TRAJECTORY

The Post Pandemic Consumer

November 2020

Contents

Introduction: What does the data say?

In March 2020, Trajectory produced its first post-pandemic consumer report. We were keen to offer our clients the earliest possible view of both the short and long term impacts of Covid on consumer behaviour.

That report used a trends analysis framework first developed by Trajectory Co-Founders Paul Flatters and Michael Willmott for their 2009 Harvard Business Review paper on the Post Recession Consumer (which looked at the impact of the 2008 Financial Crash). We had relatively little consumer data to work with in those early days. Therefore, the March report was based on long term trend histories and observations about how consumer had responded to previous systemic shocks.

Since then we have gathered extensive data on Covid's impact on consumer behaviour and psychology. This has been via Trajectory's own tracking surveys and our collaboration with The Centre for Time Use Research, at University College London, to capture time use data both in and out of lockdown. We have been able to monitor the consumer response at each stage, as the crisis has unfolded.

This report revisits the content of the March report given this new evidence.

At the risk of sounding immodest, so far, our data suggests that consumers are responding as we suggested they would. Most of the trends identified in our first report are moving in the way we predicted in March. However, our data also suggests the need to add three trends to the analysis. These are:

- ***Deregulation of Life*** – Some pandemic shifts have given people, perhaps paradoxically, greater freedom and autonomy. The big shift is the deregulation of *where* people do things, especially work (previous deregulation of life impacts were more to do with the *when* and *who*).
- ***Local Lives*** – this trend, linked to the deregulation trend above, captures the shift to home working patterns and the increased desire to support local and independent businesses as a result.
- ***Last Minute*** – this is the decline of spontaneity and serendipity as more organisation, planning and logistical consideration goes into everything.

Additionally, there are two trends moving slightly differently to our projections in March.

- **Political Brands** - we no longer consider this trend to be 'Arrested' but 'Slowed'. There are few divisive issues in the pandemic but plenty elsewhere.
- **Positive Tech** – this remains in the 'Advancing' section, but it has been accelerated faster and further than we initially anticipated as our reliance on tech has deepened.

The War on Covid

In the introduction to our March report, we compared the pandemic to the Second World War, suggesting that Covid provided the biggest immediate disruption to our way of life since 1939 (immediate disruption, in contrast to the gradual disruption brought by economic recessions). Eight months on, the comparison feels even more apt.

First, pretty much the whole of the world is affected (even regions with a low incidence of virus are facing travel, supply chain and economic disruption). The crisis also feels war-like in that it is an ongoing campaign rather than a one off event. The year has had distinct phases – the first lockdown, summer reopening, slow drift back into more restrictions. Battles are won (lockdown is eased) and battles are lost (lockdown is reimposed).

Looking forward it seems clear that the threat from the virus and the restrictions in place to limit them will come and go until a vaccine is rolled out widely. We are all delighted and excited at the positive news on a Covid vaccine, but logistics will inhibit the speed at which vaccines can be rolled out and continuing restrictions through 2021 on social and work arrangements can only serve to further cement pandemic-driven behaviour change.

Like a war, there are front lines, such as the healthcare settings fighting to preserve life and the laboratories working to deliver vaccines. There is also a 'home front' where the fight to preserve morale and support for the *'war effort'* is crucial.

At the time of our first report, back in March, there was remarkable unity with the first lockdown being supported by [90% of the population](). The latest data points to declining unity, [with 70% support for the second lockdown](). This is still a high level of support, but it feels as though 'the science' is increasingly being challenged and compliance is wearing down.

We will continue to monitor these developments and provide a further update early in 2021.

Trend Summary

DOMINANT

Deregulation of Life
With social engagements on hold and the office closed, many consumers have more freedom in where and when they do things

C-Suite Scrutiny
Employee health and wellbeing are top ethical priorities. With government support reducing, these expectations will only grow

Mercurial Consumers
In a crisis loyalty to a brand or business is forgotten. As routines are disrupted, the youngest generations acquire new behaviours

New Morality
We're all in this together, except when we're not. As regional rules vary consumers will increasingly look out for themselves

Nations First
Nations compete to have the best virus response and fastest vaccine rollout. Anxiety about the wider world is accelerated

Death of Distance
The value placed on proximity is reducing as we learn to do more at home. Home working is already proving resilient - for many it is here to stay

SLOWED

Decline of Deference
Faith in politicians didn't last. The risks of misinformation in a health crisis prompt interventions from platforms

Play Society
Consumers enjoy nothing more than out of home leisure and only health concerns stand in their way

Green Concern
Relegated by the economic and health urgency of the pandemic, environmental concerns will regain consumer attention quickly

Word of Mouth Rules
The rules are getting harder to follow but official sources are still your best hope, with limited traction for misinformation as expertise remains trusted

Political Brands
Demands for brands to weigh in are slowed but not stopped as social injustices burn.

ARRESTED

Culture Wars
What Brexit divide? Political and social debates take a back seat as more urgent issues remain at the fore

Rebounding Confidence
The economy is rebounding from lockdown but consumer confidence is stuck. The next step will be for the bubble to burst as protections end

Last Minute
Health rules relegate spontaneity and serendipity from everyday life and threaten the future of the places where so many chance occurrences took place

ADVANCING

Positive Tech
Tech has been a lifeline and attitudes to it have improved. But the real positive legacy is in digital upskilling, even as perceptions readjust

On-Demand Lifestyles
Accelerated take up of digital remote services (including delivery and entertainment) as habits and routine recede

Collectivism Reborn
Universality of impact has driven support for huge interventions in society, the economy and individual businesses. This will continue in the recovery

Autonomy Lost
Acceleration in nascent trend for low levels of choice and control will see long term decline in optimism and confidence

New Seriousness
Rejection of decadent and unhealthy consumption, as seriousness and sobriety in daily life match turmoil in society

Local Lives
More time spent at home means more reliance on and support for local businesses and community. What we value in places - and our value to our place - will change

Mapping the Trends

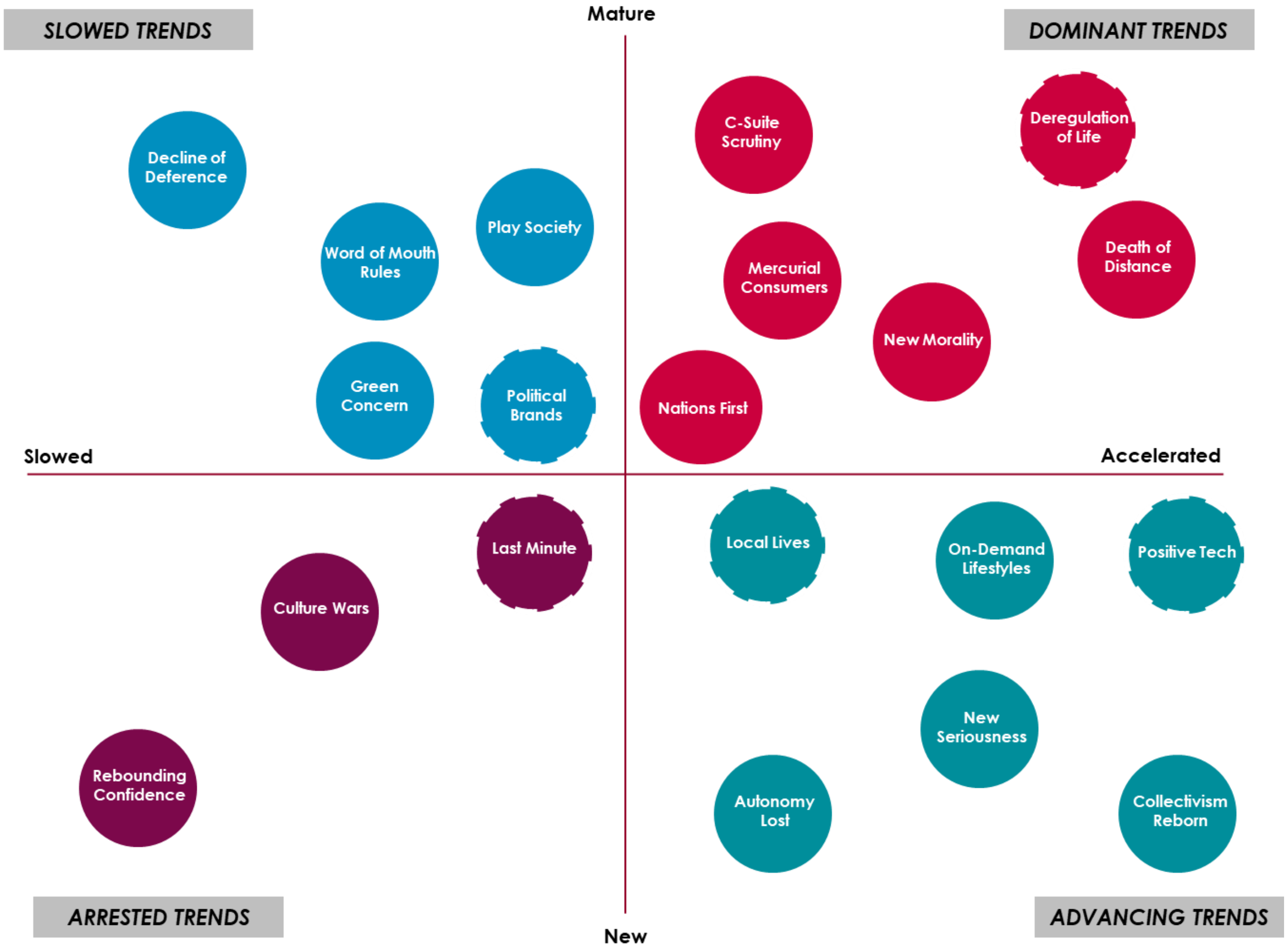
Trends are mapped on two criteria:

- Maturity – those trends that existed well before the pandemic and those that were emerging when the crisis struck
- Impact – is the pandemic likely to accelerate or slow the trajectory of the trend?

