

# COVID Consumer Connections

Looking back. Looking ahead.

AURA NELSON - WWW  
OCTOBER QVIC  
ACCELERANT RESEARCH





Hi! I'm Aura.

**Sr. Manager Consumer  
Insights at WWW**

# Wolverine Worldwide

Global Portfolio of Footwear and Lifestyle Brands

Est. 1883

200 countries

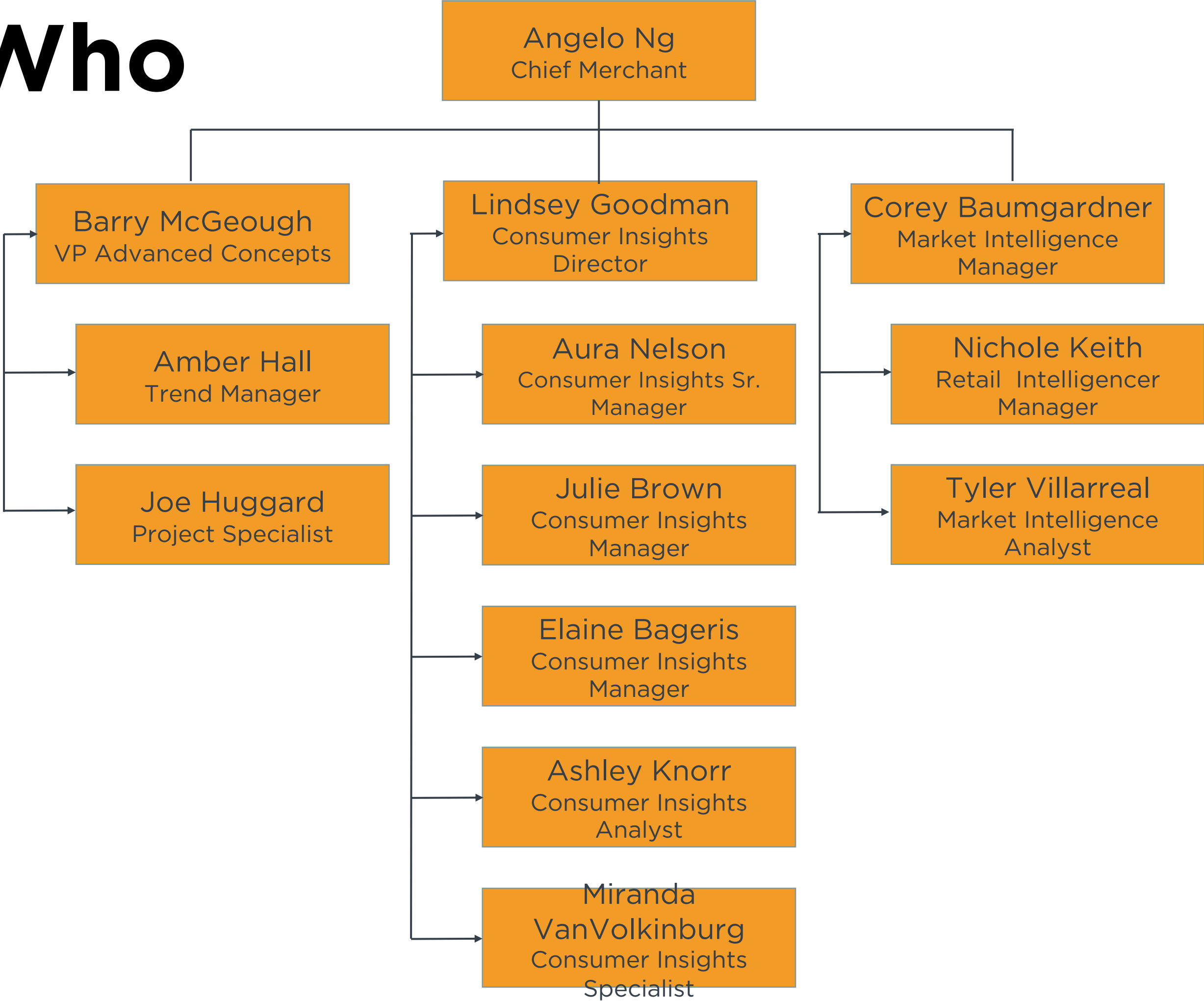


# Our Team: What

**We exist to be the engine that drives strategic decision making throughout the organization. We provide actionable insights that inspire & empower our brands to win.**

