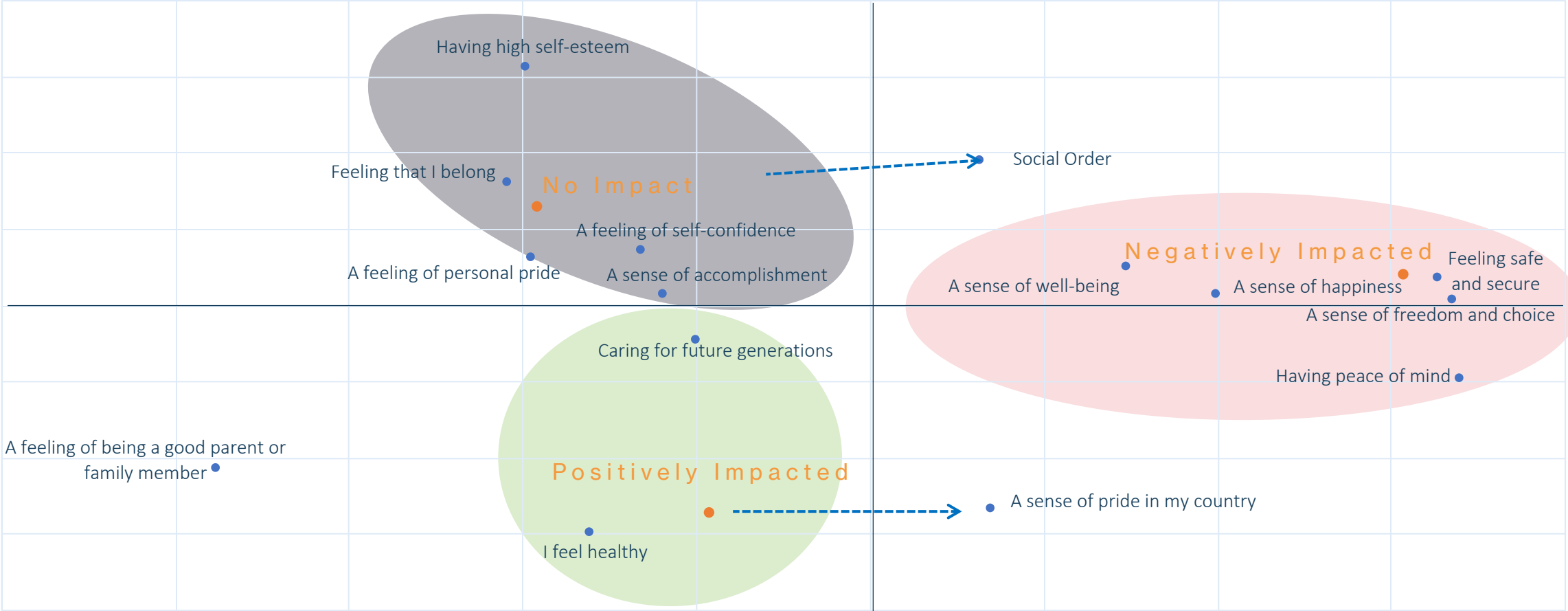
Emotions



Concern for Others Down Significantly; Security, Social Order, Freedom are Worse



Human Needs and Values are Being Compromised: Safety, Freedom, Peace of Mind Taken Away

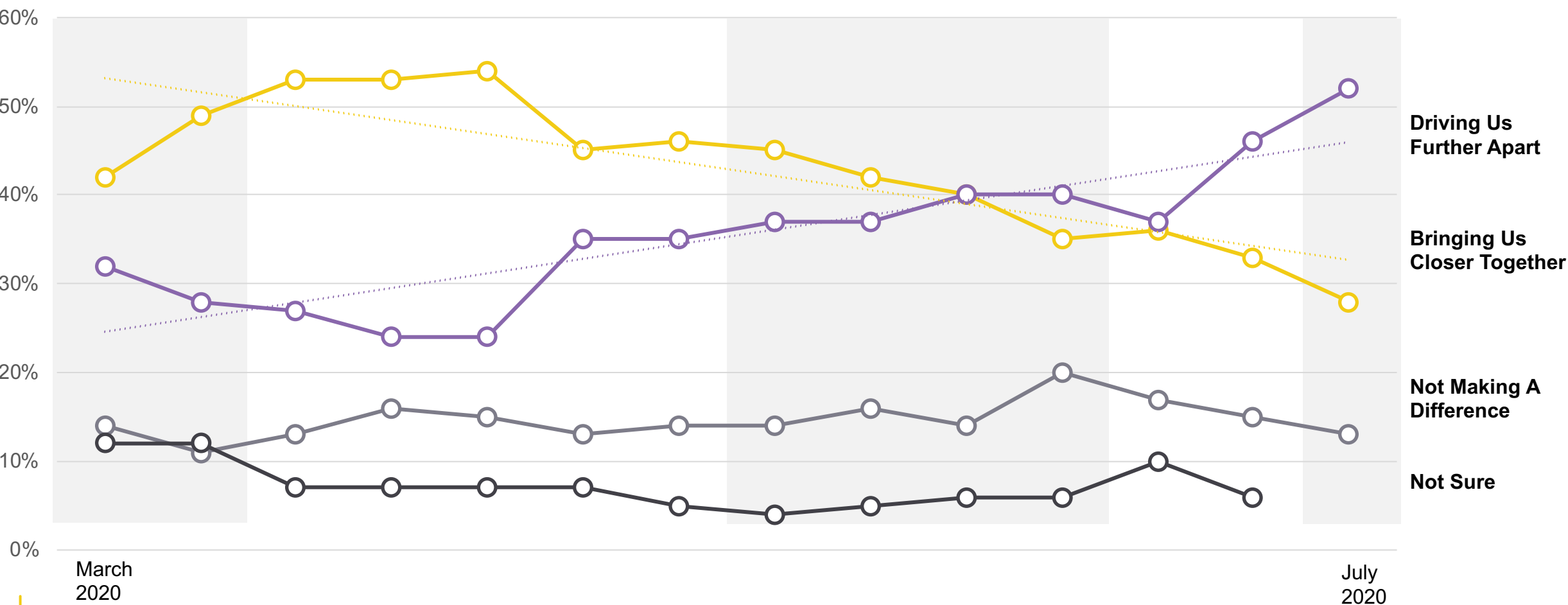


Please indicate the extent to which the coronavirus pandemic is currently impacting each of these.

Source: Crosby Textor May to June 2020

Division Is Widening As Controversy Reigns

Q: Overall, would you say the outbreak of the coronavirus is bringing our communities and the people in our country closer together and making us more unified, or is it driving us further apart and making us more divided?

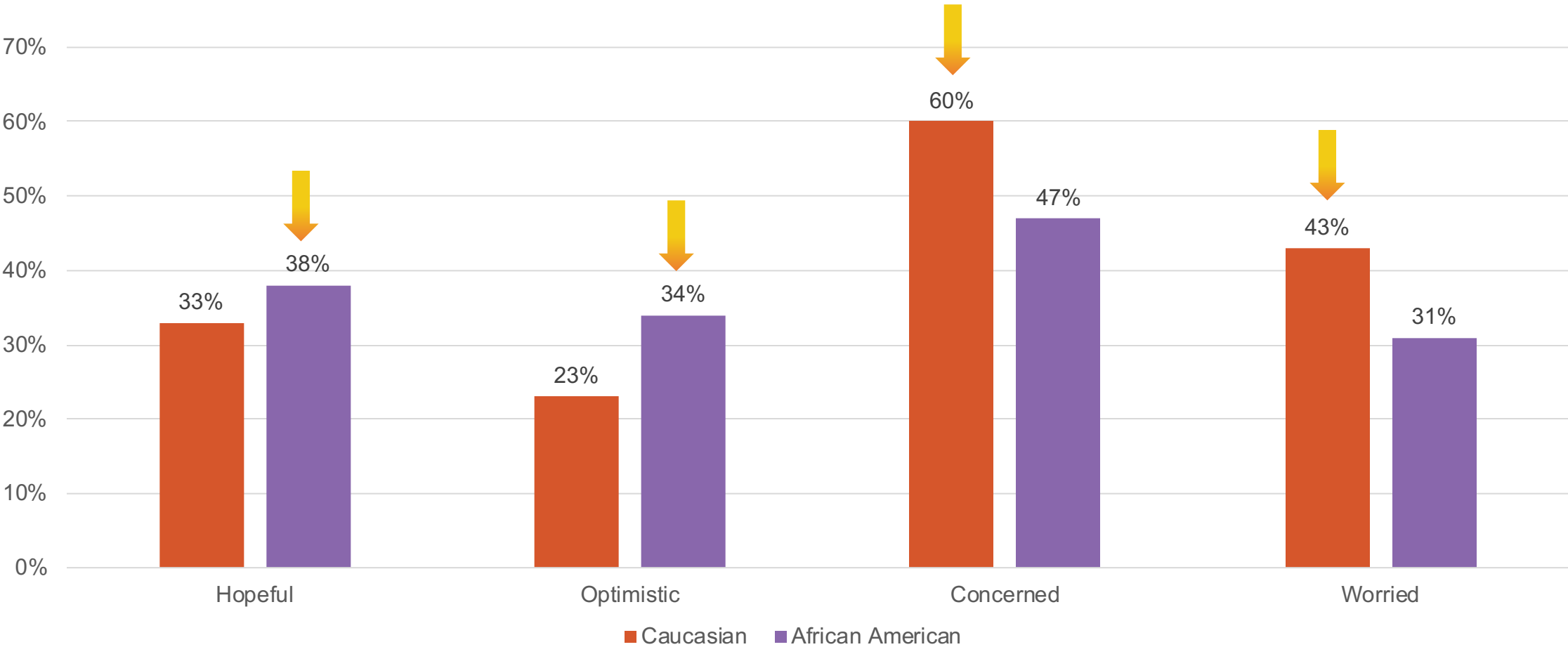


Inequality Issue is Real to Americans: It's about Human Mistreatment Assessed Against a Moral Framework of Systems Injustice