This updated map includes the original 17 trends from March's report, plus three new trends.

- ***Deregulation of Life*** – a long term trend, but the pandemic is causing significant shifts in where and how we do things
- ***Local Lives*** – increased desire to support local businesses as a result of spending more time close to home
- ***Last Minute*** – virus restrictions mean everything is more planned and less spontaneous.

Two trends have also moved on the map – ***Political Brands*** is now slowed, rather than arrested and ***Positive Tech*** is moving even faster than anticipated.



The Trends

Dominant Trends

#1: Deregulation of Life

Consumers have more freedom in where and when they do things - even while the virus restricts activities.

For years, consumers have enjoyed more freedom over what they do, when they do it and how they do it. This increasing freedom is driven by changing social attitudes, legislation, and increased use of technology.

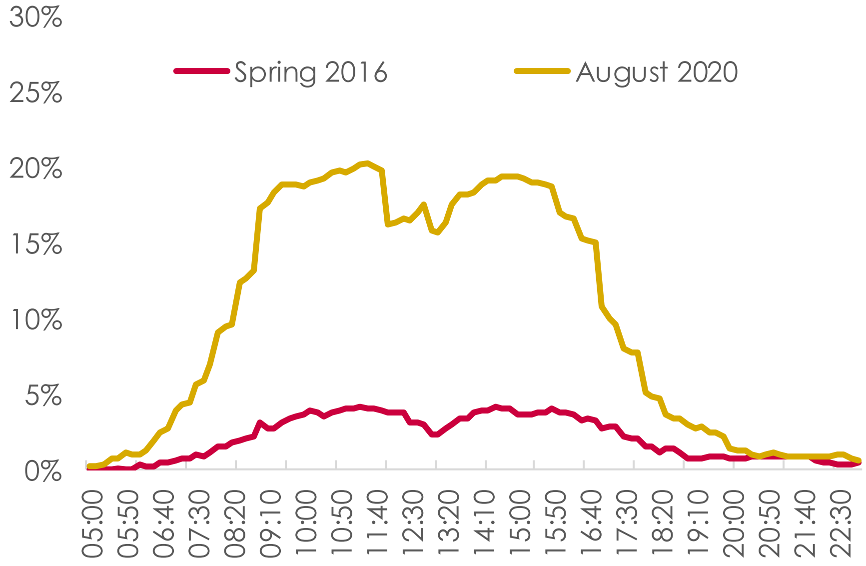
At the moment, life has never been more restricted or regulated. But these short term restrictions are paving the way for a much more impactful, longer-term deregulation – particularly in where activities take place.

Previous shifts in Deregulation have primarily concerned when activities take place and who does them. The sustained rise in female participation in the labour market during the second half of the 20th century is a powerful example; it affected both working habits, broader household routines and contributed to the erosion of traditional gender roles. Legislation also plays a part; trading laws in the 1990s allowed retailers to open on Sundays (affecting when we shop and when shopworkers work) and licensing law changes in 2005 allowed pubs to stay open beyond 11pm.

During lockdowns, everything that can be done at home is done at home. This includes myriad activities that once required face to face contact – seeing a GP, meeting friends for coffee or taking an exercise class. These activities can now be easily digitally mediated – and the pandemic has ensured that increasing numbers are taking up those digital options.

Deregulation is underpinning wider shifts in the devaluation of proximity and the death of distance. When pandemic restrictions are removed we will all have even greater freedom in how – and where – we spend our time.

% working at home, by time, 2016 & 2020 (UK)



Trajectory / CTUR UCL

The Trend in Action

- People are eating earlier and earlier
- Sleeping patterns are changing thanks to Covid
- Schools exempt from new lockdown – meaning less childcare and work conflict

Dominant Trends

#2: C-Suite Scrutiny

Employee health and wellbeing are top ethical priorities. With government support reducing, these expectations will only grow.

Covid's impact on the way we work is huge. Rolling, changing restrictions mean businesses must continually adapt to new legislation while also ensuring they maximise trade when they can – all without any certainty about what the future might hold. The pandemic is also forcing them to consider the impact on their staff: what working practices are safe? How long is remote working sustainable? What support is available? How soon before we have to make redundancies? Is the workplace Covid secure?

These are ethical concerns as well as operational ones. Exactly what aspect of c-suite activity is under scrutiny is continually evolving – immediately before the pandemic, environmental sustainability was top of the agenda, in the global downturn boardroom pay, corporate governance and tax were hot issues. This time, employee safety, health support and flexible working are all key issues. How companies look after their staff during this period is being keenly watched – with some firms already under fire for seeking to end home working in the Autumn.

The old issues – especially sustainability – have not gone away. The environment was the key issue before the last crash and will come back onto the agenda in due course, while recessionary concerns around boardroom transparency didn't disappear. Crises like this one don't displace ethical concerns for businesses, they add new ones to the roster.

Post pandemic, long standing concerns will remain, joined by a renewed focus on employee wellbeing.

In your view of company behaviour, which 2 or 3 things are in most need of addressing?	2010 Rank	2020 Rank
Harassment and bullying in the workplace	6	1
Safety and security in the workplace	8	2
Sweatshop labour	3	3
Discrimination in the workplace	5	4
Environmental responsibility	4	5
Staff able to speak out on wrongdoing	2	6
Executive pay	1	7
Work-home balance for employees	9	8
Fair & open pricing of products & services	7	9
Bribery and corruption	12	10
Openness with information	10	11
Treatment of suppliers	11	12
Advertising and marketing practices	13	13

Trajectory (Optimism Index 2020) / Ipsos MORI 2010

The Trend in Action

- Ryanair refuses to offer flight refunds
- Bloomberg tempt staff back to the office with perks
- Infections in Amazon distribution warehouses
- Firm criticised for 'encouraging' staff back to office too quickly

Dominant Trends

#3: Mercurial Consumers

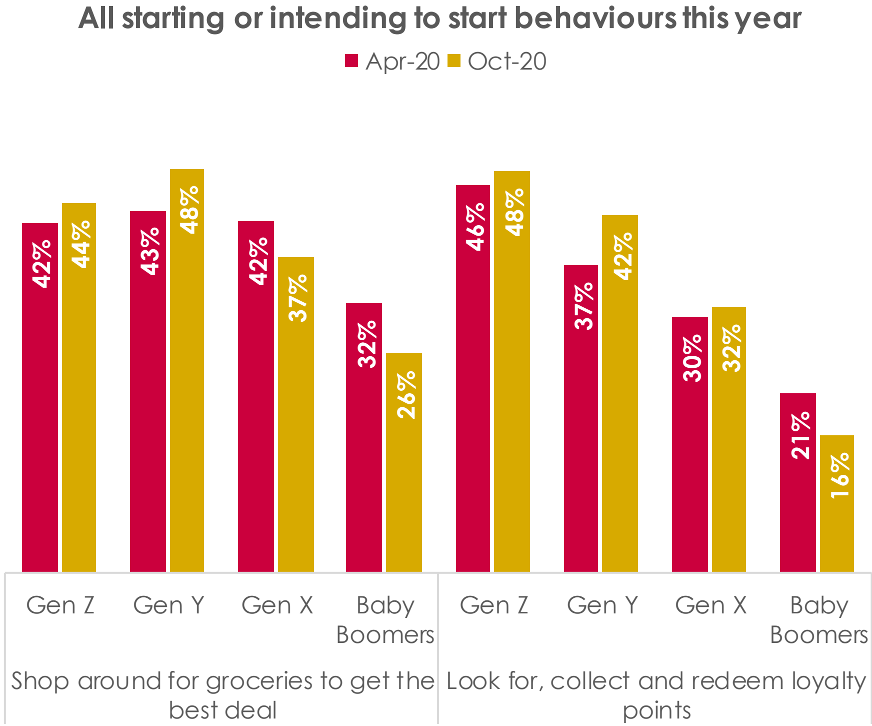
In a crisis loyalty to a brand or business is forgotten. As routines are disrupted, the youngest generations acquire new behaviours.

The next phase of this crisis will be characterised by much greater economic hardship than the first. Businesses have struggled – even with government support in the form of furlough and grants – to keep staff on and pay the rent. Household budgets – even with government support like mortgage holidays – are starting to stretch, especially as redundancies mount.

Economic constraints hinder loyalty among consumers as price weighs more heavily. Other features of the pandemic are also undermining loyalty, most notably the suspension of normal habits. The routine footfall that used to support out of home leisure and retail remains suspended. In its place consumers are employing more mercurial habits to get the most out of their money. It is younger generations that are most likely to make changes.

In September, Gen Z were much more likely to say that they had either started using cheaper supermarkets or intended to start (48% in Sept, compared to 30% in March). There are similar shifts among both Gens Z & Y when it comes to comparing prices online (a natural extension of more online shopping) collecting loyalty points and using auction sites. Older generations are no less likely to do this – but they learnt their behaviours in previous shocks.