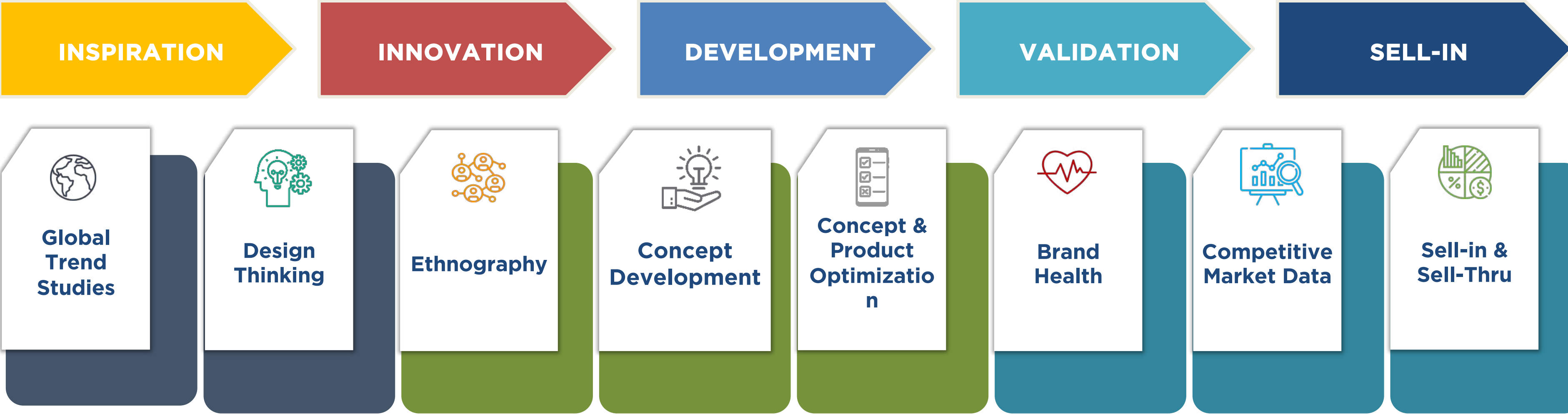


# Our Team: Who



# Our Team: How

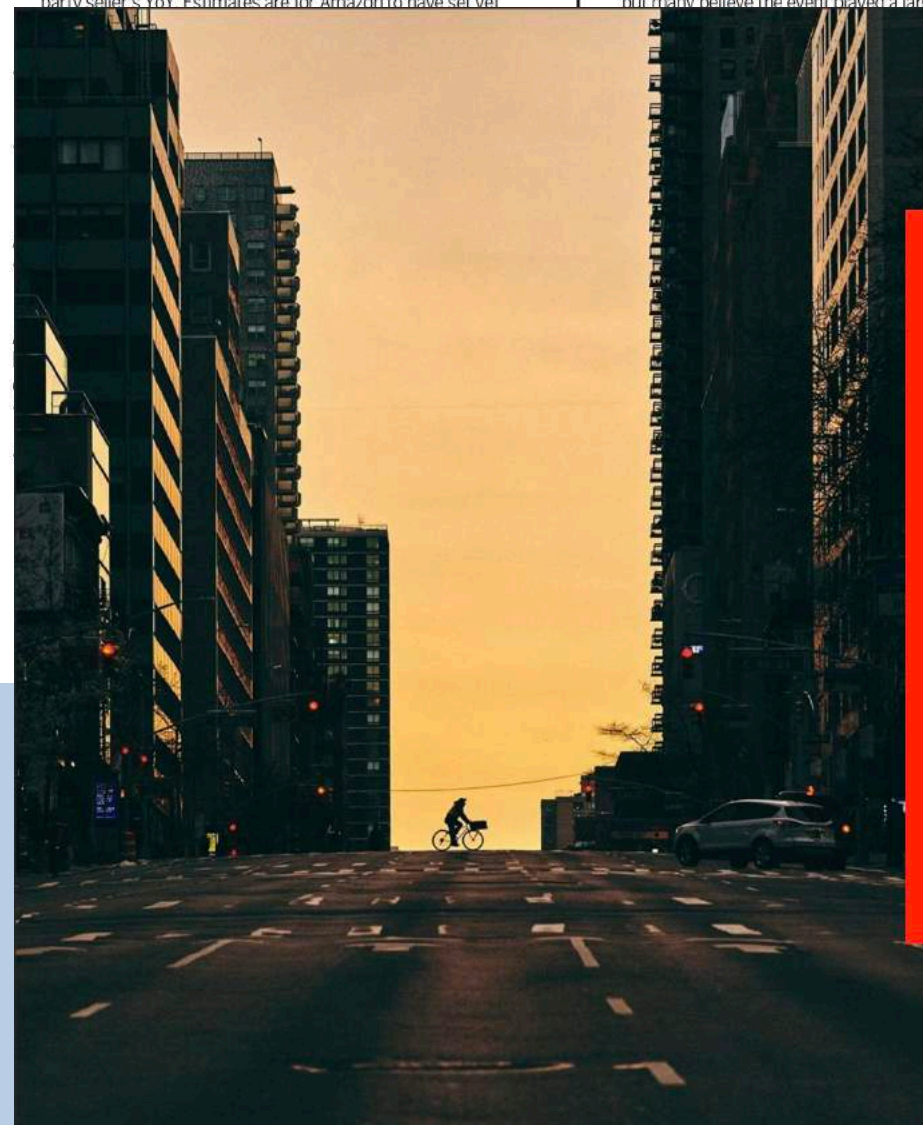
## PRODUCT INNOVATION PROCESS



# Our Team: Special Projects

COVID-19 Biweekly Update 10.23.20

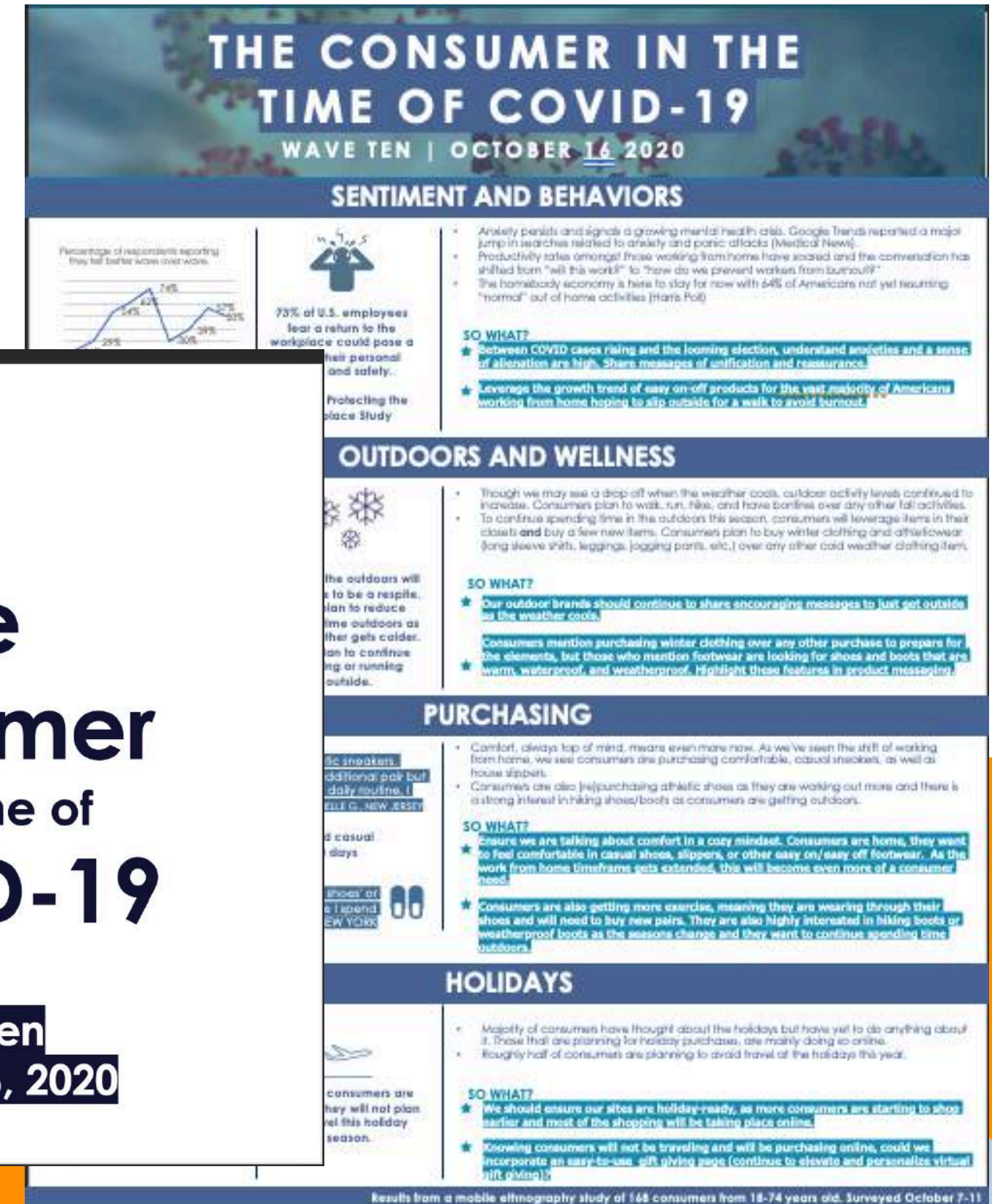
Consumer Behavior and Sentiment	Competitors + Retail	General COVID News
<p><b>Working From Home for The Long Haul</b></p> <ul style="list-style-type: none"><li>Tech companies, including Apple and Facebook, are allowing employees to work from home until at least early 2021. (<a href="#">CNBC</a>)</li><li>"Offer as much flexibility as possible." Microsoft's new 6-word remote work policy, recognizing its employees as individuals. (<a href="#">INC.</a>)</li><li>With 73% of US employees fearing a return to the workplace could pose a risk to their personal health and safety (<a href="#">Bloomberg</a>), Americans believe companies have the responsibility to take care of their employees and treat them well, even in tough times (<a href="#">Morning Consult Study</a>)</li><li>Only 15% of American workers want to return to the office full time once it is safe to do so (<a href="#">Harris Poll</a>).</li><li>Neeley, a Harvard Business School professor who studies remote work, states it is a mental blow to continue delaying return to work dates in short increments, likening it to "waiting at an airport terminal for a flight that is continually delayed (<a href="#">NYTimes</a>)."</li></ul> <p><b>Lockdown Fatigue</b></p> <ul style="list-style-type: none"><li>Countries around the world reintroduced restrictions at a time when researchers from the World Health Organization estimate that about half of the population is experiencing "pandemic fatigue." (<a href="#">NYTimes</a>)</li><li>Consumers are feeling a sense of resignation and heedlessness (<a href="#">NYTimes</a>) having a last hurrah before winter and travelling or dining out again. While they feel compelled to return to certain locations, including workplaces and schools, many may hesitate to venture to non-essential retail venues or leisure events until they feel it is safe to do so. (<a href="#">Foresight Factory</a>)</li><li>This may lead to a dip in holiday foot traffic. Only 9% of consumer plan to spend more this Holiday season than last, while 52% plan to spend less.