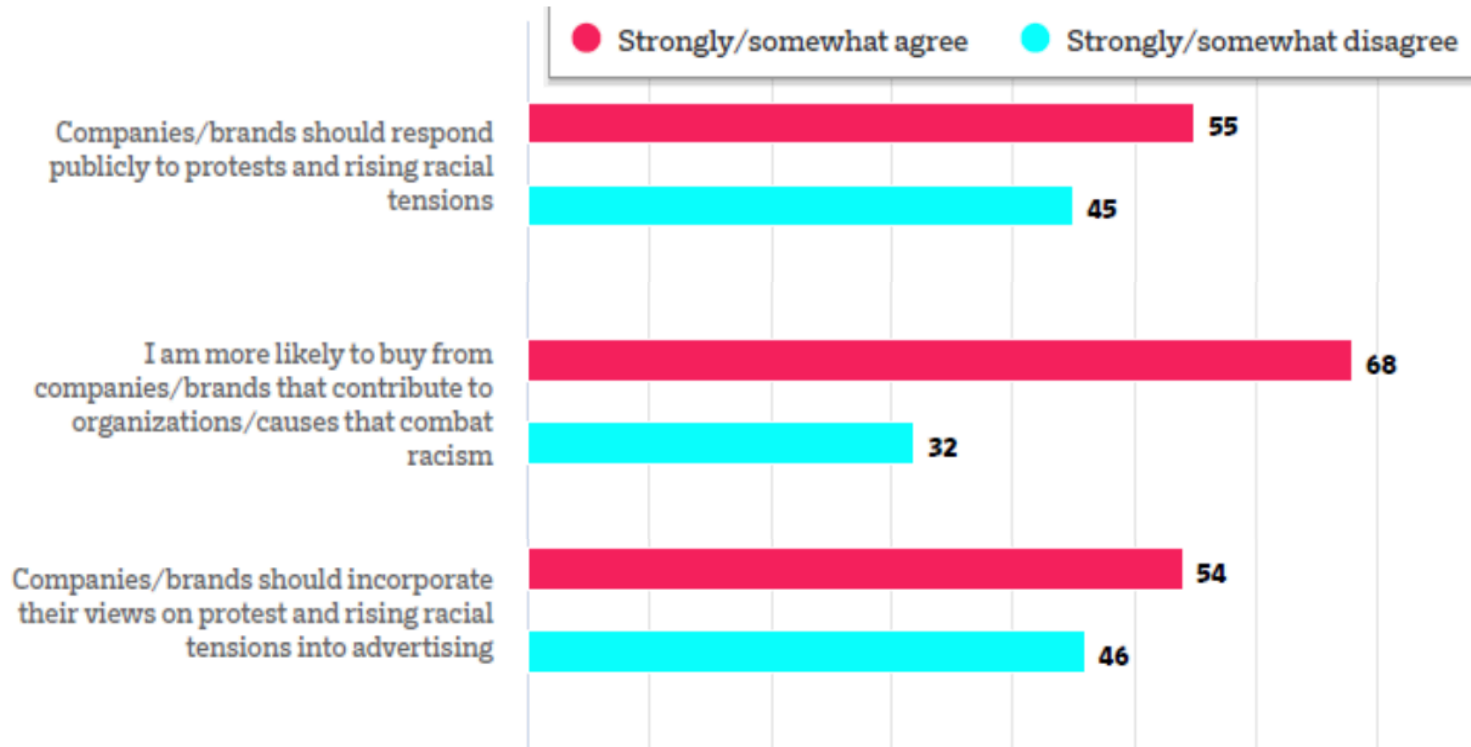
- 81% - Believe we need to continue making changes to treat Blacks equally to Whites
- 74% - Support protests following Floyd's killing
- 69% - George Floyd incident sign of broader problems
- 67% - Believe criminal justice system favors Whites
- 67% - Believe racism is a big problem in our society today
- 57% - Believe police more likely to use force against Blacks

African Americans Express Positive Emotions; Whites Negative Emotions

Q: Please select the words below that best describe the way you feel right now in light of current events.



Are Boycotts and Punishing Brands More Likely than Rewarding a Brand?



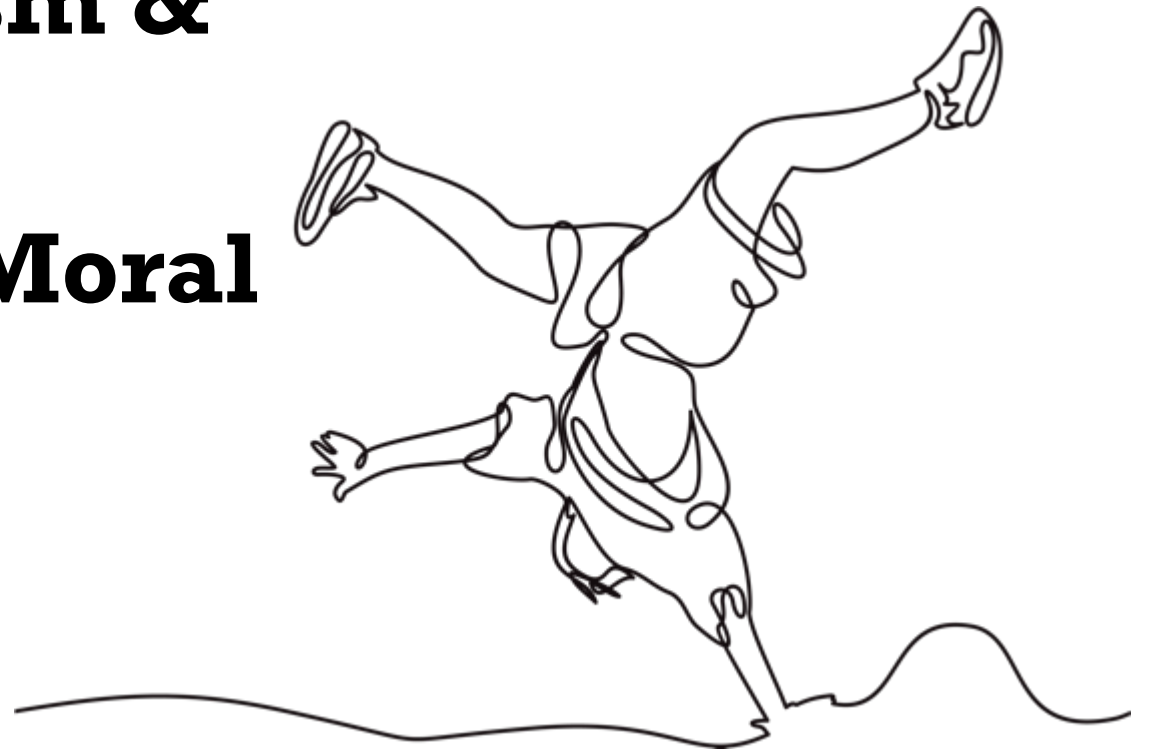
Source: Ad Age July 2020

- While people say they want to do the socially good thing, if they do not see enough benefit for themselves, they will revert to what's best for them.
- Is their decision going to make enough of a difference if others aren't also making that decision? #FOMO can cause doing what's socially acceptable.
- Behavioral data shows that it's more likely consumers will actually avoid brands/causes that don't align with their values vs going out of their way to reward brands/causes.
- Punishing a brand is more likely than rewarding a brand.

Source: Heart+Mind Strategies

Emotion Section/Q&A:

- 1. Values: Individualism & Collectivism**
- 2. Humans, Systems, Moral Frameworks**
- 3. Being Authentic**

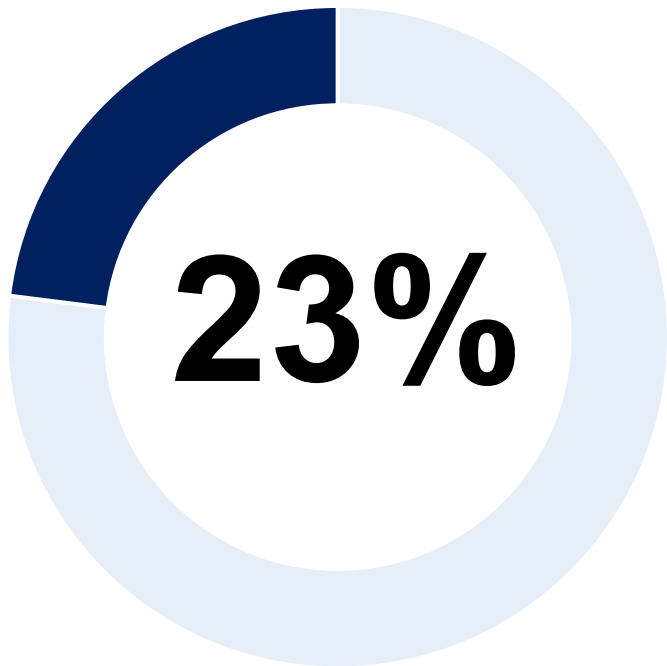


Segments



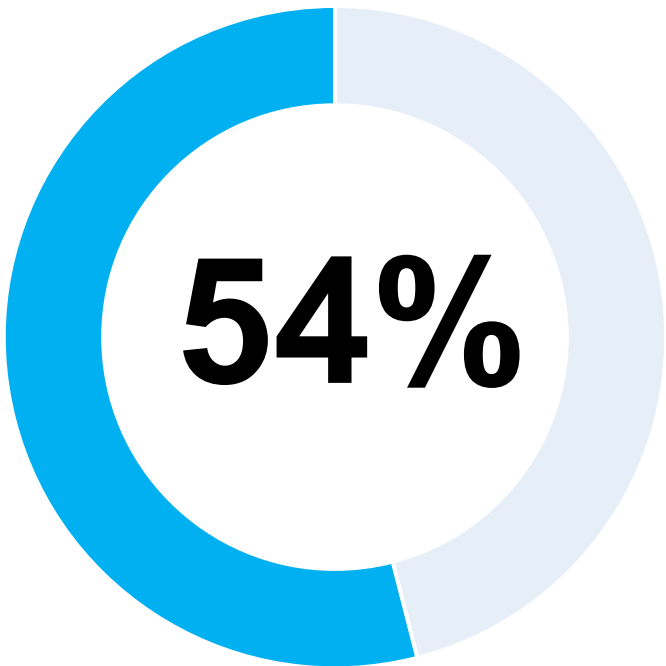
New Consumer Segments Stable Over 15 Weeks