There are still reasons to expect mercuriality to decline post-pandemic. Unlike previous (e.g. financial) crises, there is no blame to be placed on the shoulders of businesses or private enterprises. Those that are deemed to have acted well during the pandemic might find themselves engendering loyalty and affection that outlives this period.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Consumers get minimalist
- Covid driving consumer interest in small businesses
- 40% of consumers abandon online purchases if there is any friction, error, or confusion

Dominant Trends

#4: New Morality

We're all in this together, except when we're not. As regional rules vary consumers will increasingly look out for themselves.

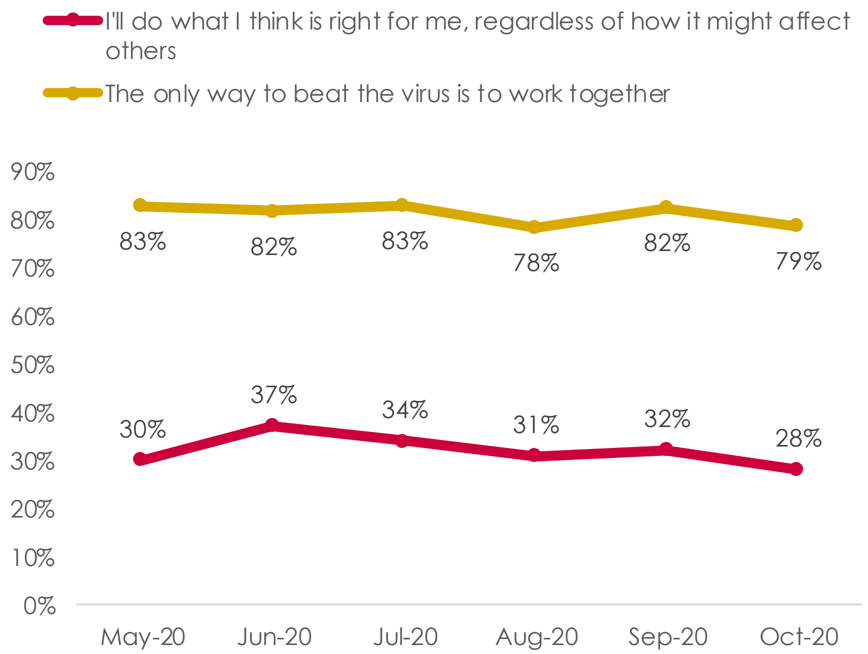
There is a rebellious streak among consumers. Across the UK, support for the new lockdown is at 72% - very high, but less than the 93% that supported it during the Spring.

This decline is the indicative of increasingly individualised attitudes as national unity frays. Throughout the pandemic, around 3 in 10 consumers agreed that they would do what is right for them, regardless of how it affects others. This remains dwarfed by the numbers agreeing we have to work together but there are manifestations of narrower attitudes across society, from low levels of self-isolation to repeated occurrences of stockpiling.

That unity is also threatened by increasingly divergent approaches across the UK; Wales, Scotland, NI and England are all pursuing different approaches. Common to all four nations is much more regionalised approach that is likely to remain in 2021. That regional approach is further fragmenting the country. Our latest data found that sentiment has never been wider, the Optimism Index ranges from a deeply pessimistic 39 in Scotland to a pretty positive 56 in London – a gap of 17 points. The one consistency is that it is in decline everywhere.

More widely, the continued urgency of the pandemic – in terms of the threat of Covid and the economic fallout – pushes other concerns into the margins. The more distant they seem the further they go. It is harder to care about distant-seeming issues, like climate breakdown or pollution, when there is a very real, urgent health crisis on the doorstep.

'Me first' vs. 'All in this together'



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- UK (and other nations) see anti-mask protests
- Panic buying returns in October
- Regional approach leads to North vs. South divide
- Charities want homeless scheme reintroduced

Dominant Trends

#5: Nations First

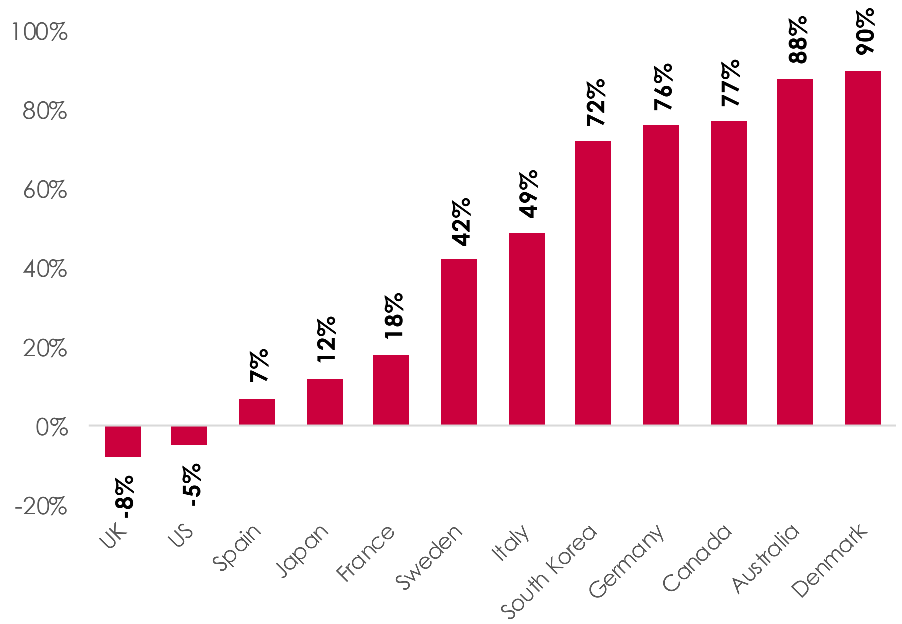
Anxiety about the wider world and tangible and intangible threats is accelerated as real threats loom large. Nations compete to have the best virus response and fastest vaccine rollout.

Rolling news abounds with comparisons. Of international death rates, of cases, of case positivity. Of test and trace percentages, of vaccine studies. Of leadership ratings and political trust. As the economic damage of the pandemic takes centre stage there are also financial comparisons to be made: who's taking the bigger hit and who will take longest to recover.

This feeds into the Nations First trend. Every country wants to have the best response and fastest recovery and leaders would like to be the first to declare a safe and approved vaccine. Further, individual countries are sacrificing group efforts and scientific protocols to be the first. Under President Trump, the US has refused to join WHO linked efforts to develop and distribute a global vaccine. Many advanced nations – including the US, the UK, the EU and Japan blocked an Indian-South African bid to guarantee universal global vaccine access. In the UK, after a Spring lockdown that looked broadly similar across the four nations has given way to very different strategies amid growing Scottish calls for independence.

More generally, the nature of the pandemic gives fuel to the anti-globalist fire as the perception runs that our too-connected world is what allowed this novel threat to spread so quickly. Citizens on both sides of the political divide support restrictions on international travel and closed borders. The length of the crisis is key: a relatively quick return to normal as a result of a vaccine rolled out early in 2021 will put pressure on this trend. An extended crisis will see international divisions widen.

% saying their country has done a good or bad job dealing with the Coronavirus outbreak (net: good minus bad)



Pew Research Center, Summer 2020

The Trend in Action

- Trump refuses to join vaccine distribution effort
- US, UK, EU block WTO proposal to guarantee vaccine access
- Competition for pneumonia and flu vaccines as Covid drives supply shortages

Dominant Trends

#6: Death of Distance

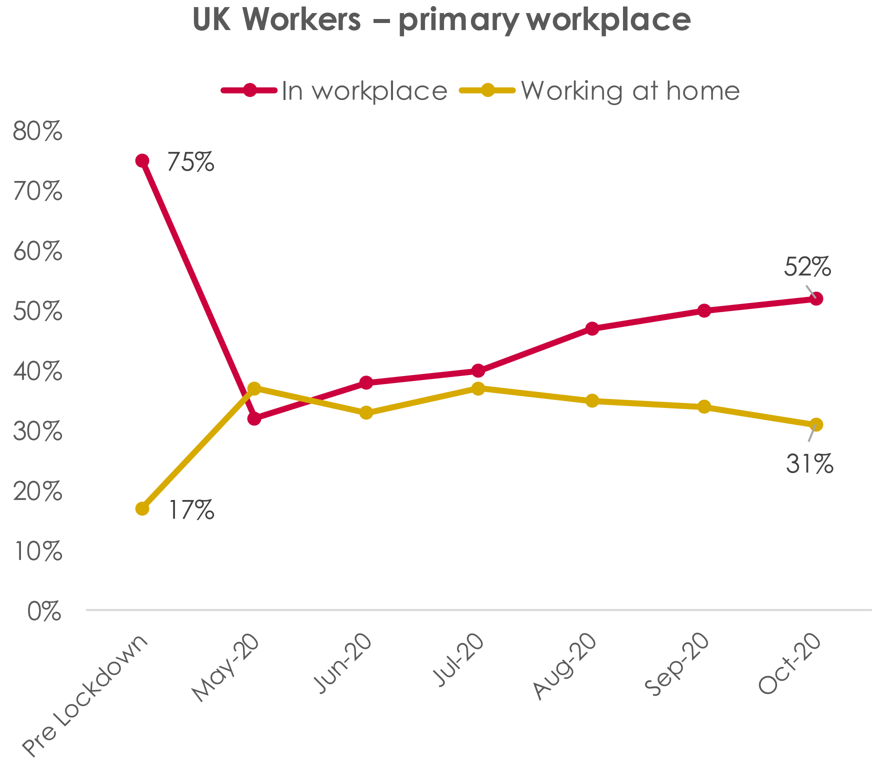
The value placed on proximity is reducing as we learn to do more at home. Home working is already proving resilient - for many it is here to stay.