</li></ul> <p><b>Lessons from Back to School</b></p> <ul style="list-style-type: none"><li>Colleges are struggling to contain COVID. U-M students are on a stay-at-home order for two weeks to limit students' activities. (<a href="#">Detroit Free Press</a>)</li><li>University of Louisville will shorten its spring break to 2 days to discourage students from traveling and returning to campus. Others are canceling spring break entirely. (Louisville <a href="#">Courier Journal</a>)</li><li>On the other end of the spectrum, it appears that reopening elementary schools may not disproportionately spread COVID in areas where the prevalence in the community is low and proper precautions are taken (<a href="#">NYTimes</a>)</li></ul>	<ul style="list-style-type: none"><li>VF reported Q2Q1 earnings on 10/16, highlighted by and EPS surprise of +36%, and a revenue surprise of +4% (<a href="#">VFC</a>)</li><li>Topline revenue declined -18%, while digital revenue increased +44%, APAC was +2%, EMEA was -16%, and U.S. was -21%. Vans declined -10% (digital +51%), The North Face was down -25% (digital +42%), Timberland was down -24% (digital +66%), and Dickies grew +19% (digital +36%).</li></ul> <p><b>Amazon Prime Day proves to be a rising tide that lifts all boats</b></p> <ul style="list-style-type: none"><li>This year's Prime Day event took place on October 13th and 14th. Amazon focused on small businesses this year by providing extra discounts and more promotional dollars to help shoppers find smaller operators. This resulted in an increase of +60% for third-party seller's YoY. Estimates are for Amazon to have set vet</li></ul>	<p>U.S.</p> <ul style="list-style-type: none"><li>The US saw 60,000 new cases in a day, a 70% increase in under 6 weeks (<a href="#">CNN</a>), and 12 states set their 7-day case records this week. Case counts are on the rise in 41 out of 50 states. (<a href="#">NYT</a>)</li><li>As of last Friday, Alaska's weekly average of new cases reached the highest point of the year, which some say indicates how the pandemic could affect the rest of the US in cooler weather. (<a href="#">NYT</a>)</li><li>New York has outlined 40 US states and territories that require a mandatory two-week quarantine period after arriving in NY. Those who do not quarantine are subject to a \$2,000 ticket. (<a href="#">NY.gov</a>)</li><li>Within weeks of Sturgis Motorcycle Rally, which drew in nearly half a million bikers, the Dakotas, Wyoming, Minnesota, and Montana were leading the nation in new coronavirus infections per capita. Experts cannot determine how many cases originated at the rally, but many believe the event played a large role in recent outbreaks. (<a href="#">WaPo</a>)</li></ul>



