



# Preparing for the new reality

**Session 5: Consumer and the new reality**

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15 July 2020



# Agenda

- Introduction
- Consumers and the new reality – Katherine Sachun, KPMG Nunwood
- Discussion with Danny Scott, CoinCorner, Chris Gledhill, PDMS and Katherine Sachun, KPMG Nunwood
- Questions and wrap up



Simon Nicholas  
Markets Partner



Katherine Sachun  
Insight Lead







# Consumers and the new reality

**Preparing for changing customer  
needs, behaviors and expectations**

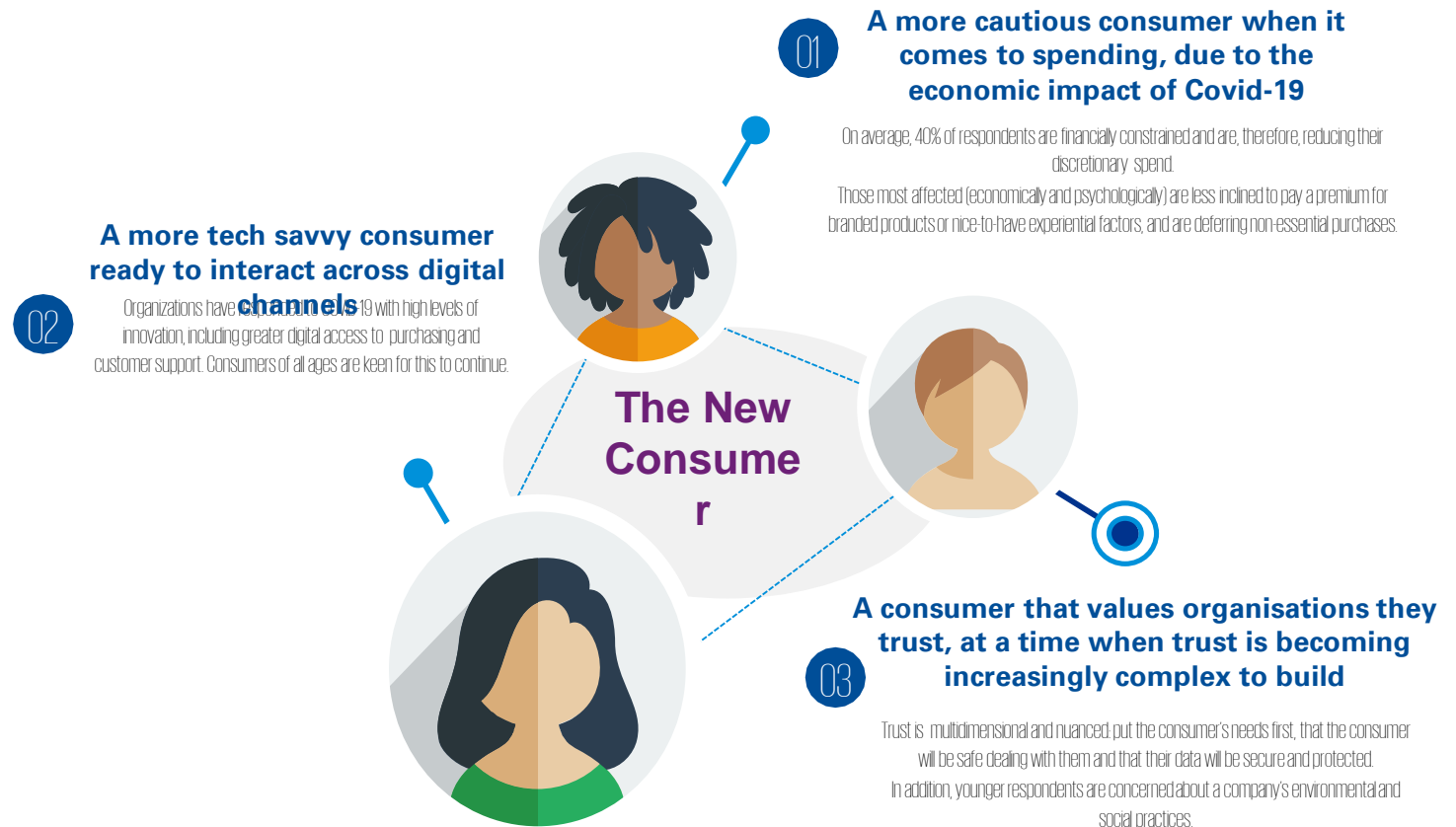
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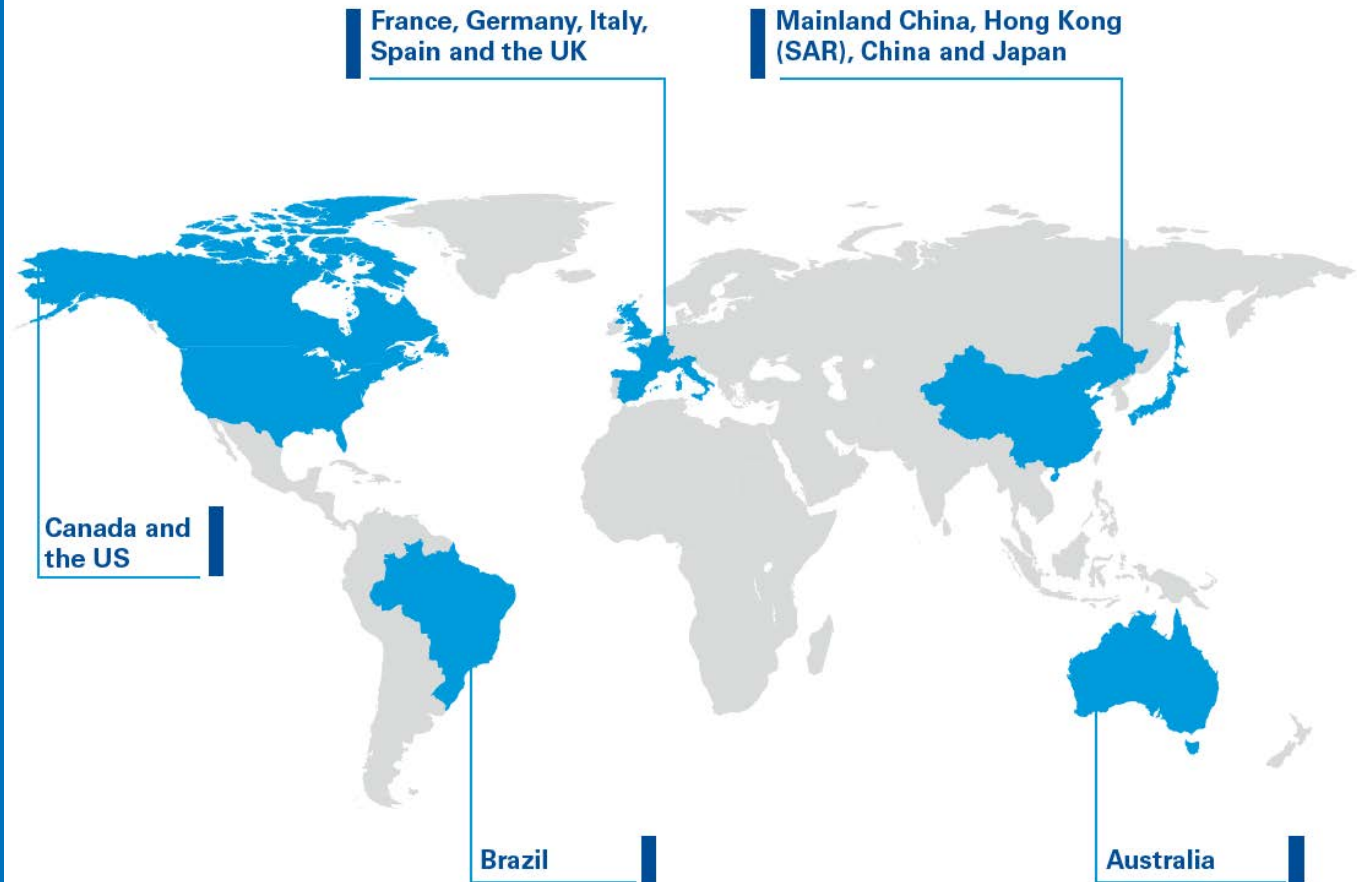
# The new consumer: financially constrained and more savvy

**Globally, a new consumer is emerging — one that is financially constrained but more advanced in their use of digital technologies and selective in their decision-making.** The new consumer also sees COVID-19 as an opportunity to reset values in the world