Hopeful Optimists



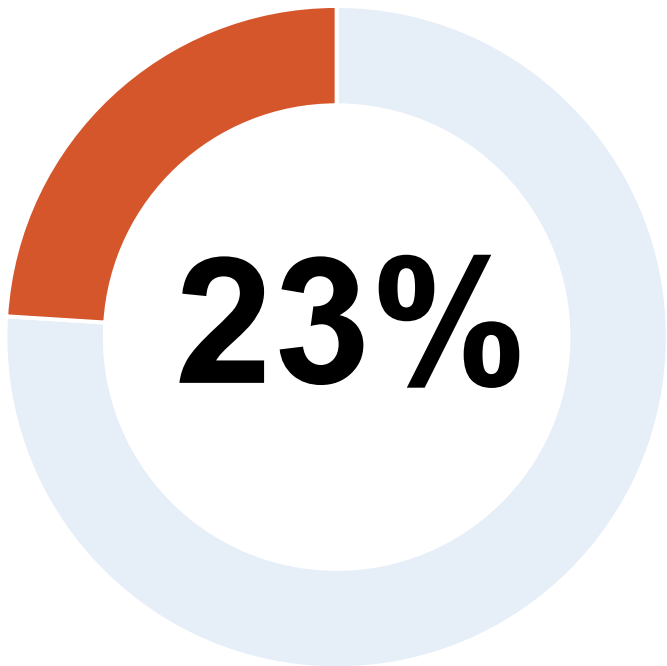
64% Male
60% Reopen now
50% Kids at home
+12 Trump over Biden
Young Millennial, Silent
Strong positive emotions
Travel: Risk Takers, Faint
Signals

Concerned Realists



50% Male/Female
50% Reopen now/Stay closed
Skew Multicultural
+1 Biden over Trump
Gen Z, Gen X
Balance of emotions
Travel: Cautiously Curious;
Moderate Signals

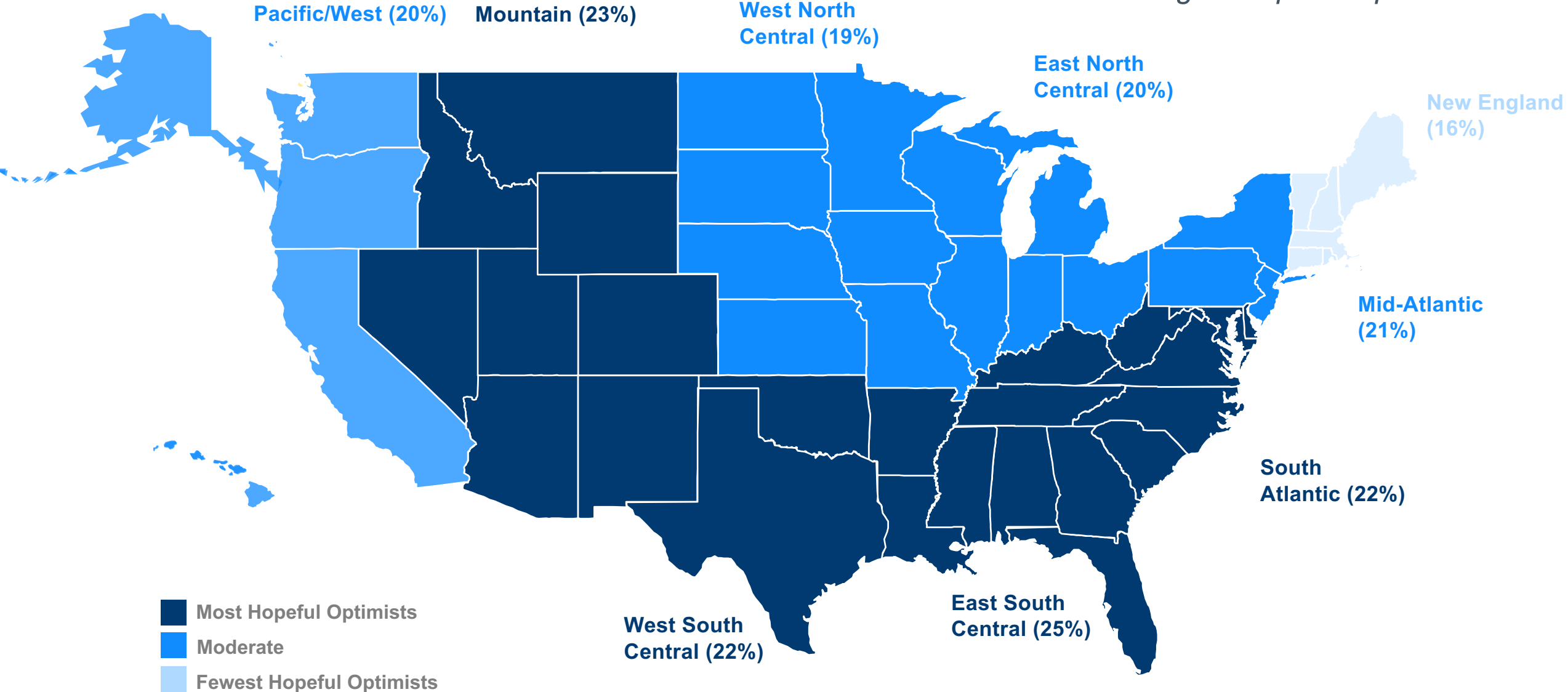
Anxious Worriers



80% White
69% Female
67% Stay closed
23% Unemployed
+22 Biden over Trump
Older Millennial
Strong negative emotions
Travel: Wait and See; Needs
Full Permission

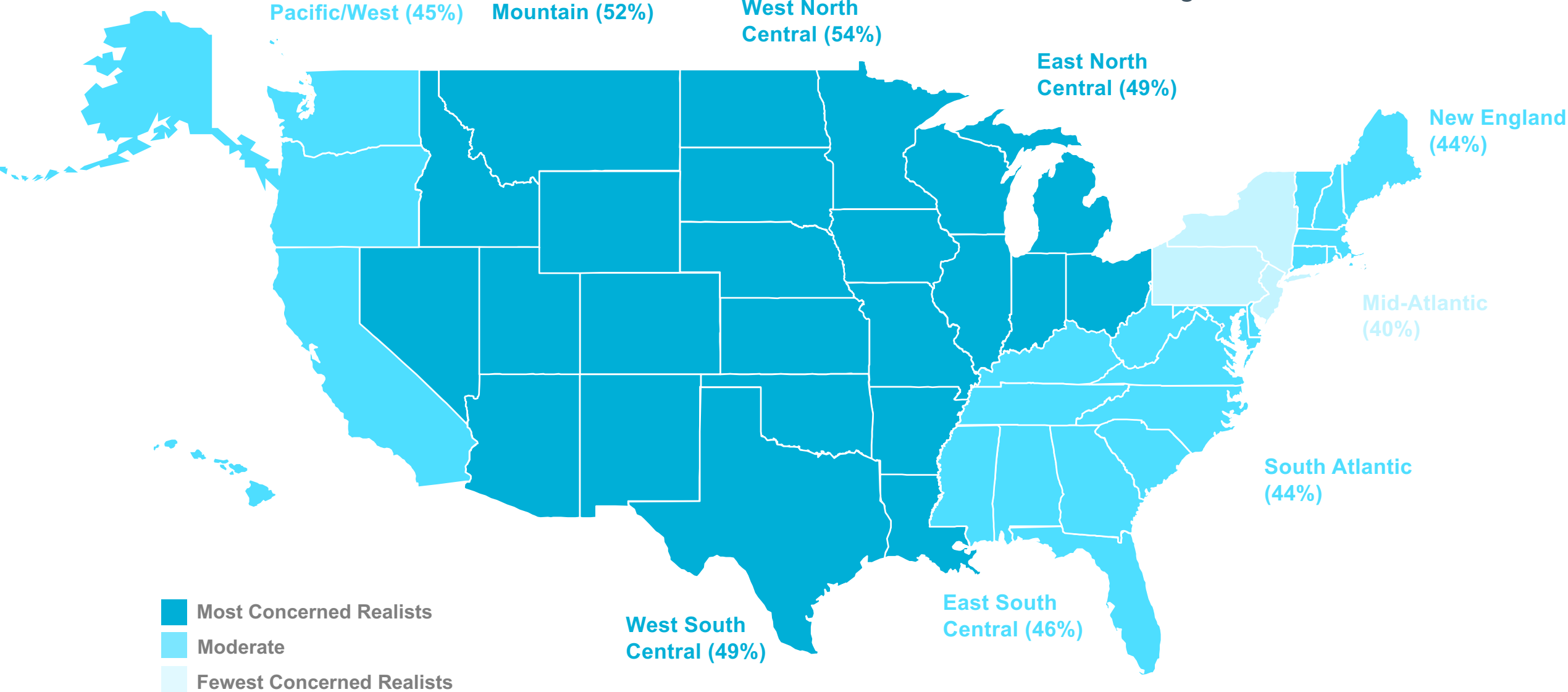
Hopeful Optimists Highest in Mountain/South