## The Consumer In the Time of COVID-19

Wave Ten  
October 16, 2020

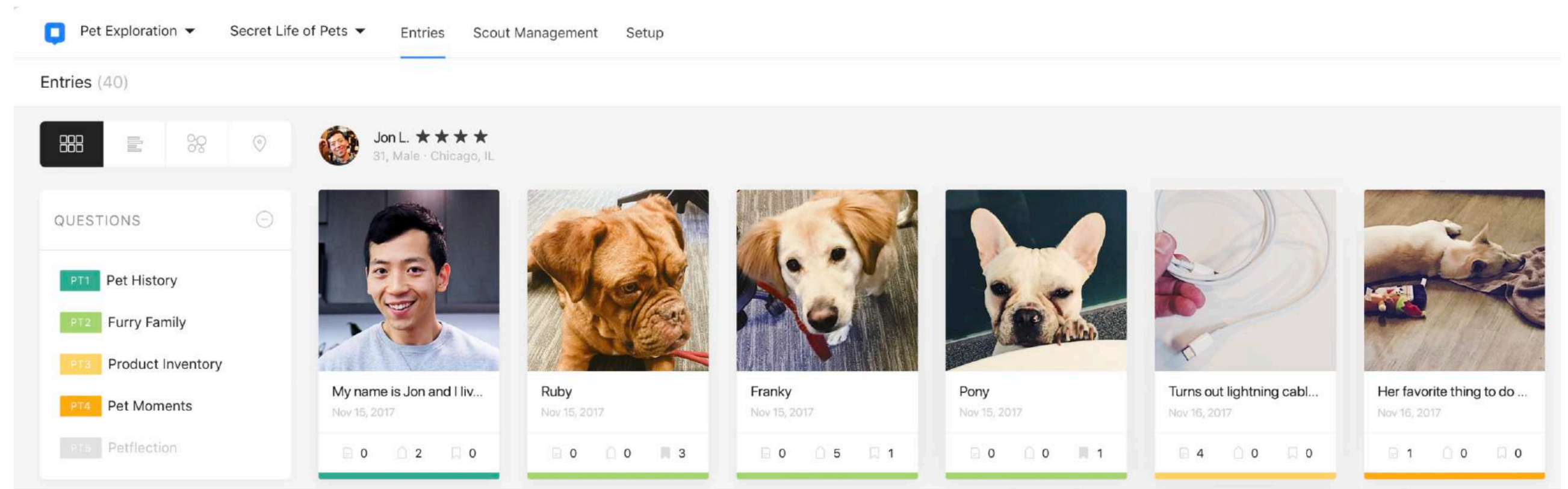
©IMI



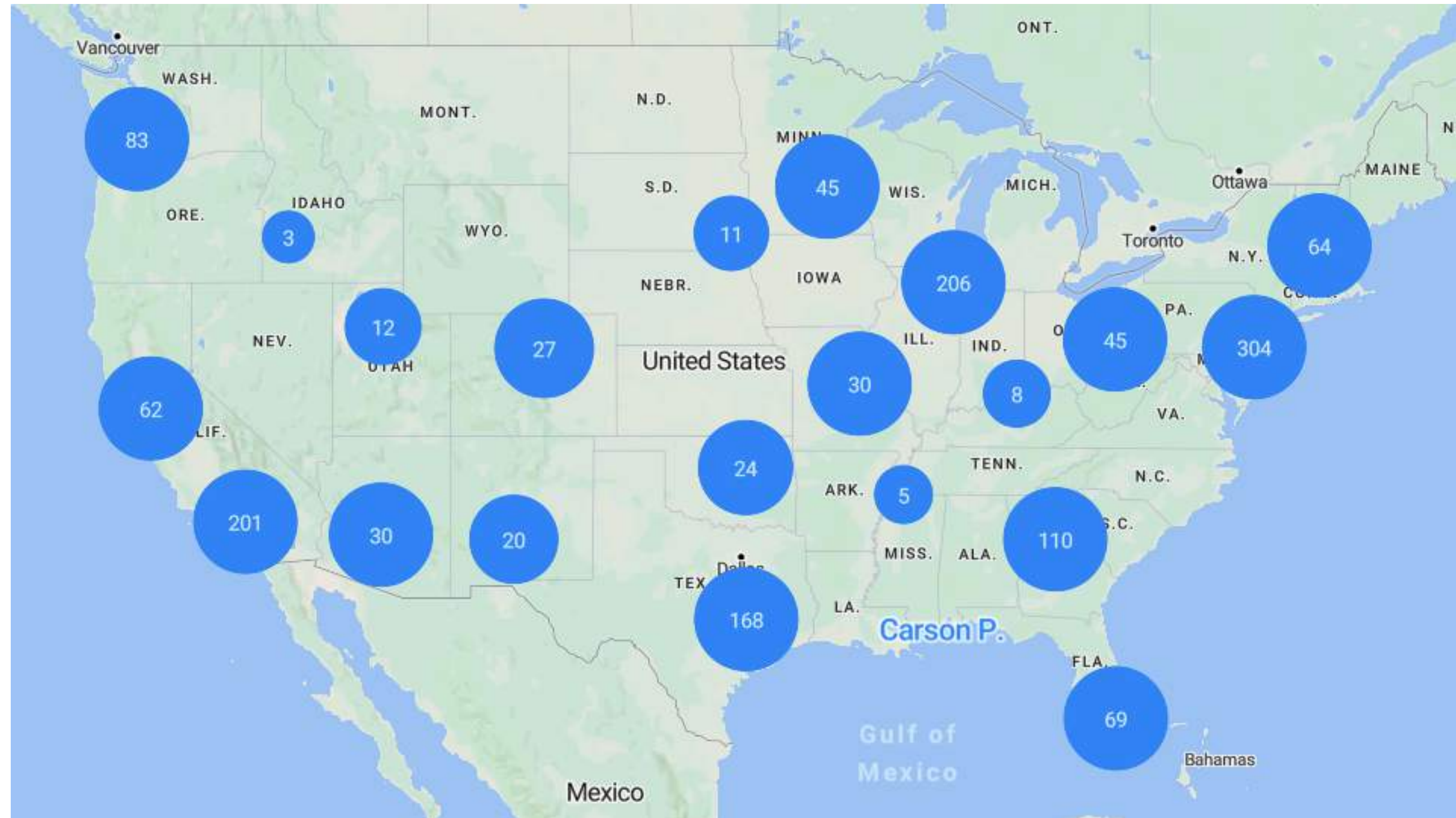
# How We Did It

Dscout diary allows us to hear from people through text, photo, and video using the one thing they have with them 24/7: their mobile phones.

(for illustration purposes only)



# Who We Talked To



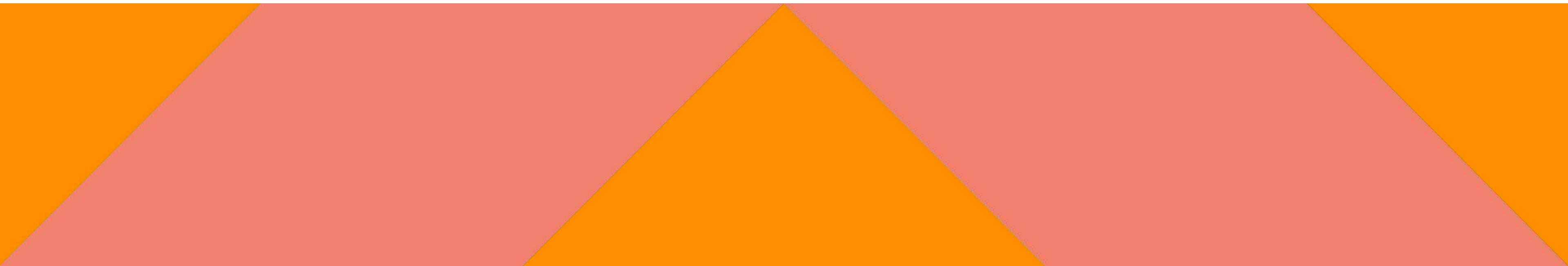
# What We Learned

Insights from seven months, 23 news roundups, and 9 waves of tracking consumers 18-74 years old across the US.

**1 HOW THEY FEEL**  
How Sentiment and Attitudes Have Shifted

**2 WHAT THEY DO**  
How American Lifestyle/Behaviors Have Changed

**3 WHAT THEY NEED**  
How What They Want From Brands Has Changed



# Moments



MARCH

APRIL

MAY

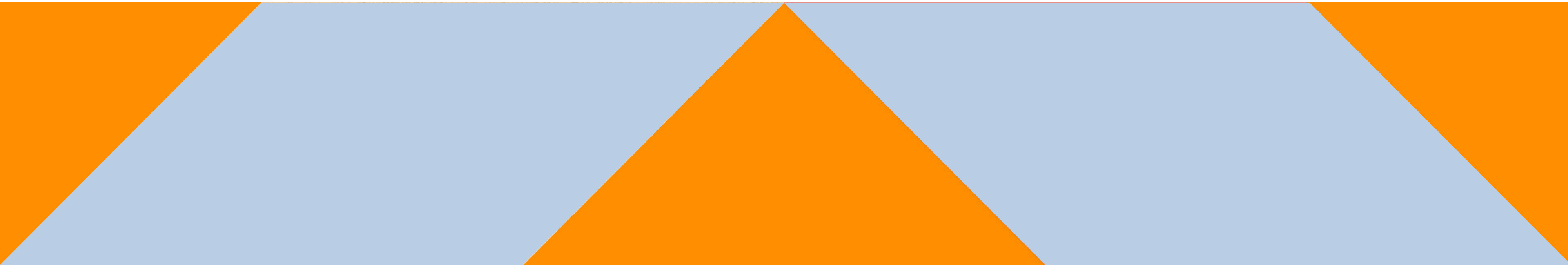
JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER →



# Moments



**Early Days**

MARCH

APRIL



**Settling In**

MAY

JUNE

JULY



**The Long  
Haul**

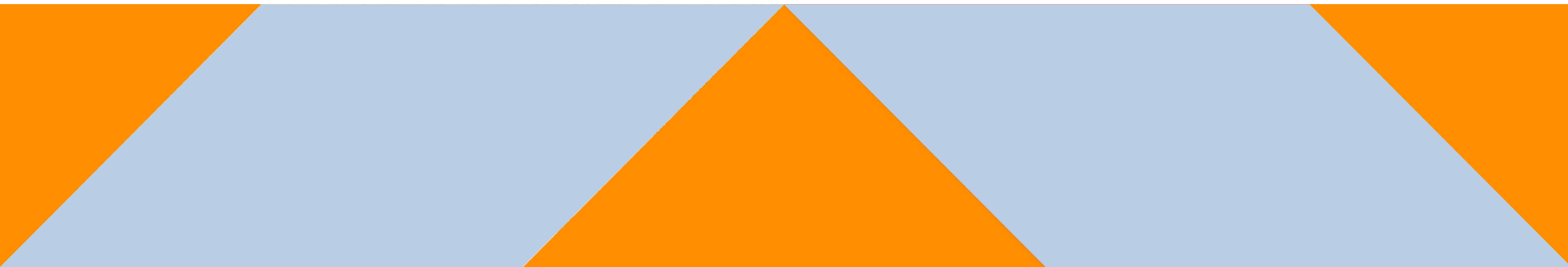
AUGUST

SEPTEMBER



**Looking  
Ahead**

OCTOBER →



# What They Felt

SHOCK AND DISBELIEF - A LIFE INTERRUPTED.

## CONSUMERS GRAPPLED WITH THEIR NEW REALITY

"This has changed my view of the world in a different way. I used to feel secure and certain...I understand [life] is always unpredictable but this is just showing people that we are fragile." - Amanda B | 29 | GA

## WHAT IS THIS THING, ANYWAY?

In mid-March, most consumers believed COVID would pass over us, not hover for months. We didn't know how it spread, where it was located, or how afraid we should really be. We looked to those around us to inform our level of fear.

## A RAPIDLY CHANGING SITUATION

It seemed that things changed every day. In just one week, sentiment plunged with 44% of consumers stating they felt either worse or much worse than the week prior. To balance this sentiment, some found a bright spot and started reassessing their lives and priorities.



