

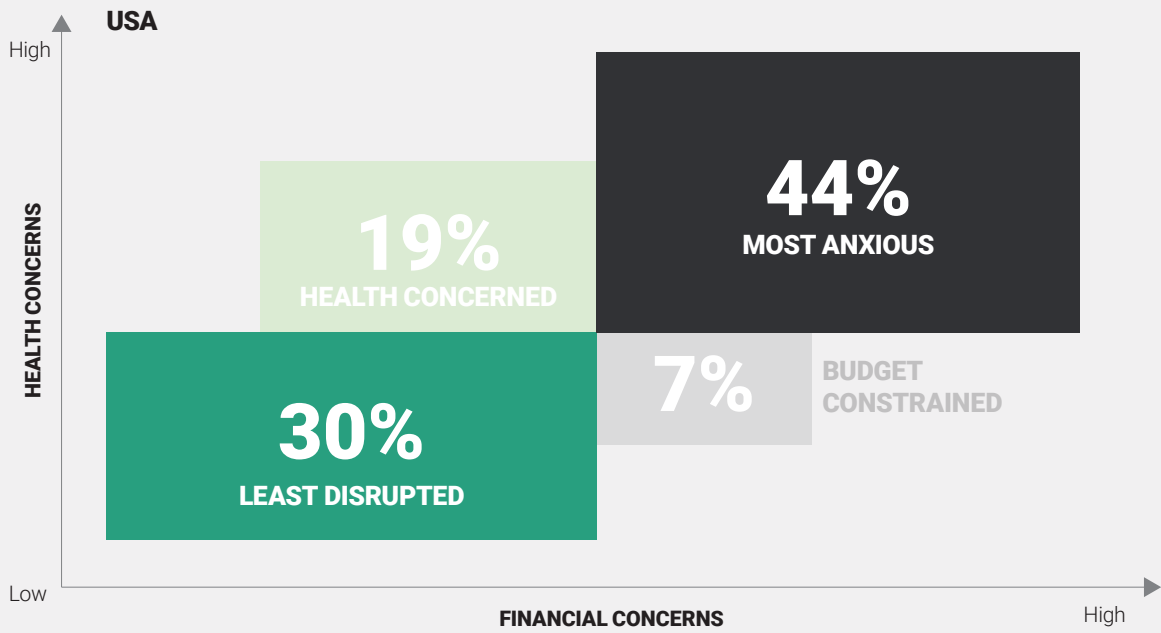
COVID-19 permanently changed
consumer habits

HOW CAN CONSUMER PRODUCTS COMPANIES SUSTAIN GAINS AND PIVOT TO GROWTH?

The disruption to life from COVID-19 has divided US consumers into two distinct groups with contrasting behaviors.

The largest group, classified as Most Anxious, has been affected by both health and financial concerns. They are likely to retain behaviors they adopted during the pandemic.

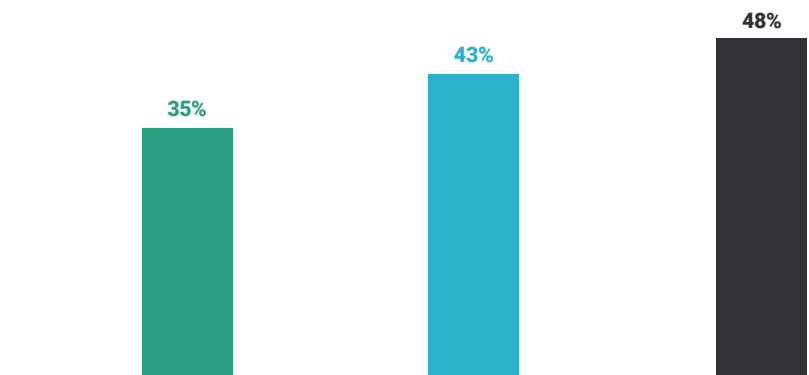
Conversely, Least Disrupted consumers are likely to largely return to pre-pandemic purchase patterns.