In Spring this year more people were working from home than in their workplace. Since then, home working has proved pretty resilient – even before the second England-wide lockdown was announced, around a third of workers were still in the home office (or at the kitchen table, or in the garden shed).

Changes to the way we work illustrate distance's demise. For as long as the virus remains a threat, consumers will do as much as they can at home and transfer real-world interactions into digital ones. Work is one example of this, but others – GP appointments, digital exercise classes, live-streamed funerals, and the perennial Zoom quiz night – demonstrate the wider applicability.

Proximity makes many interactions better – but more consumers, businesses and services are realising it may not be essential all the time. When normal life resumes, less value will be placed on being in a specific place and more of the services that can be delivered remotely will be. This will have huge impact on everything from retail (the retail-led high street may never return) to financial services and routine health appointments (why not offer these online?) to property hotspots (why squeeze into a tiny flat in Zone 2 when your money can go so much further somewhere else?).

Many activities that have transferred into the home are poor imitations of the real thing – this is especially true of leisure and hospitality. But others are just as good – or have their flaws offset by massive improvements in convenience. It is these shifts that will contribute to a powerful reconfiguration of place.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Escape to the country: people move from major cities to rural areas
- 90% of homeworkers want to continue at least some of the time
- Urban areas struggle without commuters

Slowed Trends

1: Decline of Deference

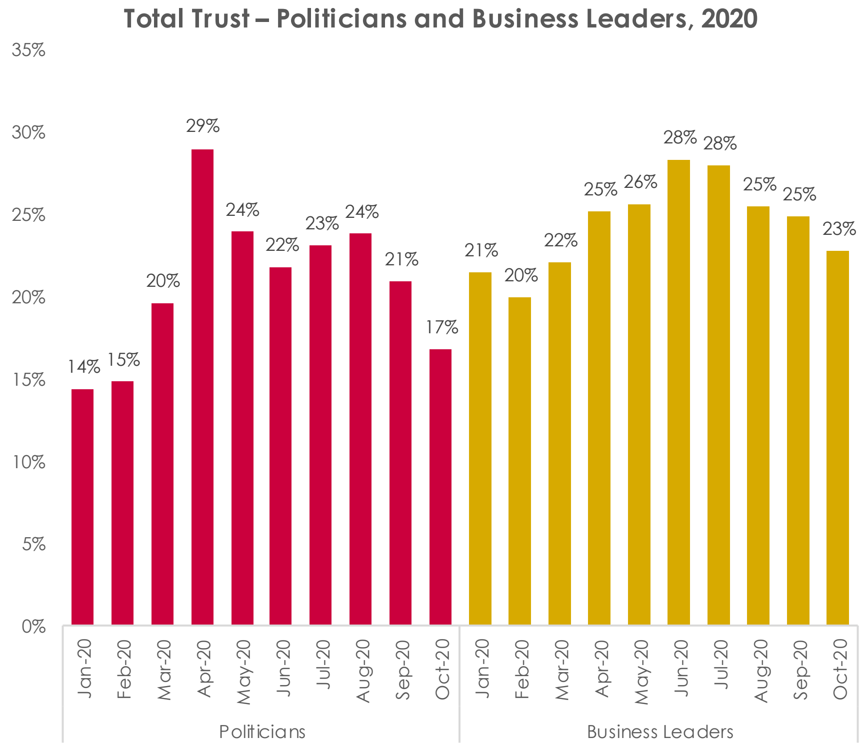
Faith in politicians didn't last while faith in expertise continues – for now. The risks of misinformation in a health crisis prompt interventions from platforms.

What goes up, must come down – although political trust in the UK came down a little quicker than some would have wanted. Trust in politicians rose to 29% in April (from 15% in February) but declined to 17% in October. Businesses fare no better – their peak came in the Summer when reopening hospitality and getting people back into the office were parts of the national effort. Is the pandemic trajectory of this trend already over?

No. The pandemic has rehabilitated expertise in the national conversation, made household names of leading scientists and underlined the dangers of misinformation. Nuances remain – you may or may not agree that a lockdown is necessary, and you can probably find a scientist on Twitter to back that view up – but the value of medical and scientific consensus in making those judgements is still high.

The pandemic remains a matter of life and death and as such, consumers are keen to digest credible, factual information and will dismiss anything that doesn't meet that criteria. Social platforms have been more interventionist this year, taking down 5G and QAnon conspiracies quickly, and challenging populist leaders when they contradict official public health info.

Although we expect the decline of deference to resume its normal trajectory post pandemic it is possible that expectations of science are transformed. However, the world beyond the pandemic is also a world with slightly lower stakes: when normal life restarts, we will resume our habitual distrust of authorities and be selective about the information we consume.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Social media platforms move to ban QAnon conspiracies
- 5G conspiracies banned by YouTube
- Trust in English Govt Covid response halved in 6 months
- PM criticised for not listening to scientists and acting faster

Slowed Trends

#2: Play Society

Consumers enjoy nothing more than out of home leisure and only health concerns stand in their way.

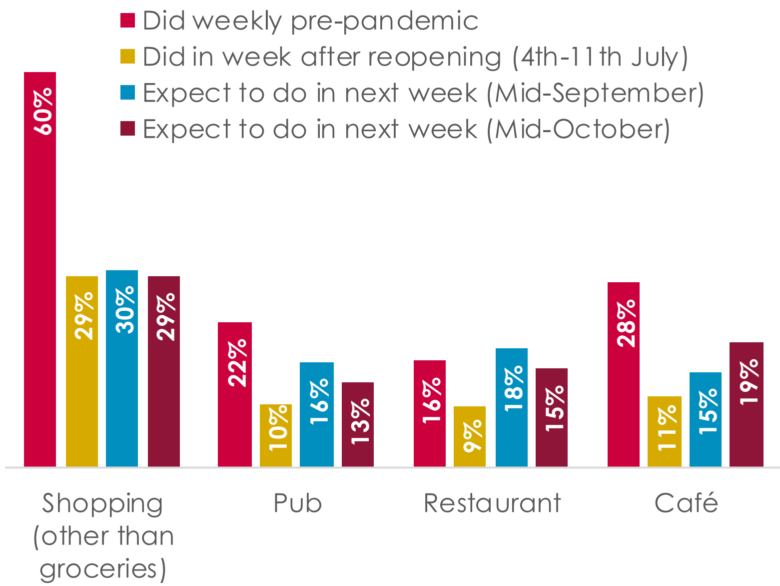
For leisure and hospitality, this year has been a rollercoaster. Closed during the spring, then cautiously reopened with safety measures, then government backed with Eat Out to Help Out, then restricted by the rule of six and curfews and finally closed again. In this chaos we can find much evidence of the strength of this trend: there is nothing consumers enjoy more than out of home leisure. It is only health concerns and government restrictions that have kept them away.

In the summer, incentivised by the government, reassured by the low case numbers and encouraged by the weather, consumers were again able to devote time to their favourite activities. In August, UK consumers spent 81 minutes a day on in-person socialising and out of home leisure – around twice what they'd managed in May and exactly the same as pre-pandemic, in 2016. The fundamentals are strong: post pandemic these activities will be reprioritised by consumers and many of the jobs under threat today are viable.

But as wider habits change, the nature and location of leisure will change too. The relationship between work and leisure will weaken (especially in city centres) and more leisure activities – especially in art, culture and live events – will retain a digital element. There are also warning signs for retail – while hospitality footfall recovered in the summer, shopping habits stayed online.

This is the one trend that resists the Death of Distance and devalued proximity. Because of that, leisure businesses will remain the most affected for the duration of the pandemic – but might be the least transformed after.

Consumer leisure activities: pre and post lockdown



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Cineworld closes screens
- 100m meals claimed during first three weeks of Eat Out to Help Out
- Production on TV / Films continues while cinemas closed again for new lockdown

Slowed Trends

#3: Green Concern

Relegated by the economic and health urgency of the pandemic, environmental concerns regain consumer attention quickly in the recovery.

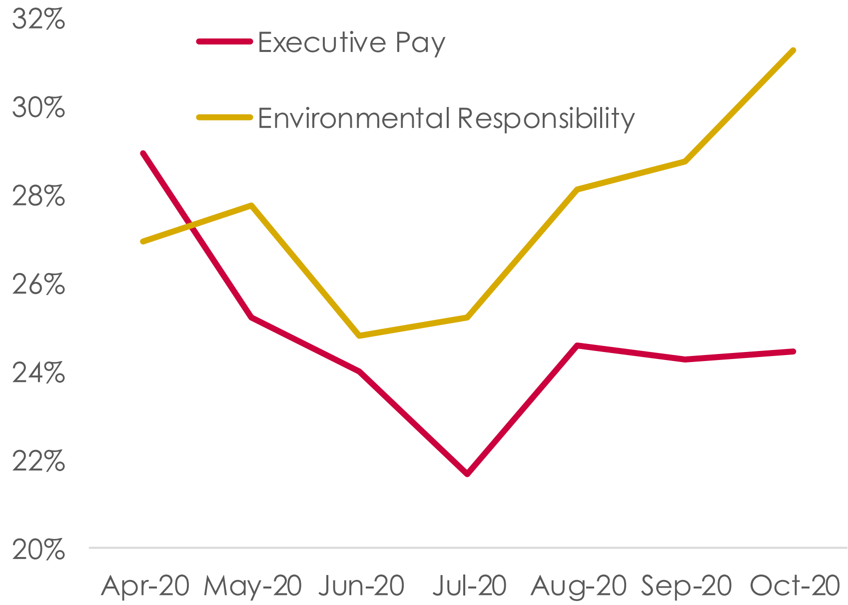
Consumers have a lot of very urgent concerns. The threat of Covid to their health is matched by the threat to their livelihoods and incomes by the recession and the uncertainty and misery of protracted social distancing. A casualty of urgent concern on the doorstep are more remote-seeming issues – sustainability and climate change among them.