Showing % Hopeful Optimists



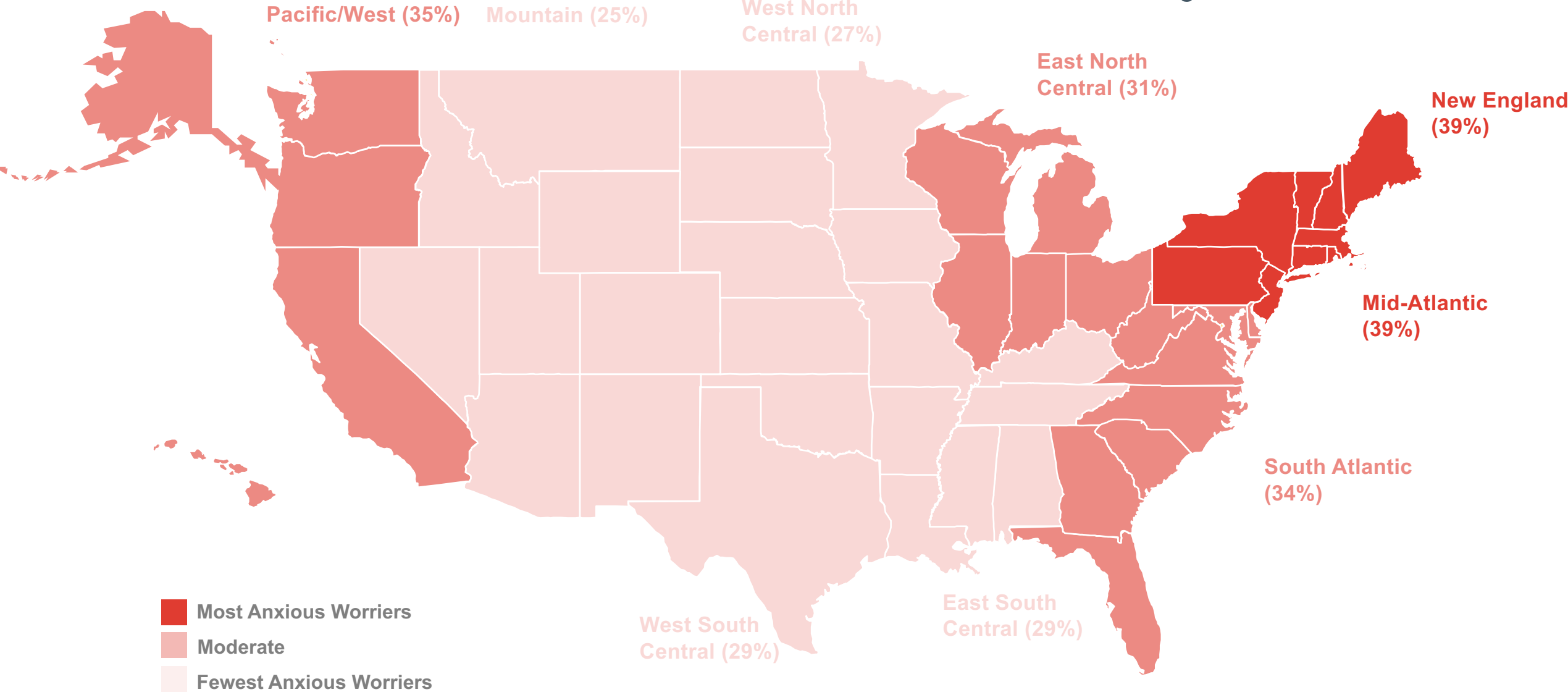
Concerned Realists Everywhere, Central Highest

Showing % Concerned Realists



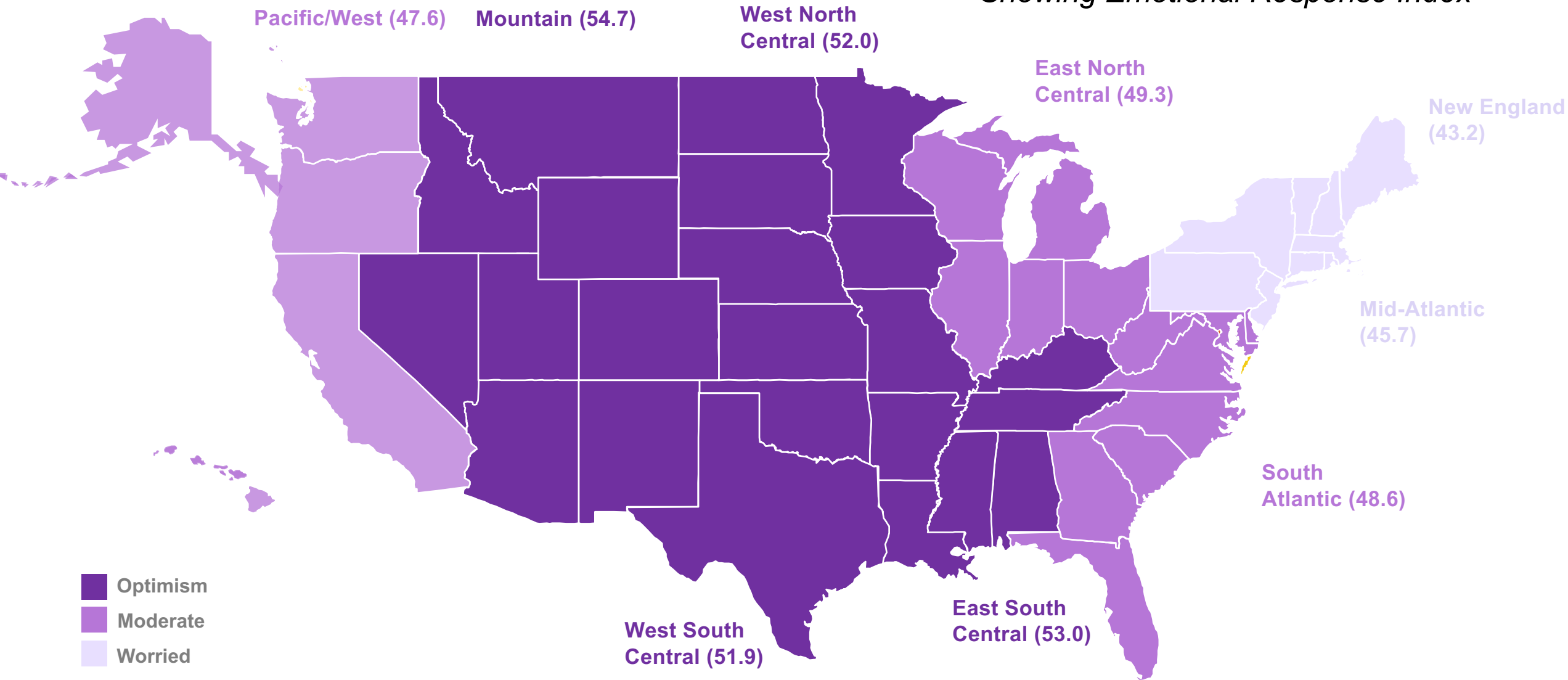
Anxious Worriers Highest Northeast and Coasts

Showing % Anxious Warriors



COVID-19 Emotional Response Segment Index By Region – Too Optimistic?