■ Least Disrupted ■ All respondents ■ Most Anxious

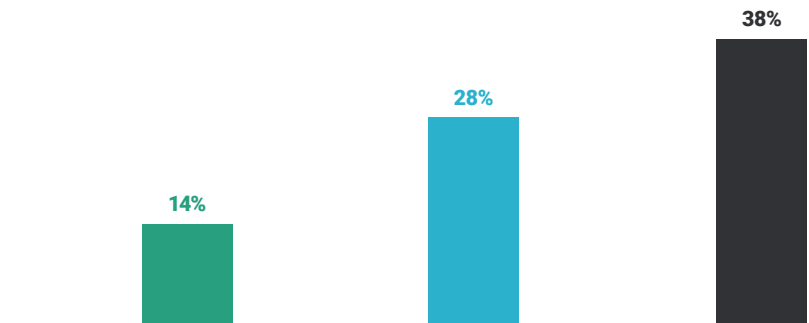
Most Anxious consumers are emphatically sticking to habits learned during the pandemic.

My buying habits have been permanently altered



Most Anxious consumers are overwhelmingly more concerned for the environment and how this affects them.

I have increased concern for the environment, and this has impacted my buying decisions

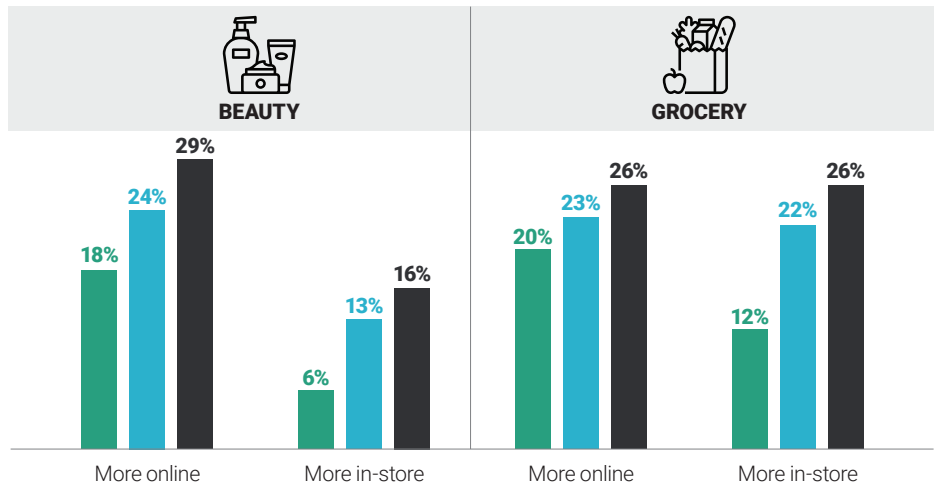


ALIXPARTNERS CHANGING CONSUMER PRIORITIES STUDY

■ Least Disrupted ■ All respondents ■ Most Anxious

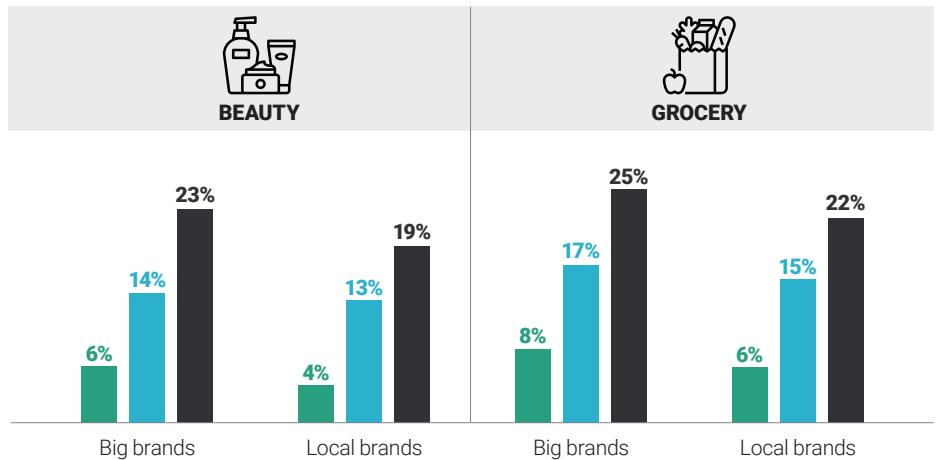
Most Anxious consumers are more likely to increase their frequency of online shopping.