This partly manifests in our day to day lives: with other concerns, consumers might be less inclined to go the extra mile to ensure they choose the more sustainable product or less able to pay the premium. But it also affects our outlook. During 2020 consumers' ethical priorities for businesses moved away from environmental responsibility and towards other issues, like ensuring staff are safe.

But the environment is a more urgent issue now than it has been before; rather than being seen as a threat that appears only on the distant horizon – i.e. the middle or the century or later – it is moving markets (such as automotive or domestic energy) in the here and now.

Previous crises also demonstrate that while it can drop off the radar it is a perennial concern that comes back. It is also a much touted feature of the recovery: potential investment in green jobs as the labour market rebalances, more restricted travel in the short to medium term and more local lives as a result of displaced activities (especially working). The majority of UK consumers remain concerned about climate change, but the real gains might be from indirect changes to routines.

% selecting each of the following as a key issue for companies to prioritise



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- More Brits say they are affected by pandemic than climate change
- Half plan to fly less after pandemic
- Overall, 8 out of 10 remain concerned about climate change

Slowed Trends

#4: Word of Mouth Rules

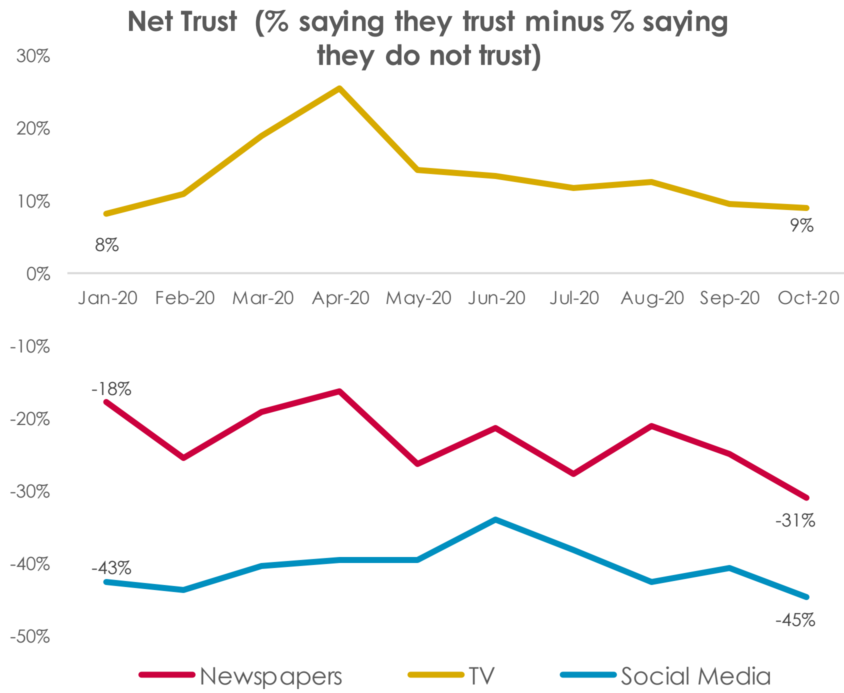
The rules are getting harder to follow but official sources are still your best hope, with limited traction for misinformation as expertise remains trusted.

There is less scope for fake news in a crisis: getting accurate information is important, and that means some news sources take precedent over others.

A report by the Reuters Institute underlined the importance of traditional news sources – especially TV – in the first phases of the crisis. In this period, trust in many figures of authority and institutions was still high. Word of mouth, social news and peer recommendations are clearly losing out when the stakes are higher and accuracy really matters.

However, there are some important nuances as we enter the next phase of this crisis. First is that while demand for TV news increased, there has been no long-term impact on trust. People are turning to different sources, but haven't drastically altered their view of it. Secondly, as health strategy evolved, the rules became much more confusing. Confusion will cause people to switch off and stop paying attention. Finally, the consensus that accompanied the first national lockdown is fraying. The sense of national unity that characterised the early stages of the pandemic is much weaker and crucially, each side of the debate (whether about lockdown, herd immunity, mask efficacy) has its own 'facts' to bring to the table (although not all facts are created equal). If this continues more consumers will look elsewhere for their information.

Long term, we continue to expect word of mouth to resume its dominance. The pause is a brief interruption to longer term trends in trust, social fragmentation and disintermediation. That will resume post pandemic – or possibly sooner if national unity continues to erode.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- 60% of the British public are confused by new Covid rules
- More UK consumers switching from online to TV news
- Most US voters trust medical staff and experts for Covid info

Slowed Trends

#5: Political Brands

Demands for brands to weigh in are slowed but not stopped as social injustices burn. There are few divisive pandemic issues but plenty elsewhere.

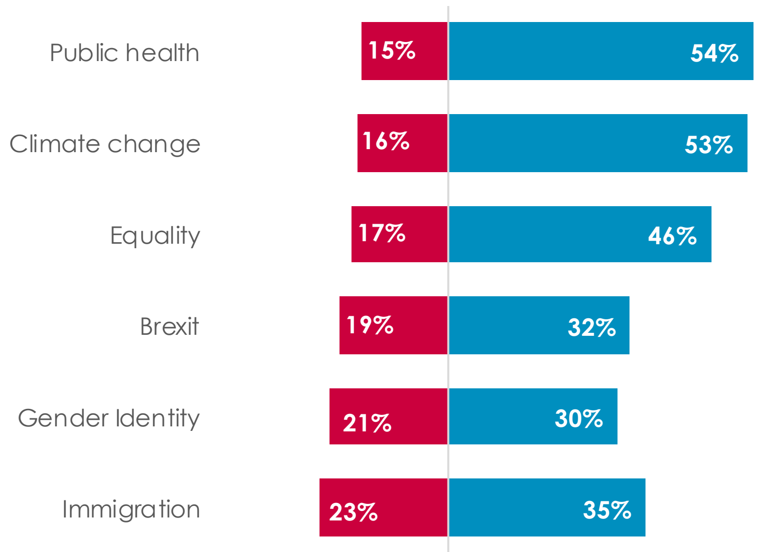
The pandemic is no longer the unifying force that it was: the first national lockdown in the UK was supported by 93% of the population, the second (in England) supported by 72%. That's a healthy plurality, but it is clear that the togetherness that characterised the initial stages of the pandemic is giving way to conflict and contest.

In this debate, sharp edges *can* be found. Few brands have determinedly 'taken a side' on whether measures are positive or negative, but as hospitality faces another set of new restrictions (and another change of strategy) shots are being fired. Burger King's campaign encouraging consumers to order from McDonalds – because jobs across the sector are under threat – is an example of industry unity in the face of national policy.

Even if the wider consensus remains, brands will find ways to weigh in on social issues. In Spring, eBay's `Individually brilliant, Stronger as One` campaign demonstrated a company providing support for its vendors whilst also shining a spotlight on the good its sellers do for their local communities. The message is clear: at a time when consumers are supporting independent businesses, eBay is the big guy helping out the little guy.

As Covid consensus fragments further, more opportunities for brands to enter the political debate will emerge. This is one reason why this trend has moved to the Slowed quadrant. But another is the continued urgency with which social injustices are treated by younger groups – who are liable to be blasé or cynical about the pandemic while taking to the streets in support of other causes.

Proportion saying a business taking a stance on each of the following issues would make them feel **more negatively** or **more positively** about that business



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Jo Malone under fire for John Boyega change
- Insincere corporate BLM action criticised
- Mark Hamill quits Facebook in protest over its lack of action on misinformation and political advertising
- Burberry partners with Marcus Rashford to provide grants for youth centres

Arrested Trends

#1: Culture Wars

What Brexit divide? Political and social debates take a back seat as more urgent issues – in healthcare delivery & economic stability – remain at the fore.

Cultural divides continue – often with involvement from brands. Immigration is one such divide that during the summer garnered a great deal of media attention, with a contribution to the debate from Ben & Jerry's. The killing of George Floyd in May sparked protests around the world and has led to new action from companies affirming their commitment to equality, which sparked a predictable pushback. Brexit rumbles on, with the UK-EU transition period set to end with or without a trade deal on January 1st 2021. These remain divisive issues which in any other year would influence the national mood, social tribes, and even political voting intention. But they all take a back seat to the fundamental preoccupation: the pandemic.

It is difficult to understate the extent to which this dominates bandwidth. When asked whether they are more concerned about the health or economic impacts of the pandemic two-thirds choose health. When asked – in August, when cases were low and meals out were being subsidised by the state – what they thought the government's priorities should be, two clear things emerged: preparing the NHS for a second wave and protecting the elderly and vulnerable. Social issues – even economic issues – pale in comparison.