When you find out your normal daily lifestyle is called "quarantine"



me: yeah i guess i could handle 3 weeks of quarantine government:



MAR

APR

# 46%

**of Americans  
thought fear  
was irrational  
March 14-15  
(vs 24% one  
week later -  
which remains  
stable at 25%  
today).  
-Harris Poll**



# What They Did

STAYED HOME. PANIC PURCHASED.

## EVERYTHING ONLINE

With nearly everyone in quarantine, 56% started spending more time streaming with increases also seen in gaming, virtual happy hours, and zoom calls. Nearly 60M kids were home from school, turning a primarily hands-on experience digital and burdening parents in the process.

## THEY REDEFINED “ESSENTIAL”

The nation identified who and what was “essential” and “non-essential.” A similar distinction happened for purchases – discretionary buys like footwear were put on hold while shoppers hoarded toilet paper, groceries and other essentials.

## THEY SETTLED IN TO HOME ROUTINES

They turned to cozy, nostalgic activities as well as health and wellness. 25% started exercising more and fitness apps saw huge increases. They also started meditating, crafting, cooking, heading outside, and tackling DIY and organization projects. 2/3 said they’d continue these new behaviors post-COVID.

Me in 20 years when  
a Charmin commercial comes on



“Experts recommend sticking to your daily routine even while working from home”  
New Yorkers:



MAR

APR

# 75%

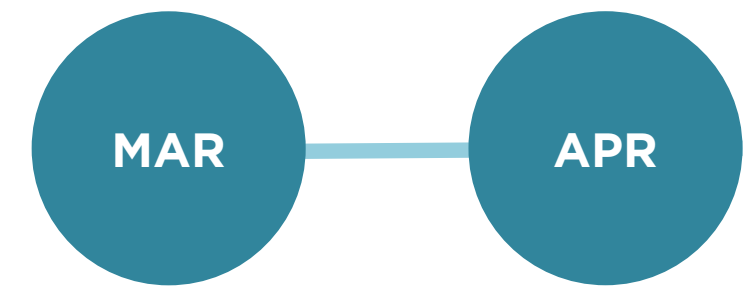
**Of consumers  
planned to  
hold off on  
shoe  
purchases and  
athletic shoe  
sales were  
down 76% WE  
March 28.**

**-CI Tracker + NPD**



# What They Needed

ACTION. INFORMATION. SUPPORT.



## THEY DIDN'T WANT BRANDS TO BE OVERTLY OPPORTUNISTIC

They didn't want to hear from brands they had pivoted to new, more relevant and helpful marketing. 84% wanted brands to inform them on COVID-19 updates.

## THEY WANTED EMPATHY

They sought content that addressed this unprecedented time by sharing information or content that supported their new lifestyles, hobbies, and habits. 65% were more likely to buy from brands they believed were doing social good.

## THEY WANTED TRANSPARENCY AND CONVENIENCE

They wanted information, especially as it related to how COVID was affecting brands and retailers, employees, and operations. Most of all, they wanted to hear what brands were doing to help consumers stay safe and find needed items such as adjusting store hours or offering BOPIS, which was up 62% in March. (Adobe Analytics)



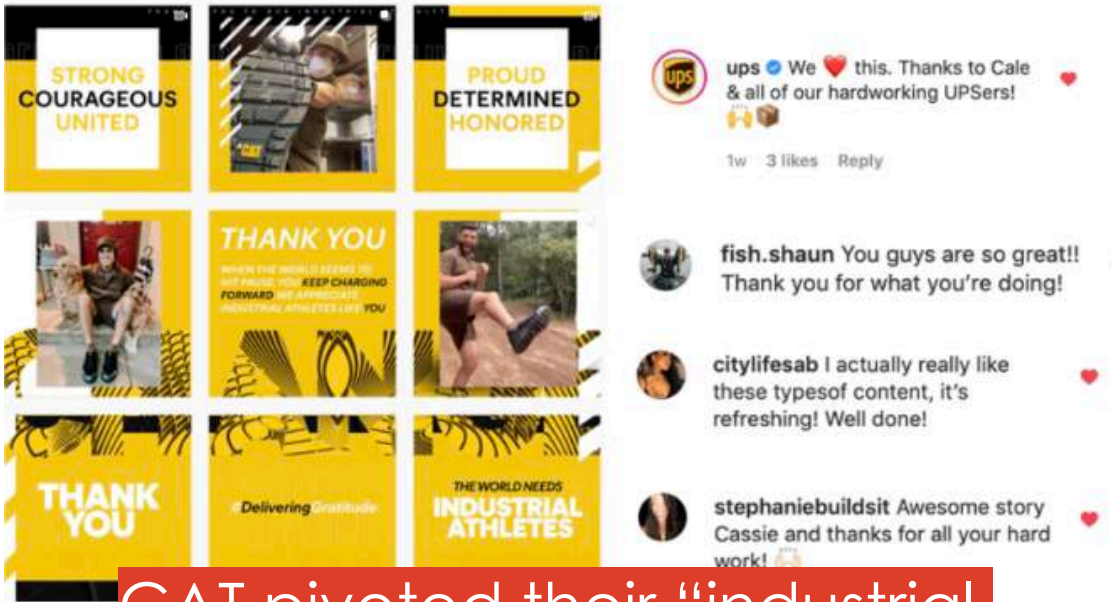
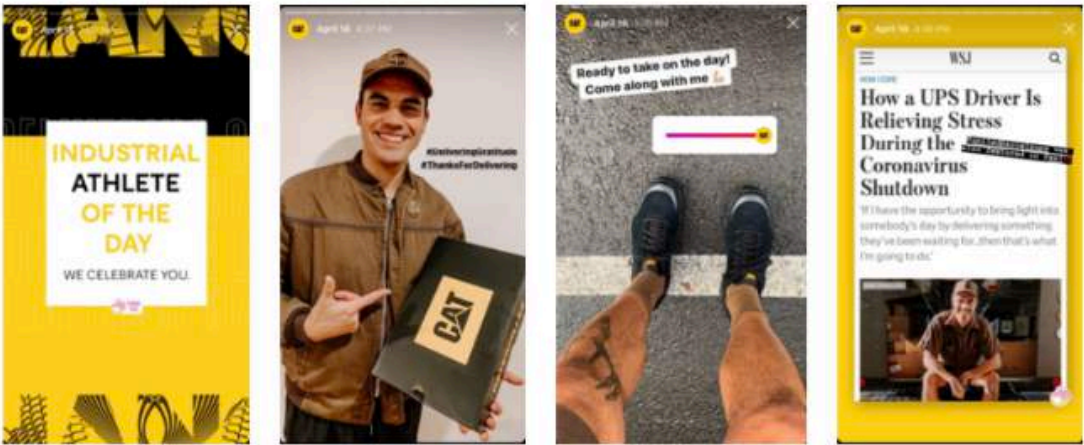
**SOMETIMES I  
WONDER IF ALL OF  
THIS IS HAPPENING  
BECAUSE I DIDN'T  
FORWARD THAT  
MESSAGE TO 10  
OTHER PEOPLE**

**99%**  
**Of consumers**  
**wanted brands**  
**to stop**  
**"business as**  
**usual"**  
**marketing,**  
**which they**  
**considered**  
**deeply**  
**ingenuine.**

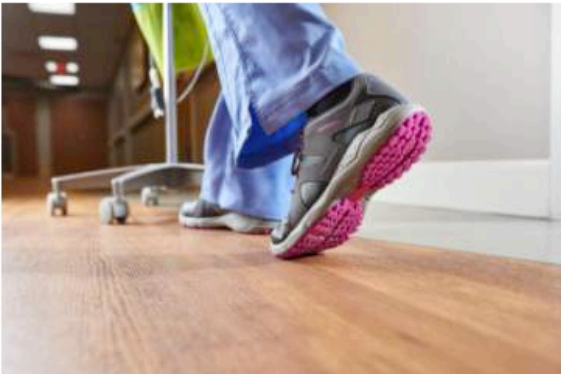


# What Our Brands Did

SUPPORTED FRONT LINE WORKERS, MASK EFFORTS, AND INGENUITY



CAT pivoted their “industrial athlete” Sprint campaign to say thanks and spotlight delivery workers, mailmen, and grocery store stockers.