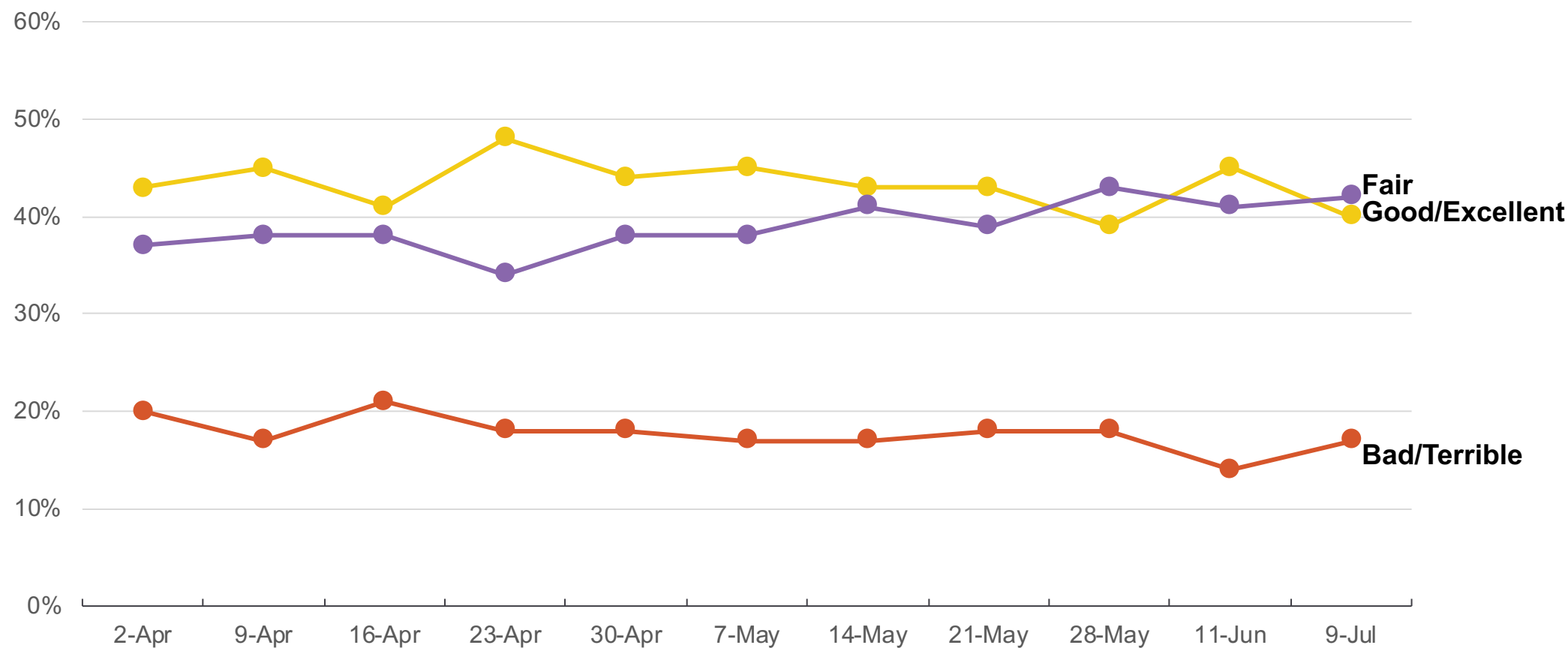
Showing Emotional Response Index



Worker Segments: Corporate America Response

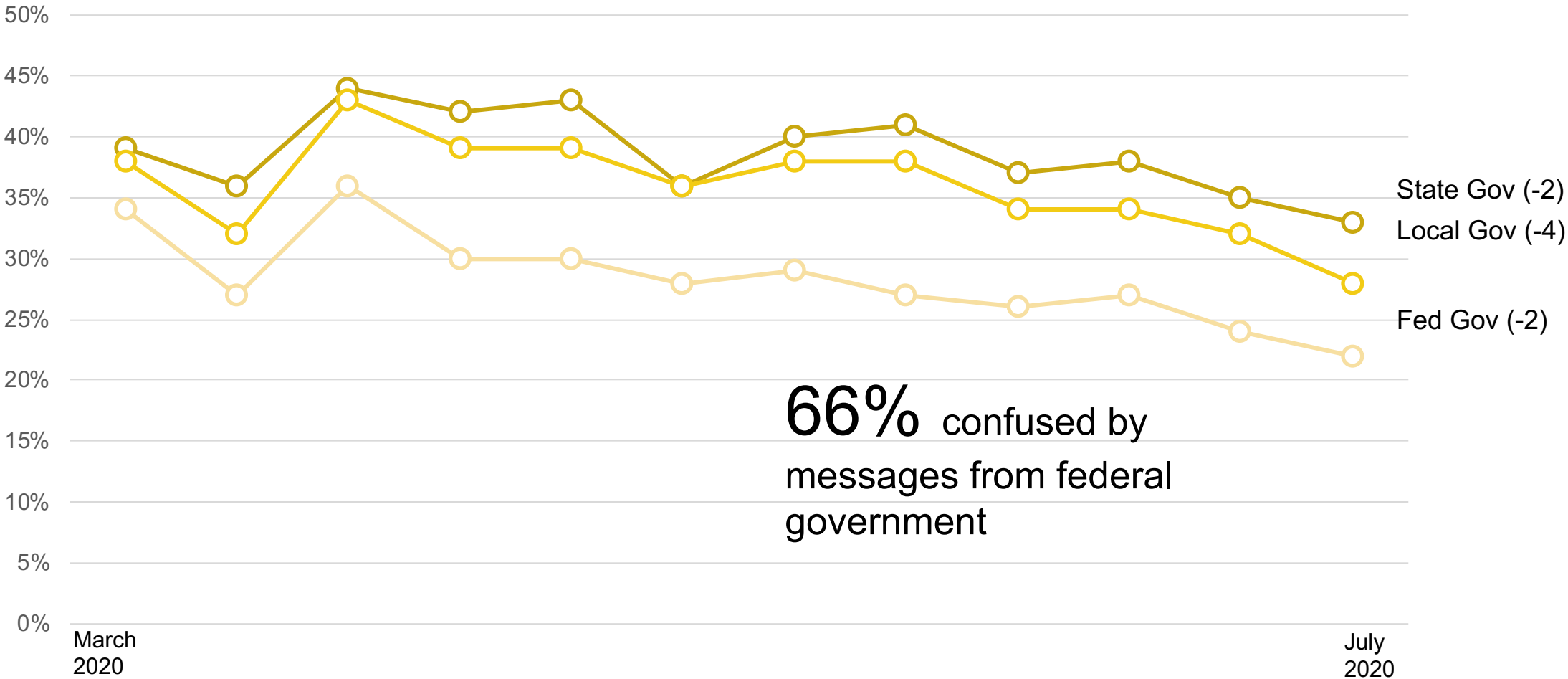
Business has work to do to consistently engage and engender trust among stakeholders.

Q: Overall, how would you rate businesses and organizations in their response to the coronavirus crisis?



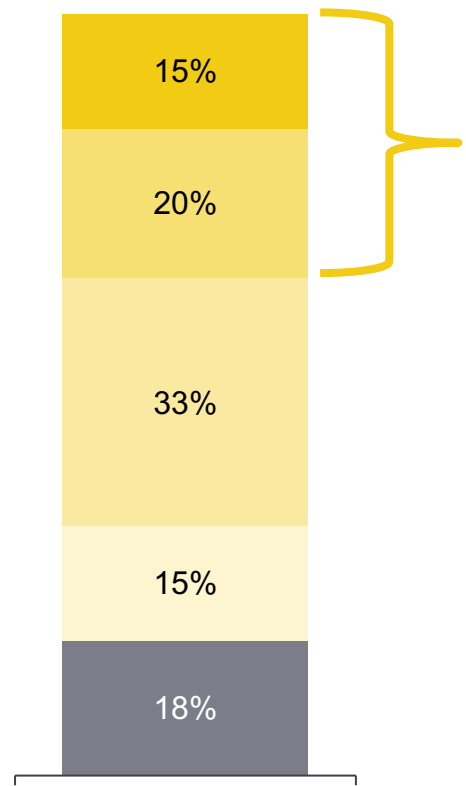
In Contrast, Federal Gov't Trust Declines to Lowest Point

% Trust Completely / A Great Deal



What Impacts Trust In Employer?

Trust in employer as a source of information



35% Trust Completely/ Great Deal

- None at all
- Trust a little
- Trust somewhat
- Trust a great deal
- Trust completely



Segment Section/Q&A:

- 1. New Segment Applications for your Brand**
- 2. Keep Curiosity Alive – Journey Planning**
- 3. Building Trust**



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THANK YOU

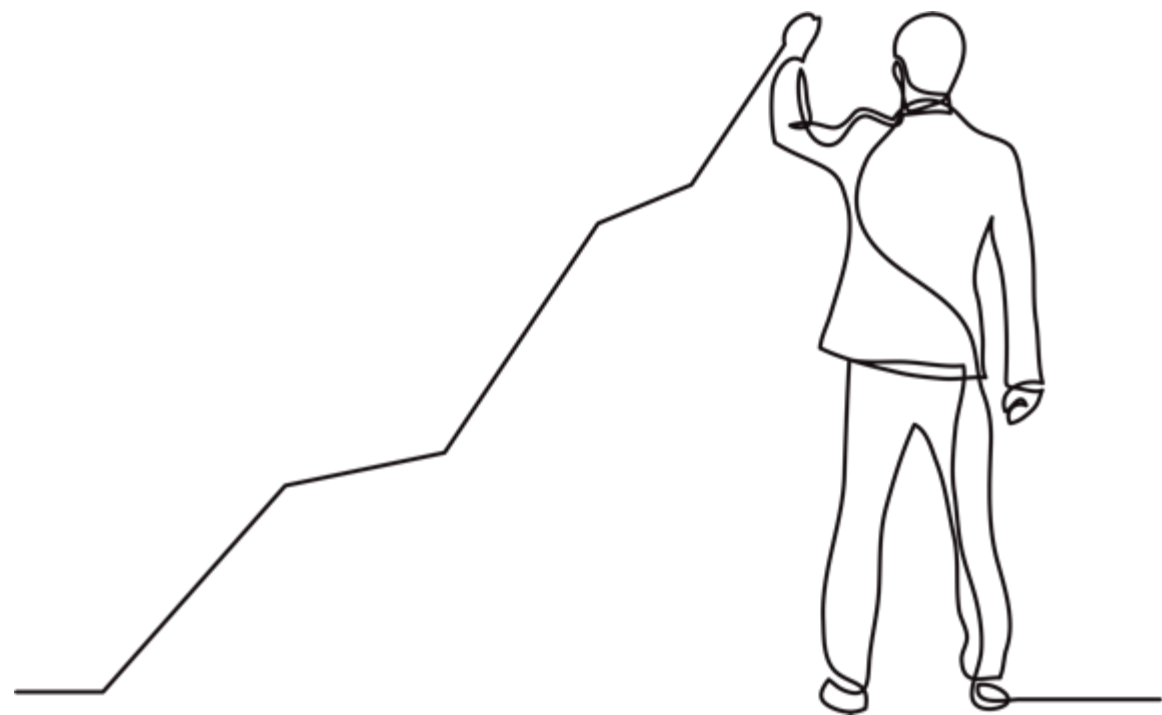
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Appendix




Implications: Our Top 10






1. Nothing is settled yet. We are not in a
“new normal” yet. Don’t plan and don’t
communicate like it is.


Manage expectations.




2. Adapt and act. Don't be afraid to fail with some. Thoughtful action matters right now. You have a real window to innovate - seek opportunity and not only to manage risk. Start Recovery Planning now.




3. But keep your eye on the long-term impact. Short-term, quick fixes are not enough.




4. Your focus should be on adapting to “living with the virus” rather than “surviving”. Consider how that framing shifts the way you see your role in the solutions you deploy.




5. Macro to micro matters. Needs and reactions can vary widely. Understand the segments that matter in your sector how you need to adapt in delivery in different situations.




6. Most of the country will take a *concerned realist* approach to the crisis (54%). The rest will emotionally respond in polar opposites - *anxiously worried* OR *hopefully optimistic*. This has been the only constant in our data. Find your people on this spectrum and adapt accordingly.




7. Discover how the fundamentals of the human journey are changing right now in your space (needs, process, and expectations). Map solutions against the **role** your brand can play to help people pursue what they are after in a way that is unique and authentic to who and what you are.



8. Acceleration to digital is obvious. But it isn't that simple. And it doesn't work for everyone, especially generational realities. Consider the full experience as you rapidly deploy. Both matter.