The culture wars are not over but the détente continues. The normal divides will resume again – and will be given new impetus by the inequalities exacerbated by the pandemic. With the Brexit Party rebranding as the anti-lockdown Reform Party, Marcus Rashford's ongoing child poverty campaign and Northern MPs wary of a growing North vs. South divide, the peace may not last long.

Which of the following do you think should be priorities for the government?	August %	October %	Diff
Ensuring the NHS are prepared for another wave of Coronavirus	66%	72%	+6
Safeguarding the elderly and vulnerable	55%	64%	+9
Protecting people's jobs	44%	58%	+14
Expanding the UK's testing capacity	46%	53%	+7
Securing trade deals with the EU and other countries	41%	43%	+2
Reopening the businesses and activities that are currently closed	40%	34%	-6
Preventing asylum seekers getting to the UK	34%	32%	-2
Ending social injustices in the UK	29%	30%	+1
Encouraging people to go out and spend	22%	16%	-6%

Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Political nervousness about starting a new culture war
- Local mayors get victories over central government
- Brexit Party rebrands as Reform Party
- Only 4% know the lyrics to Rule Britannia

Arrested Trends

#2: Rebounding Confidence

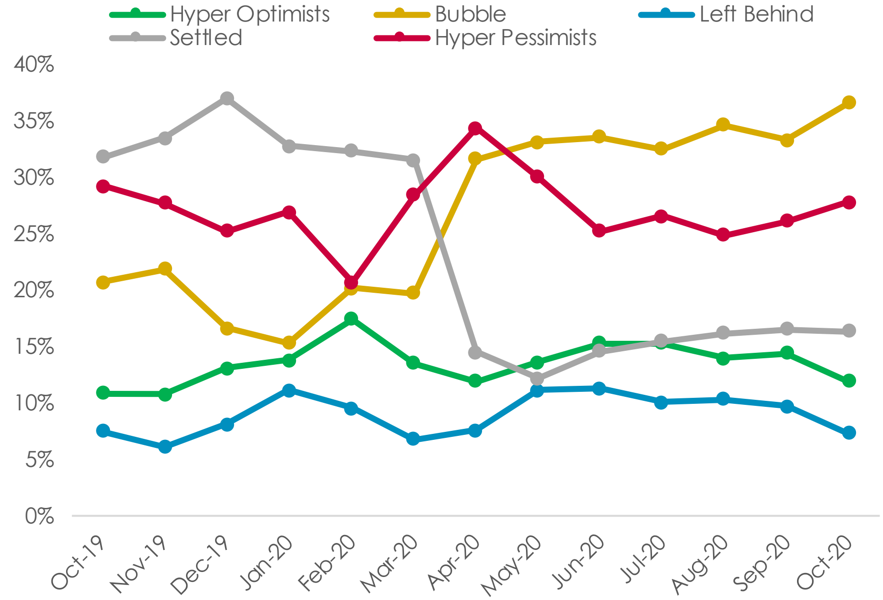
The economy is rebounding from lockdown but consumer confidence is stuck. The next step will be for the bubble to burst as protections end.

It seems a long time ago now, but at the start of 2020 consumer confidence was as positive as it has been for several years – with net economic confidence at -16% and net household confidence at 0%. Those figures are not indicative of a strong and financially strident consumer outlook but they were a sign of the more positive attitude consumers initially had for this year.

By April, economic and household confidence had plummeted to -47% and -20% nationally and the biggest individual segment were the 'hyper pessimists' – those expecting both the economy and their own finances to worsen. As we approach the end of the year, overall expectations remain solidly negative, with the exception of a slight boost to household confidence as the furlough scheme protected incomes. This is an important exception, as it facilitates a key shift in the confidence segments: hyper pessimists are no longer dominant. Now, the 'Bubble' are the largest group: they expect the economy to get worse over the next year but for their own finances to improve or remain stable.

This has two important impacts. The first is that in the short term, this configuration of attitudes will serve to protect spending a little. Consumers confident in their own finances are less likely to cut back. The second is that as redundancies mount that bubble will burst and many consumers will find that, unfortunately, their personal budgets are hit. In March, we wrote that it would be 2021 – at the soonest – before confidence recovered to even the meagre positivity evident in February. That looks an increasingly safe bet.

Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Rising infection threaten rebounding confidence
- Job losses rise at record rate over summer
- Record number of shops shut
- Mortgage holiday extended further

Arrested Trends

#3: Last Minute

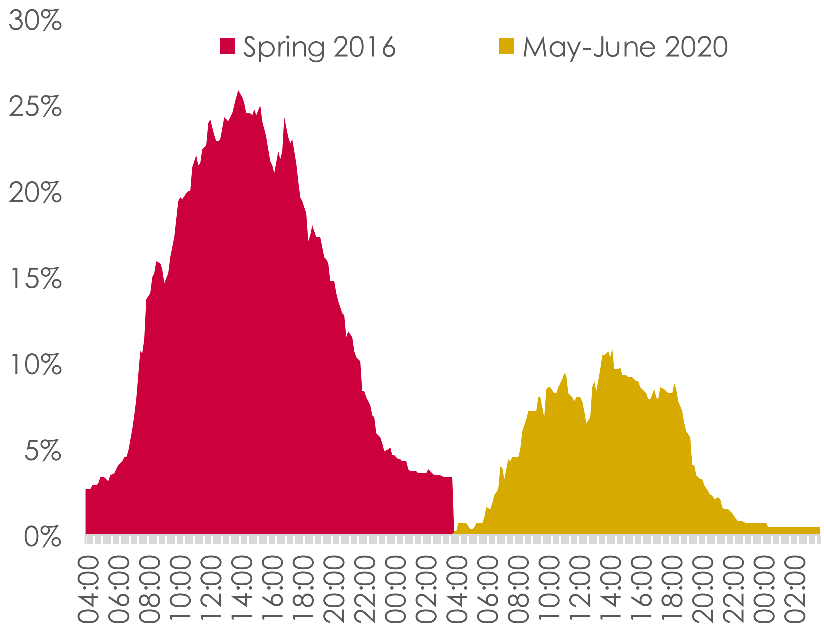
Health rules relegate spontaneity and serendipity from everyday life and threaten the future of the places where so many chance occurrences took place.

The pandemic is causing a lot more planning. When not in lockdown, to meet friends for a coffee, you must first ensure there'll be no more six of you. If you're in tier two, you must ensure there'll be space outside. If meeting inside, it's courteous to check that others are comfortable with that – and don't forget your facemask. The idea of turning up somewhere for a meal, without a reservation, is laughable. Spontaneity is off the menu as leisure becomes about safety first, excitement second.

Chance occurrences are equally far-fetched, in leisure and in work. We're spending much more time at home and less time out and about. As we leave offices behind and our daily routines are more regimented in accordance with the rules the odds of just bumping into someone – a friend, a colleague, a former colleague, a potential employer – are remote. Paths are not diverging as they used to: life is less last-minute and more planned, more restricted, and more pedestrian.

As the pandemic continues serendipity might get rarer and rarer as more activities are planned and fewer left up to chance. Less time at work means those chance occurrences will be fewer and further between. Leisure venues have implemented booking systems and consumers like knowing they'll get the table or slot they're after. Students eschewing the university experience for online courses will spend less but also do less and meet fewer people along the way. The decline of spontaneity threatens to be longer term than we might like.

Proportion of people not at home or at work, by time of day



Trajectory / CTUR UCL

The Trend in Action

- Sainsbury's reintroduces rules to reduce customers in store
- Countries being added to and removed from UK quarantine list discourages short or unplanned trips
- New hospitality rules mean sitting, no standing

Advancing Trends

#1: Positive Tech

Tech has been a lifeline and attitudes to it have improved. But the real positive legacy is in digital upskilling, even as perceptions readjust.

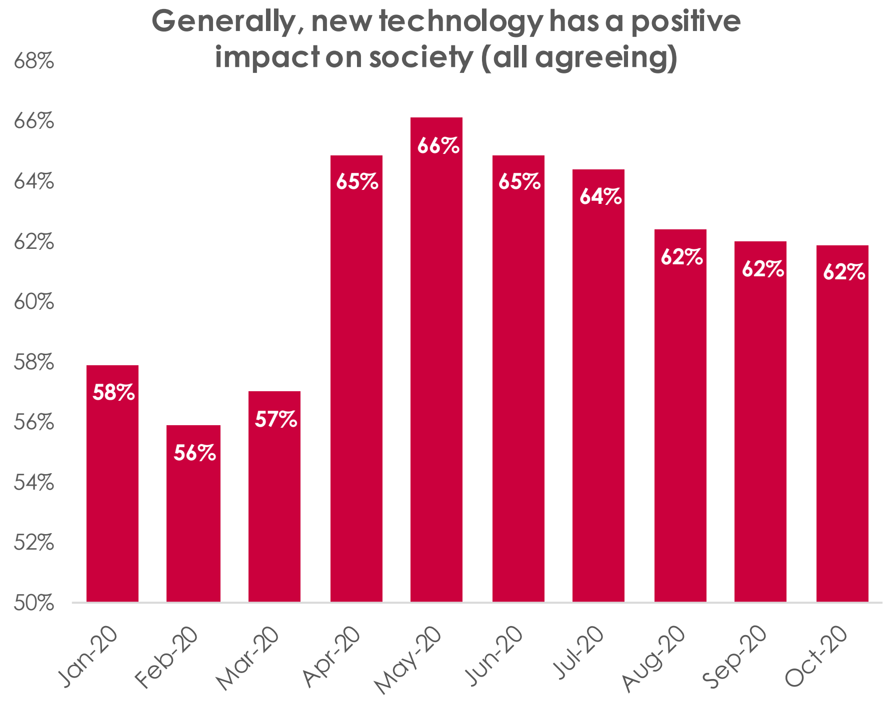
Our new routines give us a new dependence on technology. When we can't see friends and family in person, when we can't get to the shops or when we can't commute into the office, digital alternatives provide a lifeline. Throughout the pandemic, more behaviours have been digitised.