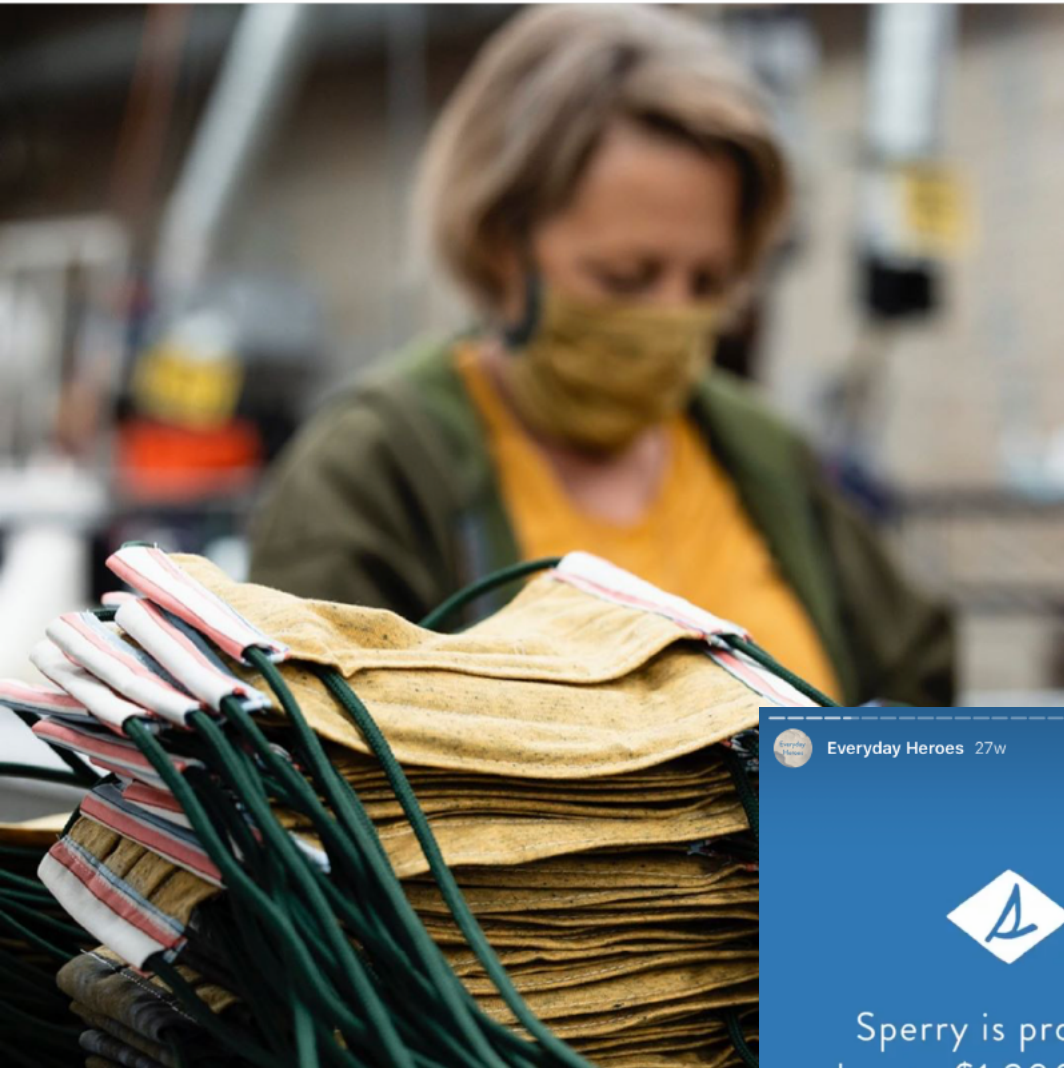


## Merrell Donates 1,200 Pairs of Shoes to Those on the Frontlines of COVID-19 Pandemic

We support those on the frontlines working tirelessly to protect our community.

Chaco halted production on their custom sandals to make 7,000 masks and received and distributed hundreds of letters from customers to healthcare workers.

chacofootwear  
Rockford, Michigan



Sperry donated to small businesses as part of their “Everyday Heroes” campaign.

# Moments

**Early Days**

**Settling In**

**The Long  
Haul**

**Looking  
Ahead**

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER →

# What They Felt

A MIX OF APPRECIATION, CLAUSTROPHOBIA, UNCERTAINTY.

## MANY RELISHED THE TIME AT HOME WITH LOVED ONES

They saw the silver lining in time at home, spent with loved ones building puzzles and having family dinner. Optimism emerged as a primary emotion with 74% feeling better than they had the previous wave (CI Tracker June 10-14).

## THEY MISSED ROUTINES

While half still worked in sweats at home, another half reclaimed their routines and dolled up the upper half of their body. 35% of Americans stated they felt claustrophobic and wanted to get out.

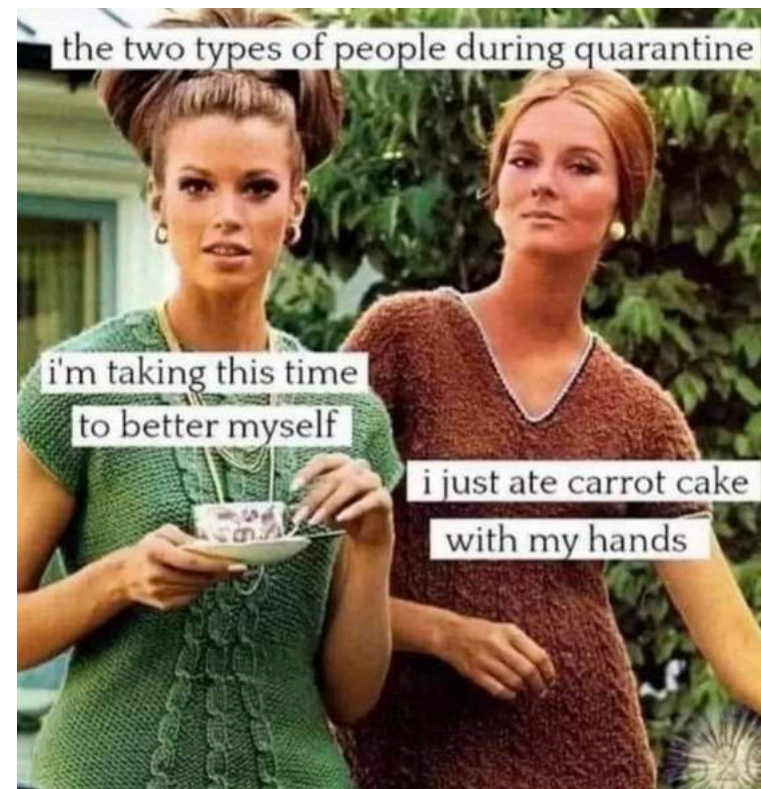
## AND FELT A HEIGHTENED SENSE OF UNCERTAINTY

The triple crises of COVID + racial justice + economic woes exacerbated stress levels. Americans felt the growing polarization and fragility of our nation like never before. Alienation scores had never been higher.