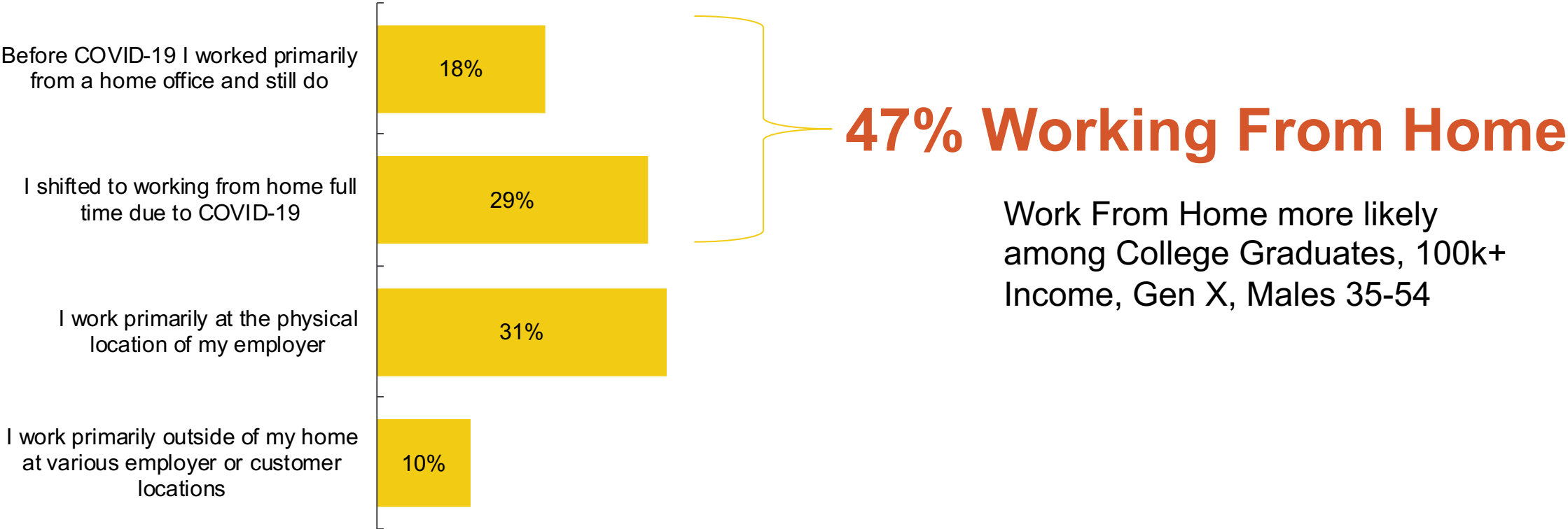
9. Anger is building. Know where your employees stand. Increase listening posts and provide safe and meaningful outlets for civil dialogue. We're missing it in most of our institutions. Fill that gap.



10. We are facing big issues we won't solve. But there may be ways to boost a sense of belonging or a respite for peace of mind in the slice of life you control. Find ways to meaningfully help people feel understood. Do it. Don't say it.

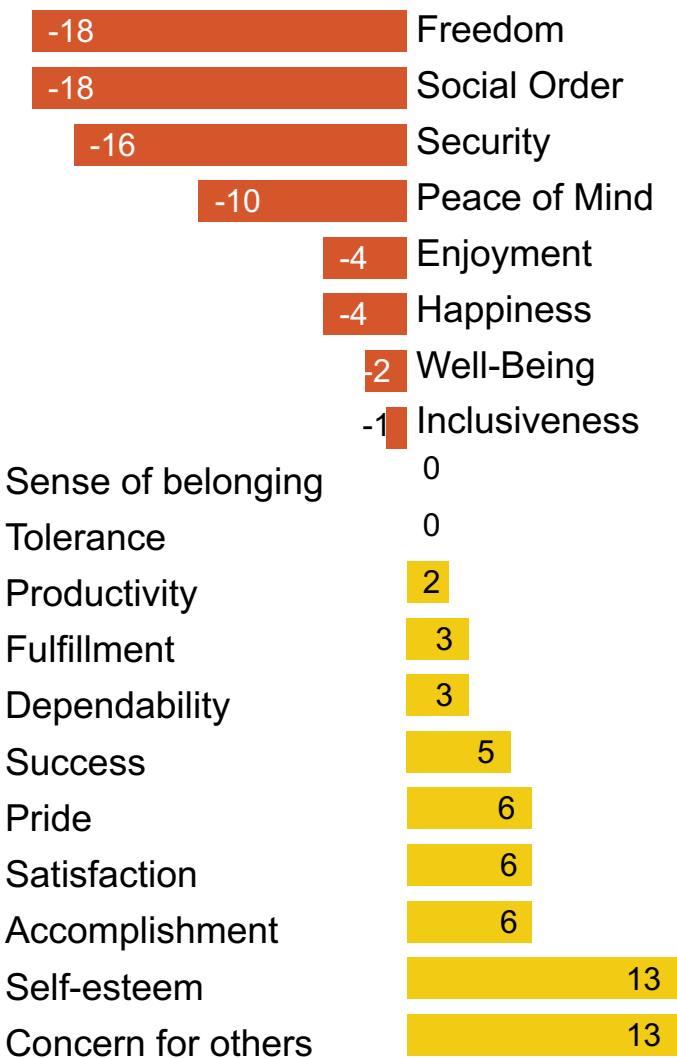
Where Employees Are Working

Work environment



How Employee Values Are Shifting

Getting Worse

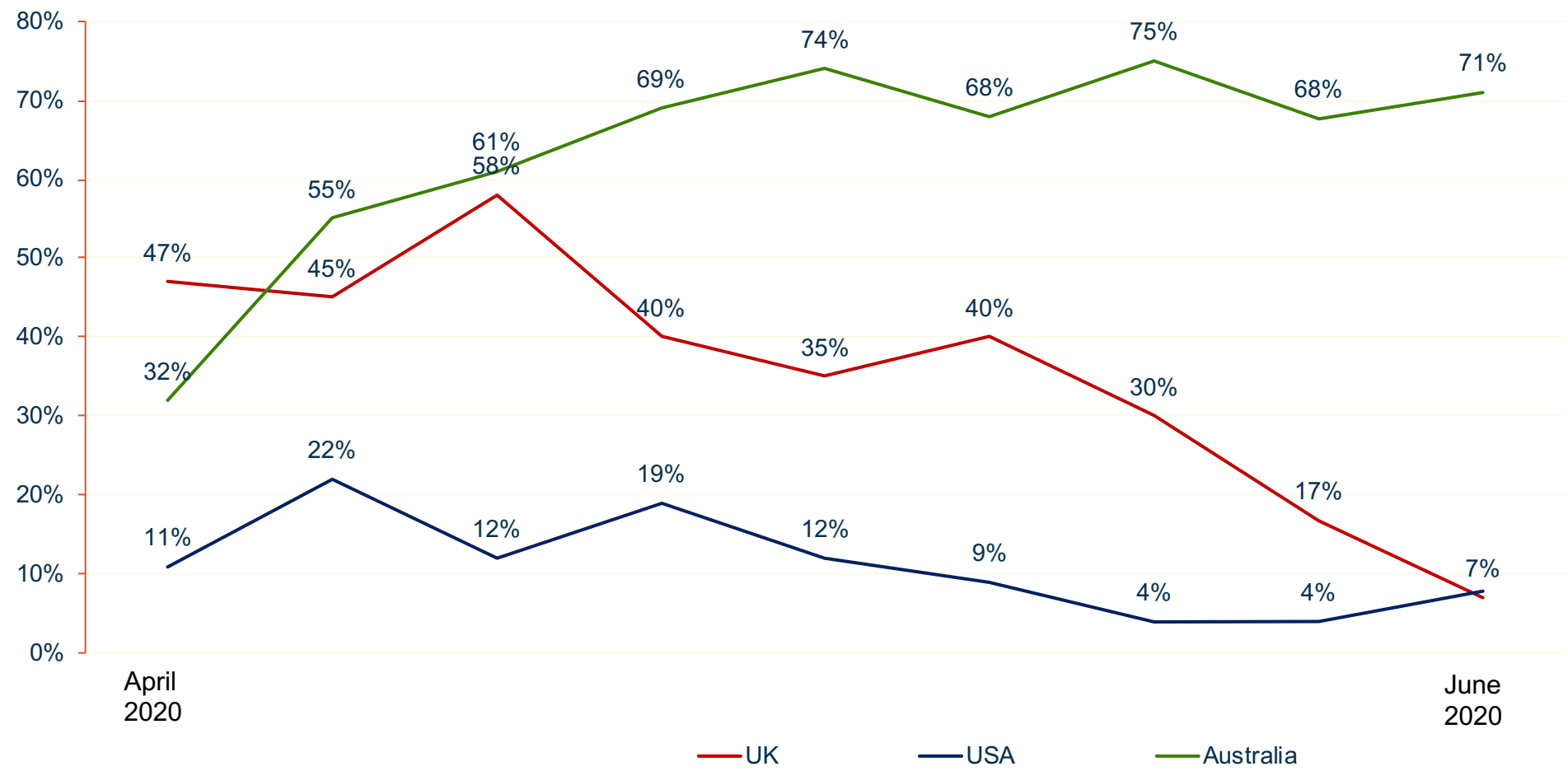


Employee sense of Accomplishment, Self-Esteem, Pride stronger than public at large.

Less intensity of loss of Freedom, Peace of Mind, and Security.