Will be shopping more online, more in store



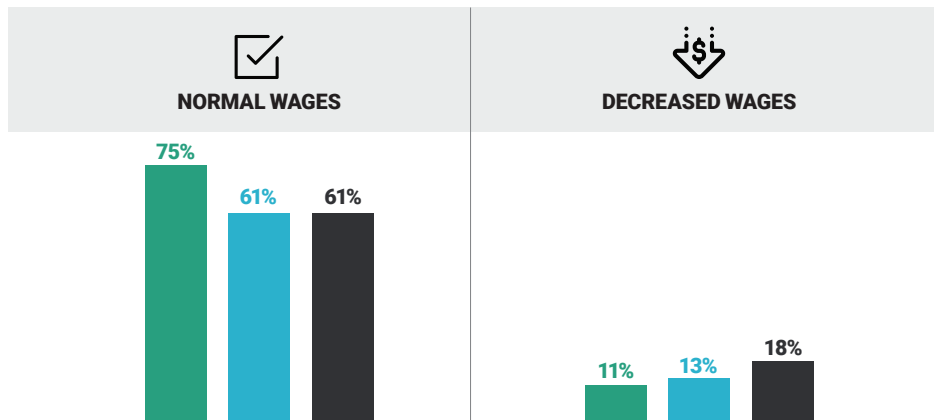
Most Anxious consumers have increased trust in both big and local brands much more than Least Disrupted consumers.

Have increased trust in big brands, increased trust in local brands



Nearly 1 in 5 Most Anxious consumers have lower income levels.

Still have my job, with...



Winning consumer products companies will learn the unique differences between these consumer groups and earn their business.

**LARGEST GROUP
IS MOST ANXIOUS
CONSUMERS.**

- For approximately 1 in 2 consumers, habits are most likely to be changing permanently across the board
- They are looking for trusted brands and healthy and environment-friendly products. They are also changing their channel preferences
- But financial constraints mean they will be on the lookout for value
- The challenge is to develop product offerings that meet **consumers' low price expectations** and provide safe access in the right channels

**SECOND LARGEST
GROUP IS LEAST
DISRUPTED
CONSUMERS.**

- 1/3 of these still say their habits have been permanently altered
- Less likely to emerge with increased interest in environmentally friendly products or greater trust in brands
- More consistently interested in increasing online vs. in-store shopping
- And have greater financial wherewithal to resume spending
- The challenge will be to take advantage of this group's pent-up demand while accelerating efforts to **enhance digital offerings**

For more information, contact:

Randy Burt
Managing Director
rburt@alixpartners.com

Brian Major
Managing Director
bmajor@alixpartners.com

Steve Cobrin
Director
scobrin@alixpartners.com

AlixPartners conducted an online survey January 11-30, 2021, and got responses from 1,018 US consumers aged 18 years or older across all genders, income groups, and education levels.

ABOUT US

For more than 40 years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

AlixPartners Consumer Priorities Study ("Article") was prepared by AlixPartners, LLP ("AlixPartners") for general information and distribution on a strictly confidential and non-reliance basis. No one in possession of this Article may rely on any portion of this Article. This Article may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. The information in this Article reflects conditions and our views as of this date, all of which are subject to change. We undertake no obligation to update or provide any revisions to the Article. This Article is the property of AlixPartners, and neither the Article nor any of its contents may be copied, used, or distributed to any third party without the prior written consent of AlixPartners.