Andrew Schiavone  
@aschiavone

If it wasn't for quarantining with my girlfriend I wouldn't know new things about her like how she's good at puzzles and hates the way I breathe



MAY

JUNE

# 70%+

**Felt a sense of gratitude, appreciation, and compassion, 18pts higher than the next emotion, anger.**

**-Harris Poll**

# 83%

**Pointed to the future of our nation as a significant source of stress.**

**-American Psychological Association**

# What They Did

OUTDOORS EVERYTHING, GETTING THE HANG OF THIS THING

## THEY FELL IN LOVE WITH THE OUTDOORS, WALKING, AND RUNNING

McKinsey reported a 6% growth in outdoor activity after COVID and a 15% spike in hiking. 17% of Americans began running (HP) to reduce stress and anxiety with 40% hitting the trail for their runs. 27% increased home -based workouts as well.

## THEY STARTED DREAMING OF THEIR NEXT VACATION

Vacation planning went up nearly 10 percentage points to 33% as consumers developed an appetite to travel again.

## THEY WENT WITH THEIR GUT, NOT THE GOVT

Just because states were opening didn't mean the majority of Americans were going along with it. They continued to take distancing measures seriously and were hesitant to return to normal, stating a comprehensive vaccine program would be necessary for them to return to life as normal.

Government: stay indoors  
People who haven't exercised  
since 1998:



You wanna travel so bad that you  
didn't notice this was a cake



MAY

JUNE

**76%**  
**now felt**  
**comfortable**  
**exercising**  
**outside once they**  
**learned exposure**  
**rates were lower**  
**outdoors.**

**-COVID Tracker,**  
**Wave 6**

# What They Needed

HAIRCUTS. BRANDS THAT SOLVED PROBLEMS AND ALIGNED WITH VALUES.

## TRUST, TRANSPARENCY AND POST-PURPOSE

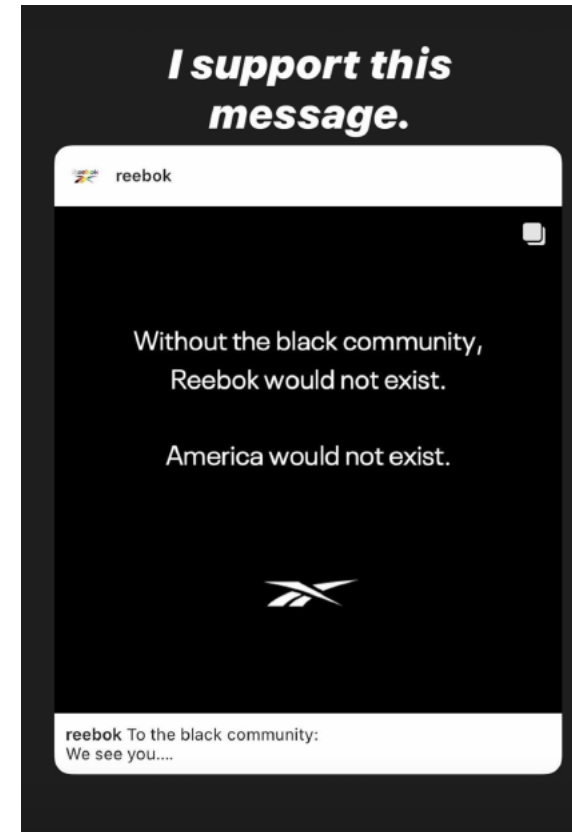
They turned to brands that aligned with their values and could be trusted to deliver products that would stand the test of time, solve a real problem, or encourage their newfound healthy behaviors. Trust and sustainability mattered more than ever.

## THEY CONNECTED WITH BRANDS THAT TAPPED INTO THEIR POSITIVE BEHAVIORS

It became clear that they were willing to spend on wellness and new positive habits. They invested in athletic gear, home upgrades, educational courses, vitamins, and quality food.

## THEY WANTED BANDAID SOLUTIONS TO TURN INTO OPTIMAL OMNICHANNEL EXPERIENCES

49% of Americans said they would shop online more than before the pandemic and three quarters continued to limit trips to stores. They craved a seamless omnichannel experience that emphasized convenience, safety, education, and experience.



MAY

JUNE

# 49%

Said that how a brand handled the crisis would impact their likelihood to purchase from them in the future.

# 25%

of respondents say sustainability matters to them more now than pre-COVID.

-COVID Tracker Wave 6

# What Our Brands Did

ENCOURAGED RESPONSIBLE RECREATION AND INCLUSIVITY



run (solo) for good

RECREATING RESPONSIBLY

Saucony changed their “run for good” tagline to run (solo) for good to encouraged socially distanced runs.

Merrell and Chaco shared information on how to recreate responsibly.



Merrell created a social justice taskforce with a dozen workstreams to tackle justice, equity, diversity and inclusion.



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SEPTEMBER

OCTOBER →

# What They Felt

FRUSTRATION. WANDERLUST. SIGNIFICANT COVID FATIGUE.

## HERE WE GO AGAIN...

Optimism receded. We saw a dramatic plummet in sentiment with 70% of consumers saying they felt the same or worse vs the June wave before a slow climb back up in July. 80% started worrying about a second wave of COVID. They longed for festivals, concerts, and other cultural events that had been canceled.

## THEY FELT IN-LIMBO AND OUT OF CONTROL

With cases soaring, racial tension continuing to flare, and a brutal hurricane and wildfire season underway, consumers had increasing anxiety to return to “normal” life before 2020.

## THEY WORRIED ABOUT SCHOOL AND WORK

Many parents had felt sure COVID would pass by fall but with the school year looming, many faced fear that their children and grandchildren would bring COVID home from their peers. They became even less comfortable returning to work, with two-thirds feeling hesitant to head back to the office.

Every parent right now



"I hope this email finds you well"

How the email found me:



JULY

AUG

SEPT

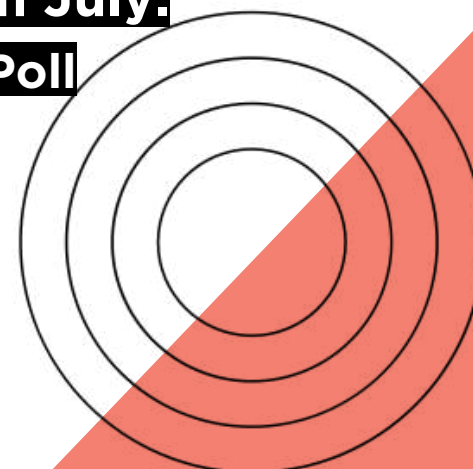
*"In the beginning of the month I was optimistic. However, the news stories about people not following social distancing and wearing masks makes me feel like we will never conquer the Coronavirus."*

-Fernande | 49 | NJ

# 85%

**Were fearful of leaving the house in August, up 5 points from July.**

**-Harris Poll**



# What They Did

CRAVED THE GOOD OLD DAYS AND SOUGHT AN ESCAPE

## THEY TRAVELED AND RECONNECTED, OUTDOORS

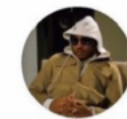
Time spent with friends went up 50pts from March to September. 13% of consumers in our study were new to the outdoors. RV rentals and sales skyrocketed and this year and workcations became a thing.

## THEY HOPPED FLIGHTS TO NOWHERE

Nearly half of consumers say they miss flying and some former jetsetters have started booking flights to nowhere and buying airline food.

## THEY UPPED ONLINE PURCHASING IN FAVOR OF IN-STORE

85% of consumers we tracked were either not in favor of or had hesitation about stores reopening as case counts rose across the country. They reduced their shopping for shoes and clothing in brick and mortar and turned to online for an increasing amount of items.