Getting Better

Government Response to Coronavirus



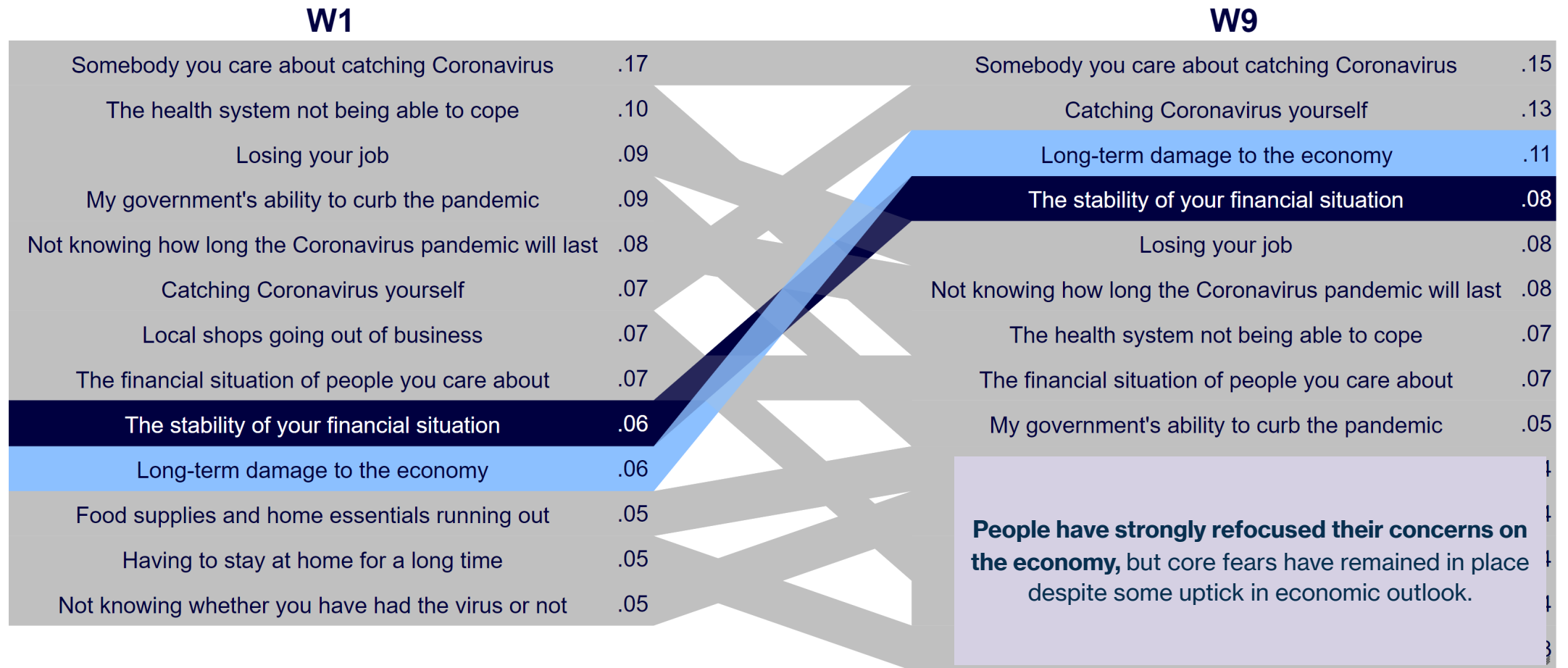
How well or poorly do you think each of the following groups are responding to the coronavirus pandemic?

Following another week of intense media scrutiny, the British government continues its downwards slide for its response to the pandemic. On the other hand, Australia's response rooted in managing expectations especially from the fires experience.

Healthcare Tops List of Most Important Issues

	Total	Trump Voters	Biden Voters	Undecided Voters
Healthcare	41%	33%	51%	37%
Economy	34%	38%	28%	40%
Jobs/unemployment	28%	30%	23%	28%
Race relations	23%	13%	32%	20%
Government corruption	18%	20%	19%	20%
Education	16%	16%	13%	14%
National security	15%	23%	10%	17%
Immigration	15%	24%	8%	7%
High cost of living	14%	12%	14%	15%
Crime	14%	17%	10%	15%
Income inequality	13%	9%	16%	12%
Environmental issues/climate change	13%	7%	19%	12%
Guns	9%	7%	13%	11%
Federal debt/deficit	9%	10%	7%	9%
Criminal justice reform	9%	5%	11%	18%
Gender equality	7%	8%	7%	6%
Abortion	7%	11%	4%	9%
Foreign relations	6%	7%	5%	1%
Judicial system/courts	5%	6%	4%	5%
Corporate corruption	5%	5%	5%	5%

Fears about Coronavirus

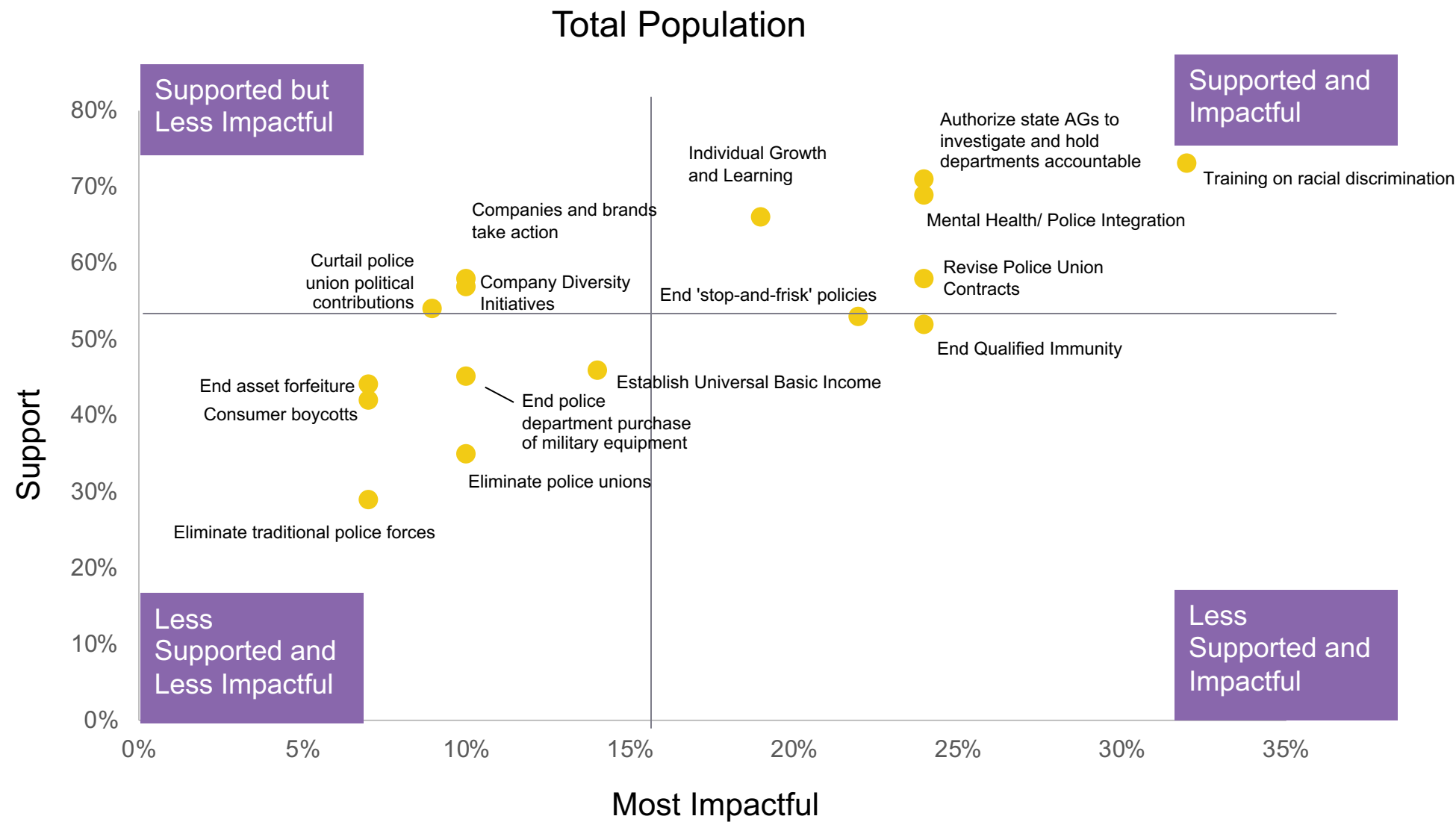


For each of the following, please select which aspect of the coronavirus pandemic worries you the most, and which aspect worries you the least.

Relative Support and Impact Differ for Corporate Initiatives

	Support Rank	Impact Rank
Require training on racial discrimination for law enforcement agencies.	1	1
Authorize state attorneys general to investigate and hold accountable departments engaged in a perceived pattern of practice or abuse.	2	2
Encourage greater integration between law enforcement and mental health experts so that police can avoid escalation when responding to medical, mental health, or welfare calls.	3	5
Encourage and support individual learning and growth on racial discrimination and related topics	4	7
Have companies and brands take action to reduce social and racial injustice.	5	9
End practices written into current police union contracts, including allowing officers to receive paid leave or paid desk-duty after being charged with a felony offense and prohibiting civilians from having the power to discipline, subpoena or interrogate police officers.	6	3
Encourage companies to increase diversity initiatives	7	11
Curtail police union political contributions so that they have less influence over local policy makers who are supposed to provide oversight	8	13
End 'stop-and-frisk' policies that allow police to temporarily detain, search and question people on the street.	9	6
End Qualified Immunity, which is legal doctrine in United States federal law that shields government officials, and specifically law enforcement, from being sued for discretionary actions performed within their official capacity.	10	4
Establish Universal Basic Income, which provides a set monthly payment to all Americans regardless of their income level.	11	8
End the federal funding program that encourages police department purchase of military grade equipment	12	10
End asset forfeiture, which are programs that allow local law enforcement agencies to seize and keep assets (money, cars, guns) recovered during arrests.	13	15
Consumer boycotts of companies and brands that do not proactively take action to reduce social and racial injustice.	14	14
Eliminate police unions	15	12
Eliminate traditional police forces and replace them with community task forces	16	16