As we predicted in March, this has had a positive impact on perceptions of technology – which often gets a bad press. By May, two thirds of UK consumers agreed that tech has a positive impact of society, with the biggest gains concentrated in older generations.

These perceptions won't last – post pandemic we will go back to worrying about the impact of social media on political fragmentation and personal self esteem, of the threat of automation on jobs and our addiction to screens. But perception won't be the true legacy of this trend: digital upskilling and newfound comfort with video calling will be.

Sometimes low-tech change is much more impactful than something brand new – because it can take more people with it. Video calling is not new – Skype was released in 2003 - but the combination of more workplace and leisure time video calling – from home – means that we are all a lot more comfortable with both the format and what it means to show others who we are and where and how we live.

A shift to video creates a powerful new channel for customer engagement, entertainment and service. Better digital skills – especially among older generations – mean that access may be wider.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Medical research and training continuing via virtual reality
- Continued efforts to get laptops to kids currently without them and unable to attend school
- Microsoft launches `Get On 2021` upskilling campaign

Advancing Trends

#2: On-Demand Lifestyles

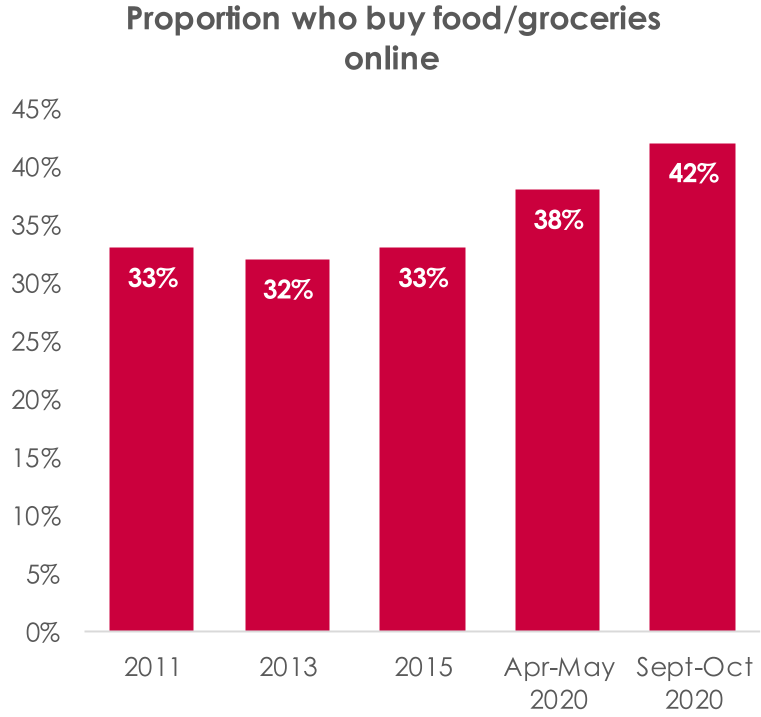
Accelerated take up of digital remote services (including delivery and entertainment) as habits and routine recede.

For as long as social distancing is in place, and especially in lockdown periods, consumers will rely more heavily on digital versions of analogue activities. Exercise classes will be accessed remotely, using either a tablet and yoga mat or a Peloton bike. In lockdown in the spring, we spent an extra 35 minutes a day watching TV – that necessitates more subscriptions to VOD providers.

In some aspects of life, these shifts will not just apply to discretionary or leisure activities. GP appointments, financial advice consultations, house viewings and much more will all take place remotely, often using video. Those shifts – in many circumstances – add convenience for consumers. It's in these areas that on demand accelerates post pandemic. Over the last decade, the proportion of UK adults that buy groceries only has remained stubbornly stable – around a third. During the spring lockdown, this jumped to 38%, and by the autumn it was 42%. Behaviour that has scarcely changed for a decade is now changing rapidly.

Post-pandemic, life on demand may be felt most strongly in more routine, utilitarian activities. As retail and hospitality reopened in the summer, cafes, restaurants and pubs gradually saw more and more consumers return to them. But non-grocery shopping has seen a sharp decline without recovery – from 60% pre-pandemic to 29% throughout the summer and autumn.

Many aspects of our pandemic life will disappear afterwards: but the legacy will be in those new subscriptions and accounts – to VOD channels, music services and grocery shopping – that we've increasingly used this year.



Global Foresight (2011-15) Trajectory Optimism Index (2020)

The Trend in Action

- Demand for subscription based VOD equals that for catch-up TV
- Major movies released direct to VOD
- Prime Day sales up 75% year-on-year

Advancing Trends

#3: Collectivism Reborn

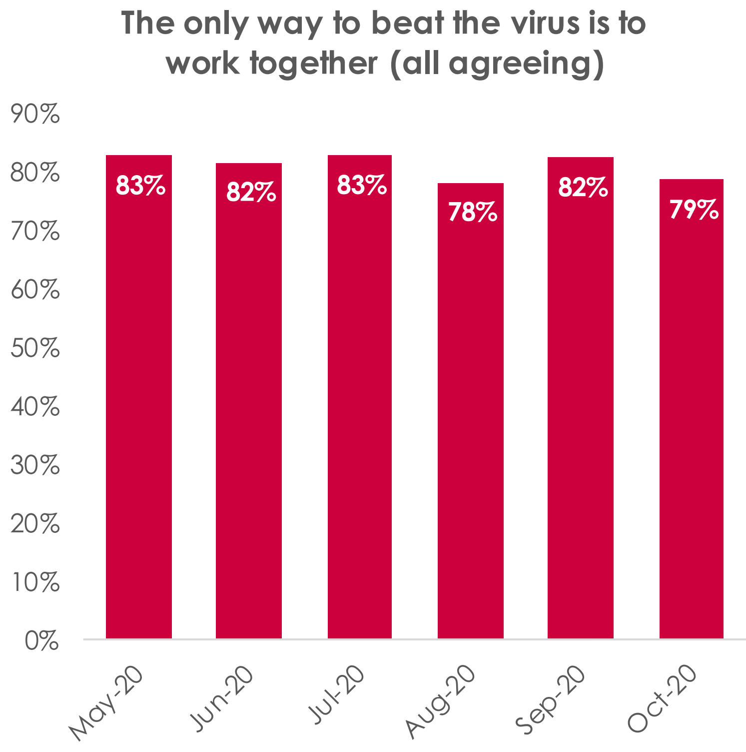
Universality of impact has driven support for huge interventions in society, the economy and individual businesses. This will continue in the recovery.

Almost overnight in March this year, daily life changed for almost everybody. This is a universal crisis: we really are all in it together. Collectivism has been strong; the proportion of consumers agreeing that 'the only way to beat the virus is to work together' has consistently stayed around the 80% mark.

At the same time, that sense of unity is weakening. Public support for the first national lockdown was 93%, for the second it was 72%. There is clear water between the pandemic response strategies of the major parties and each of the four UK nations. Public deference to the government is weakening and some businesses and consumers are arguing against the measures, not falling in line behind them.

Protracted hardship inevitably erodes unity. The sense of all being in this together may well weaken further in the months ahead. But the new collectivism goes beyond that, and into support for more interventionist measures from the government. The mood following the last crash was of a necessary tightening of belts, of curtailing loose spending, and of 'strivers vs. skivers'. It is difficult to impose that narrative on a pandemic.

The continuation of more economically collectivist attitudes is only partly dependent on continued social unity. It is possible that this new attitude results in a fundamental reshaping of the welfare state or new approaches to public service funding. But it remains more likely – as public debt rises higher and higher – that we will see a return to 'tough choices'. Those choices are likely to be on public services, continued business and household support and tax.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Public support for NHS staff pay rise
- Majority (c.70%) support new lockdown measures in England
- Threat of rent strikes at universities including, but not limited to, Manchester, Glasgow, and Bristol.