Corn 🌽  
@sn00ted

boutta ask my mom if her offer to "slap me into next year" is still available



JULY

AUG

SEPT

# 68%

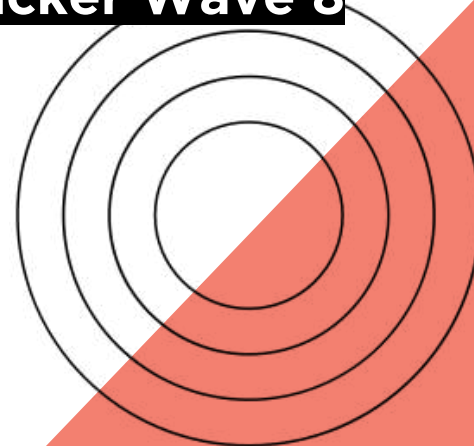
**Of consumers started participating in outdoor activities with friends in September, up 12pts from August.**

**-COVID Tracker Wave 9**

# 21%

**Of runners in our study are new to running (started after pandemic).**

**-COVID Tracker Wave 8**



# What They Needed

BRANDS THAT ACKNOWLEDGED THEIR CURRENT REALITY

## THEY WANTED TO SEE BRANDS AND RETAILERS TAKING COVID SERIOUSLY

With residual distrust from the July setbacks, consumers in August and September needed assurances that stores, schools, and individuals were operating with safety top of mind. Safety became a paramount consumer expectation in the shopper journey.

## THEY NEEDED APPROACHABILITY

Consumers new to the outdoors were overwhelmed by their options and felt like they weren't "outdoorsy" enough to engage with outdoor brands. They turned to Google, friends, and family and looked to brands that were inclusive to newcomers, offered accessible pricing, guided them on what to wear and how to do an activity safely and well.

## THEY WANTED VALUE

70% stated that discounts are extremely or very important and 63% said price had become more important to them since the pandemic started.



JULY

AUG

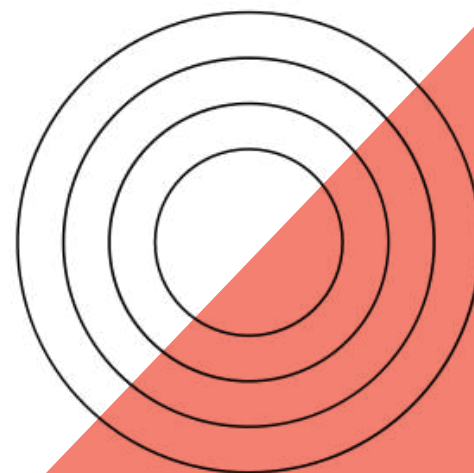
SEPT

# 46%

**of runners planned to shop for their next running shoe on a brand's website.**  
**-COVID Tracker, Wave 7**

# 45%

**Of consumers had shopped for shoes in store again by mid August.**  
**-COVID Tracker, Wave 8**



# What Our Brands Did

SUPPORTED NOW ESTABLISHED BEHAVIORS, LEANED INTO THE COZY

Merrell redefined “outdoors” and encouraged consumers to “hike your turf” and get outside, even if for just 15 minutes.

 merrell



Liked by  gjm McGuire and 19,895 others


merrell Even a short 15 minute walk outside can reduce stress levels by 16% #HikeYourTurf

Free Shipping. Every Day.

**Weather Anything.**


Our water-resistant, WorryFree™ shoes make stormy days a little brighter.

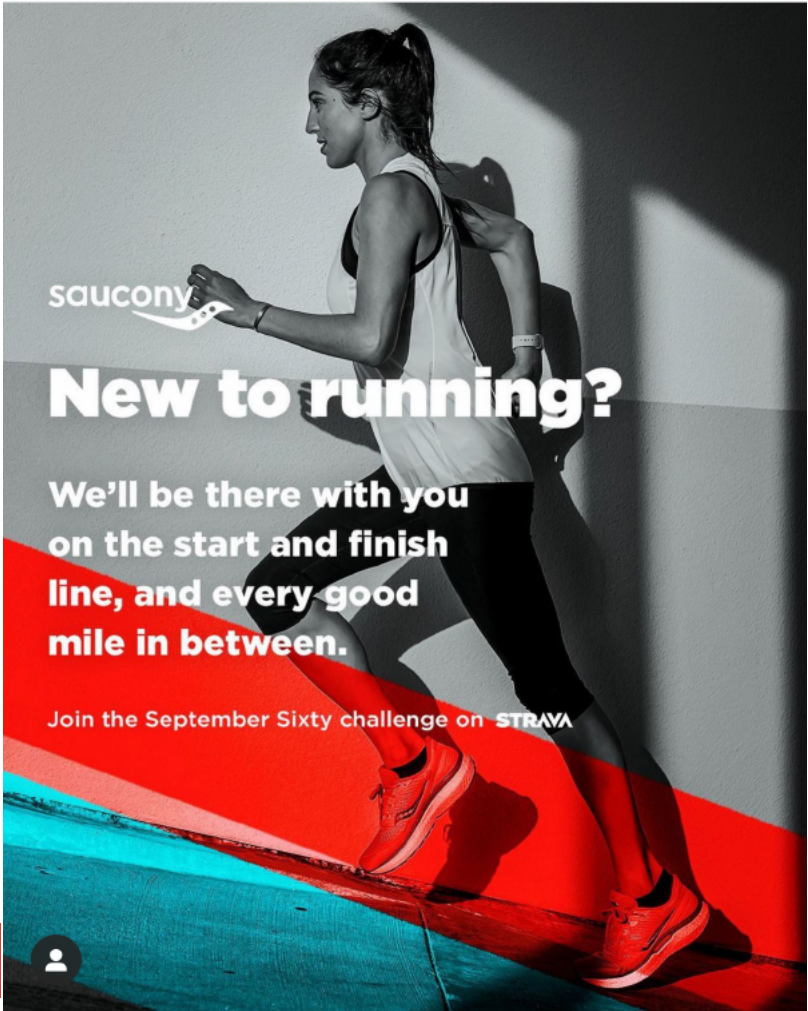
SHOP WOMEN'S WORRYFREE



Hush Puppies acknowledged the dip in consumer sentiment and re-framed their “worry-free” campaign to focus more on resilience and “weathering anything.”

Saucony embraced and supported new runners through their run club.

 saucony



Bring on the cozy

Free Express Shipping on \$120+ Orders



FREE CLUTCH OR MINI HIP PACK WITH \$100+ ORDERS



**Meet your new favorite cozy companions**

Slide into the cozy comfort of our shoulder-

As the weather started to turn colder, Chaco leaned into the cozy, stay home vibes.

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# Adapting to Consumer Sentiment and Behavior

## **CONTINUED DIGITAL ACCELERATION**

With 73% of US consumers still not engaging in out of home activities, digital will continue to surge. Many consumers feel the try-on experience for shoes is irreplaceable but with more informative and detailed product descriptions, on-body photography, and clear product imagery, we may see the scales tip toward a preference for online.

## **WELLNESS AND SUSTAINABILITY**

With COVID emerging as a public health crisis, we've seen how consumers have adopted new, healthy behaviors to their personal lifestyles and we expect this trend to remain strong. This also translates to an awareness of the health of our world. 57% of consumers have made changes to lessen their environmental impact.

## **AN OPPORTUNITY TO STREAMLINE KEY BUSINESS PROPOSITIONS OF VALUE, TRUST, AND DURABILITY**

Consumers have opened themselves to new brands as a result of inventory shortages. It's time to deliver on what matters to recapture consumers. In a post-purpose world, seasonality and newness matters less than comfort, function, trust, and durability. 65% of consumers will look for more durability in apparel and footwear and 71% are planning to keep the items they already have for longer.



# Looking Ahead

Fall 2020 and Beyond

# COVID Insight Evolution

1 Stakeholder Interviews

2 New formats and focal areas

3 Wider availability



# Questions?