Support and Perceived Impact



Underlying Forces are Shifting

Ideology

41%	Conservative
37%	Liberal
13%	"Hard" Moderate

Universal Basic Income

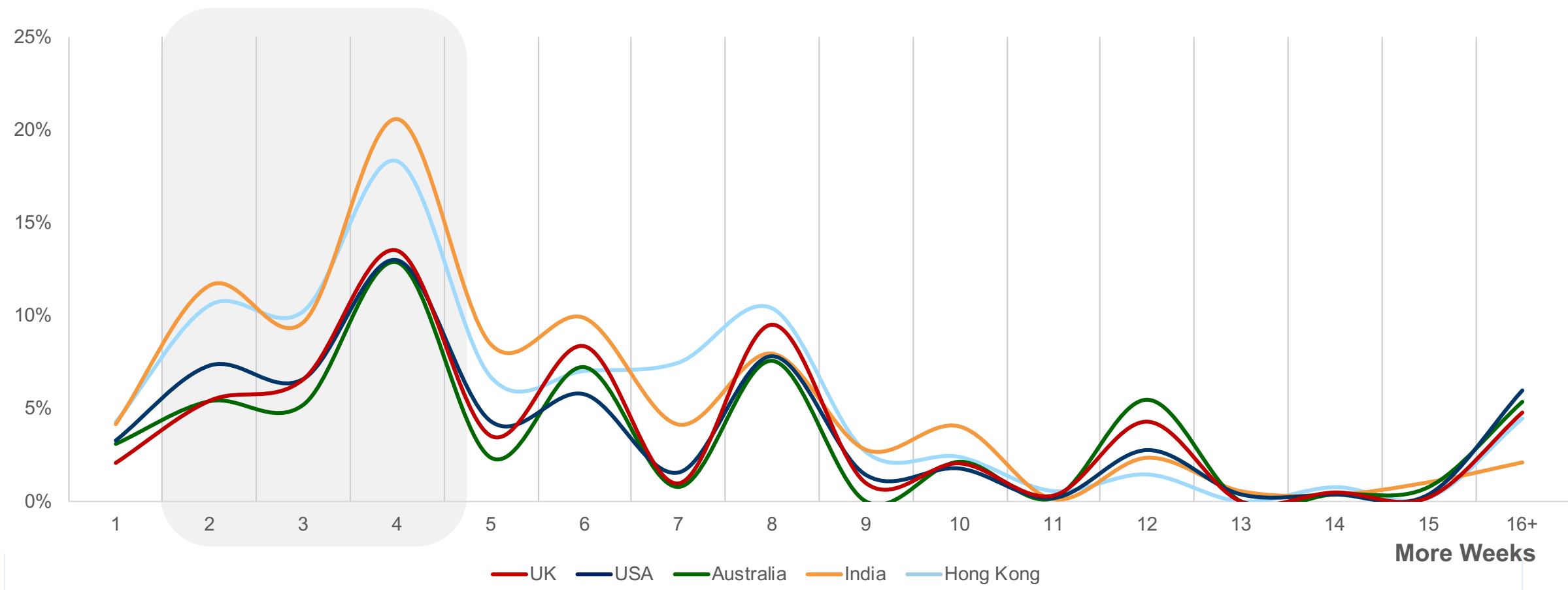
56%	Support
18%	Neither
26%	Oppose

Support Universal Basic Income by Ideology

46%	Conservative
72%	Liberal
53%	Moderate

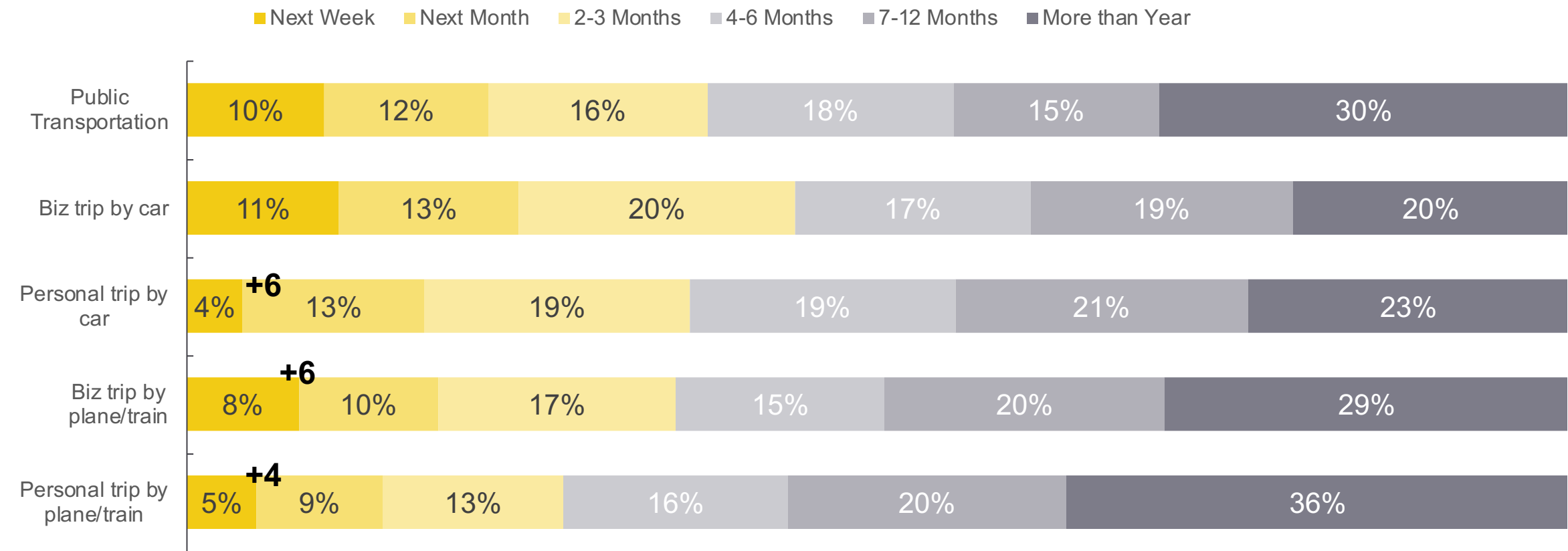
We can last in isolation only 2-4 more weeks.

Most believe they have about **2-4 more weeks** of isolation in them before their mental and/or physical health is seriously compromised.



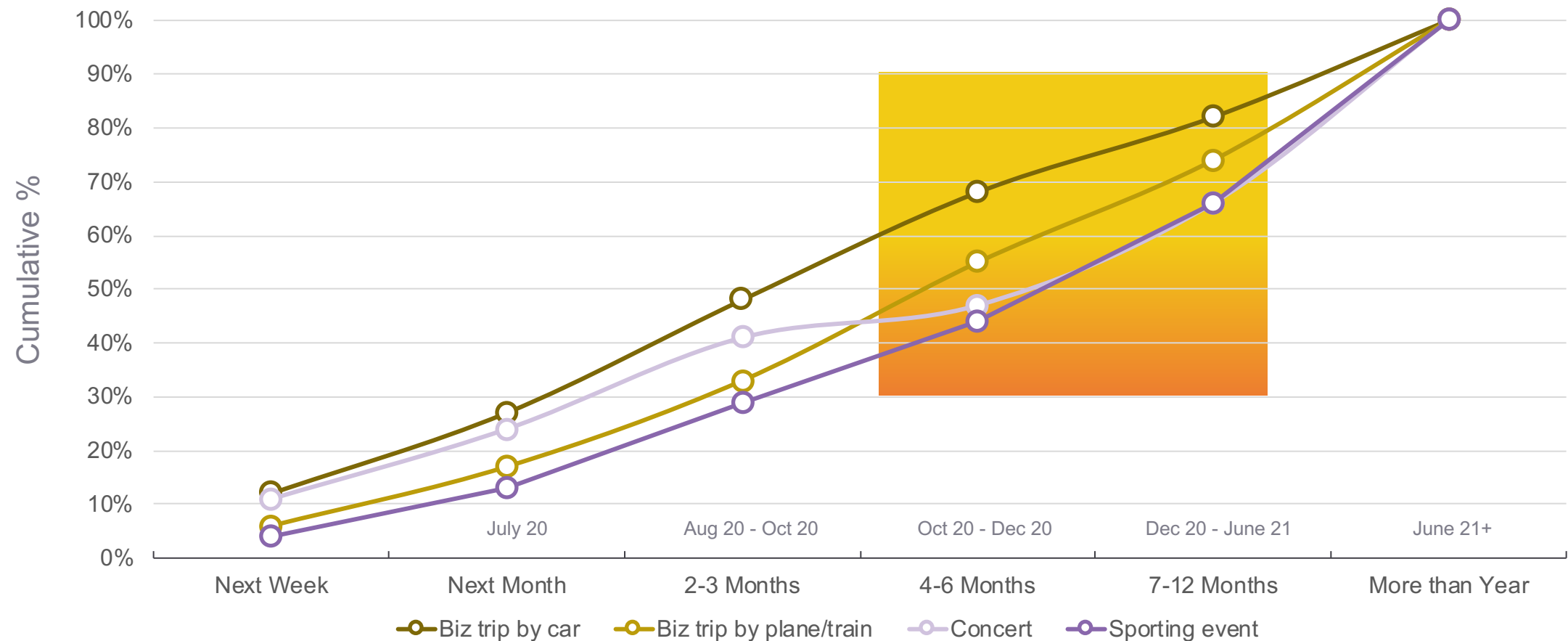
Uptick in Personal Travel

Q: When are you likely to do each of the following?



Expected Biz Travel Reaches Majority in October: Manage Expectations

Q: When are you likely to do each of the following?



Research Methodology

- Online, US national survey of n=1,000
- US adults age 18+
- Weekly field starting in March 2020; field Tuesday-Thursday
- Unless otherwise noted, the most current data in this presentation is from July 7-9, 2020

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- Other reports from our tracking can be found on our CV-19 website:
 - <http://heartandmindstrategies.com/covid-19/>