Advancing Trends

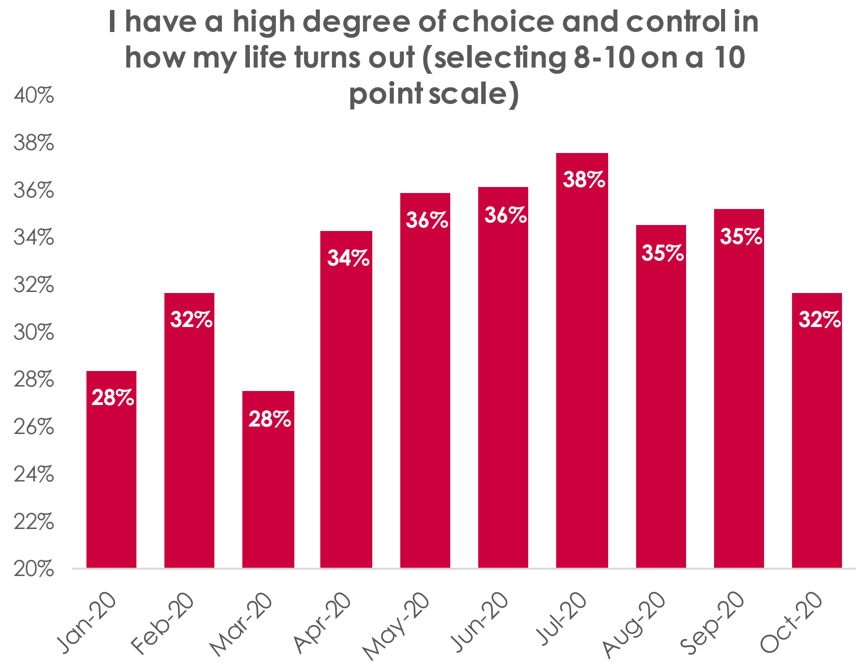
#4: Autonomy Lost

Acceleration in nascent trend for low levels of choice and control will see long term decline in optimism and confidence.

In March, faced with the most stringent restrictions on daily life since at least the 1940s – including only being allowed to leave home for certain reasons, and prevented from socialising with friends and family in person – we expected a continuation in the emerging trend for lower levels of autonomy. Instead, the opposite happened. High autonomy (the proportion saying they have a high degree of choice and control in the way their life turns out) rose from 28% in March to 34% in April.

This springtime improvement in autonomy revealed that although daily lives were restricted, those limits served to help more consumers feel more in control. Many who suddenly started working from home found they had more time thanks to the removal of the commute, and any culture of presenteeism is undermined in a remote working arrangement: employees are free to take a break when they want, or work slightly more flexible hours. People were also freed of the pressure of social engagements – consumers love leisure, but it seems many enjoyed not *having* to do it too.

However, the trend for low autonomy will continue, and since the summer we've seen levels fall significantly. The impact of protracted social distancing – at work and in wider life – is taking a toll while stricter restrictions in a darker, colder season mean less scope for looking on the bright side. The long term nature of this crisis, and the fact that we are encountering repeated phases of higher and lower restrictions will drive optimism and confidence down. Although disruption to routines was beneficial for some in short term the longer term picture for consumer sentiment is bleaker.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Lockdown hobbies used by consumers as an outlet to regain a sense of control
- Students trapped in halls of residence
-
- Fears of mental health crisis during winter lockdown

Advancing Trends

#5: New Seriousness

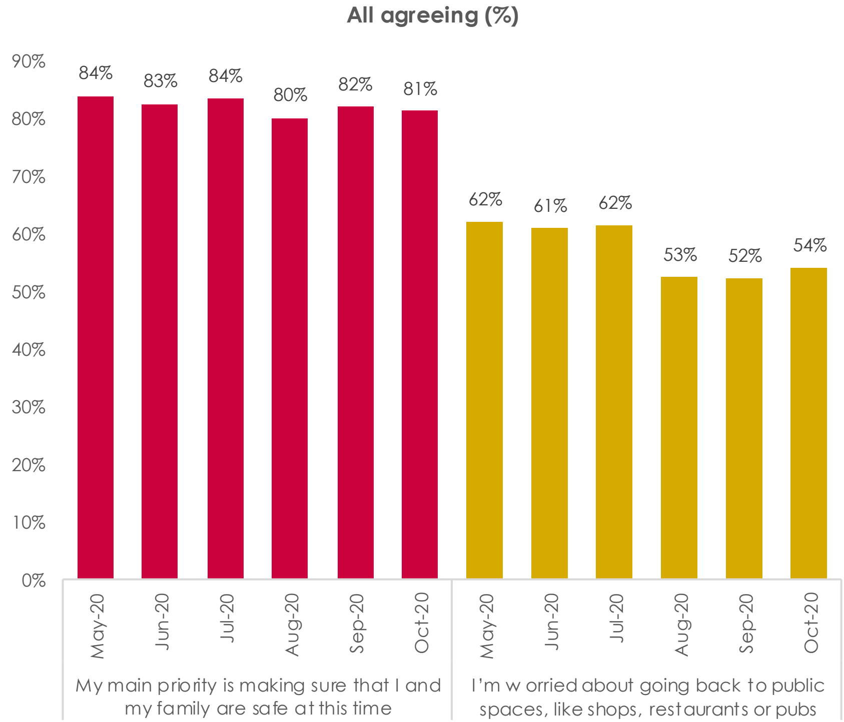
Rejection of decadent and unhealthy consumption, as seriousness and sobriety in daily life match turmoil in society.

These are very serious times, and ones that are forcing consumers to consider what is really important to them. At the top of that list are some common answers: their family, their health and their finances. As the détente in the culture wars suggests, people have limited bandwidth for many other urgent social issues – let alone more trivial pursuits.

Seriousness has been one of the most consistent aspects of the consumer mood since the start of the pandemic. A large majority say their main priority is their and their family's safety while over half express caution about going back to public spaces. During the summer, this was only marginally lower than during the national lockdown in the spring.

Beyond attitudes, there are examples of seriousness driving long term behaviours and choices. This year has seen the largest drop in the number of smokers for over a decade: a pandemic obviously a good prompt for encouraging healthier lifestyles. There are also indications that seriousness is driving risk aversion: the numbers of self-employed have fallen by around half a million since the start of the year. Self-employment may look an increasingly unattractive option when the economy is so volatile – another implication of the unique characteristics of this crisis, where rolling restrictions create long term uncertainty.

Changes to lifestyle and livelihood are not fleeting reactions to a new concern but ones that suggest a longer term shift. For this reason we expect the sober tone of the pandemic to linger after the worst is over.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- Police phone lines swamped by people reporting their neighbours for Covid rule-breaking
- Smoking quitting up to ten year high
- Rise in rates of veganism and vegetarianism

Advancing Trends

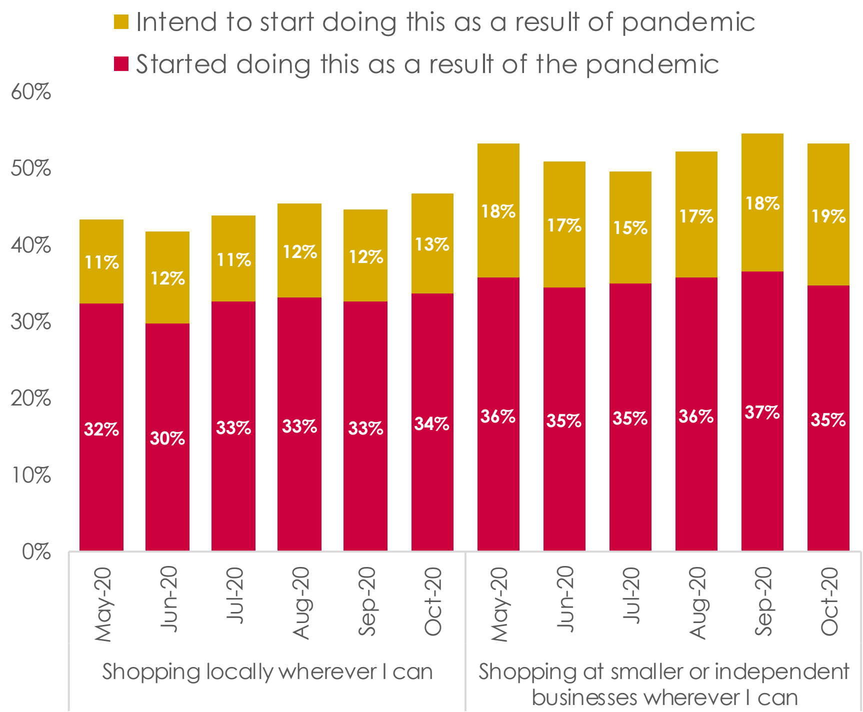
#6: Local Lives

More time spent at home means more reliance on and support for local businesses and community. What we value in places - and our value to our place - will change.

For as long as the pandemic continues, we will travel less. We'll not just spend more time at home, but more time in the immediate vicinity of our homes, villages, towns, suburbs and city centres. This can change our relationship to those places. Throughout this year, consumers have shown a greater inclination to explicitly support local and smaller, independent businesses; around a third say they have already started doing this as a result of the pandemic.

In the short term, this shift will be driven by changing working habits. Displaced working is a particularly powerful driver: we spend a third of our waking hours at work. City-satellite towns will find their midweek ranks swelled by displaced commuters: exercise, coffees, lunches, grocery shopping and wider leisure spending that was formerly office-adjacent is now more likely to take place closer to home. A more permanent shift to remote working might see significant numbers move even further afield, untethered from city centre working. Longer term, this could contribute to greater community involvement and activism, more dynamic town centres that reflect local character and more local ownership of assets.

This takes some cues from the New Morality trend, including the desire to protect the character and form of local areas, to support the little business over the big one and to focus on those issues on the doorstep at the expense of those further afield. This is a perennial trend, but one accelerated by the massive amount of extra time we will spend in our communities.



Trajectory Optimism Index 2020 (1,500 UK Adults per month)

The Trend in Action

- More consumers shopping locally
- Smaller towns and cities recovering much faster than major cities
- Commuters investing in their local areas

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This report was authored by Trajectory's Co-Founder and CEO, Paul Flatters and Managing Director, Tom Johnson.

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