# Methodology overview

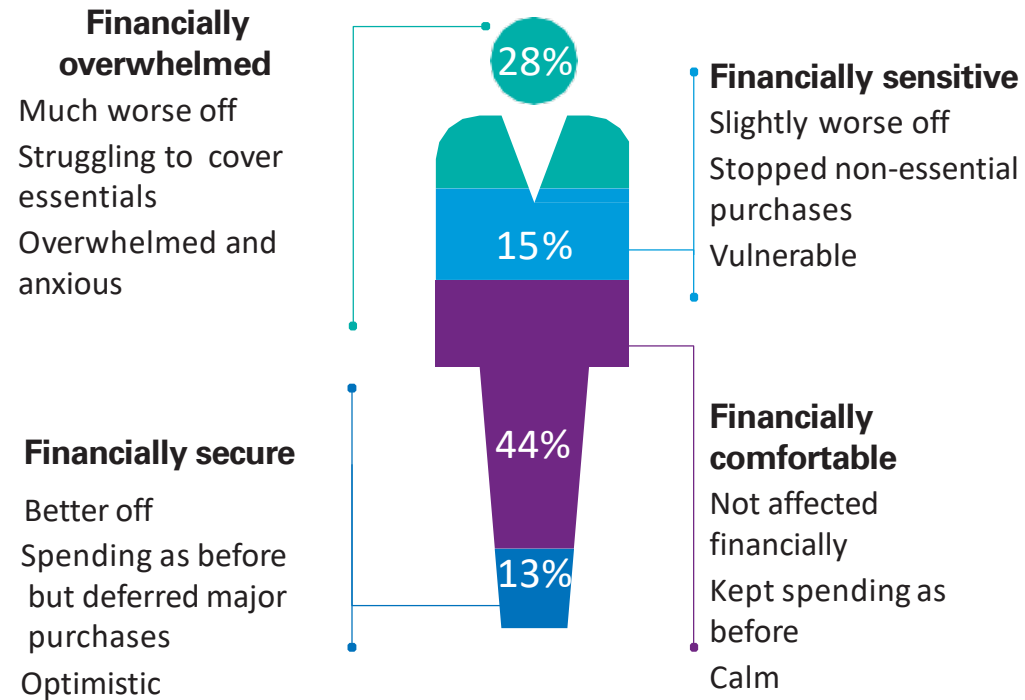
Understanding the lasting impact  
of COVID-19 on consumers'  
needs, behaviors and preferences





New segments  
emerge as  
attitudes shape  
spending

**Just over half of consumers feel financially comfortable or secure versus 43 percent who feel overwhelmed or vulnerable**

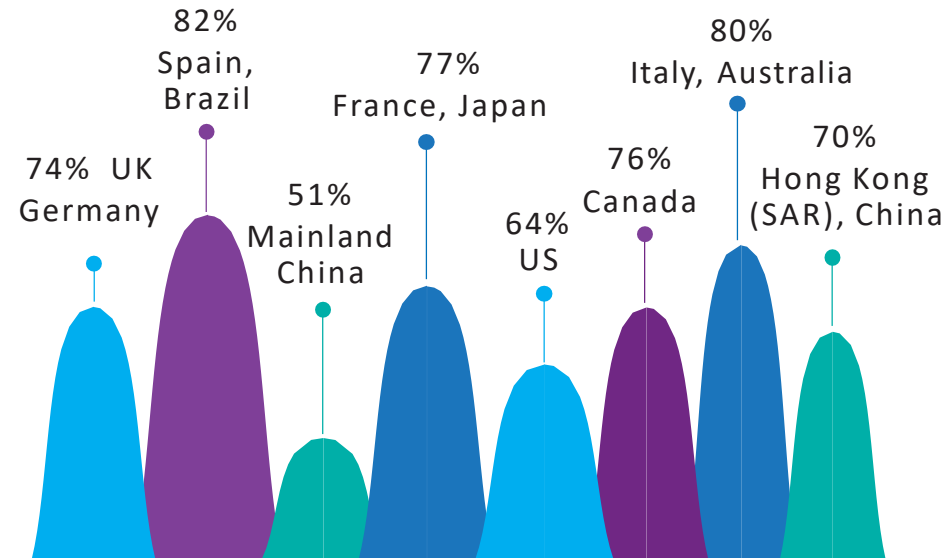


To what degree do you feel the COVID-19 situation is affecting your household finances?  
To what degree do you feel your spending behavior has changed vs. before? How do you currently feel about your financial wellbeing?

Source: Consumers and the new reality, KPMG International, June 2020

Value for money is the most important purchase driver

**63 percent consider it the most important purchase driver, with country variations**



Which of the following is important to you now when buying a product or service?

Source: Consumers and the new reality, KPMG International, June 2020

**Forty-seven percent say value for money is more important as a result of COVID-19**

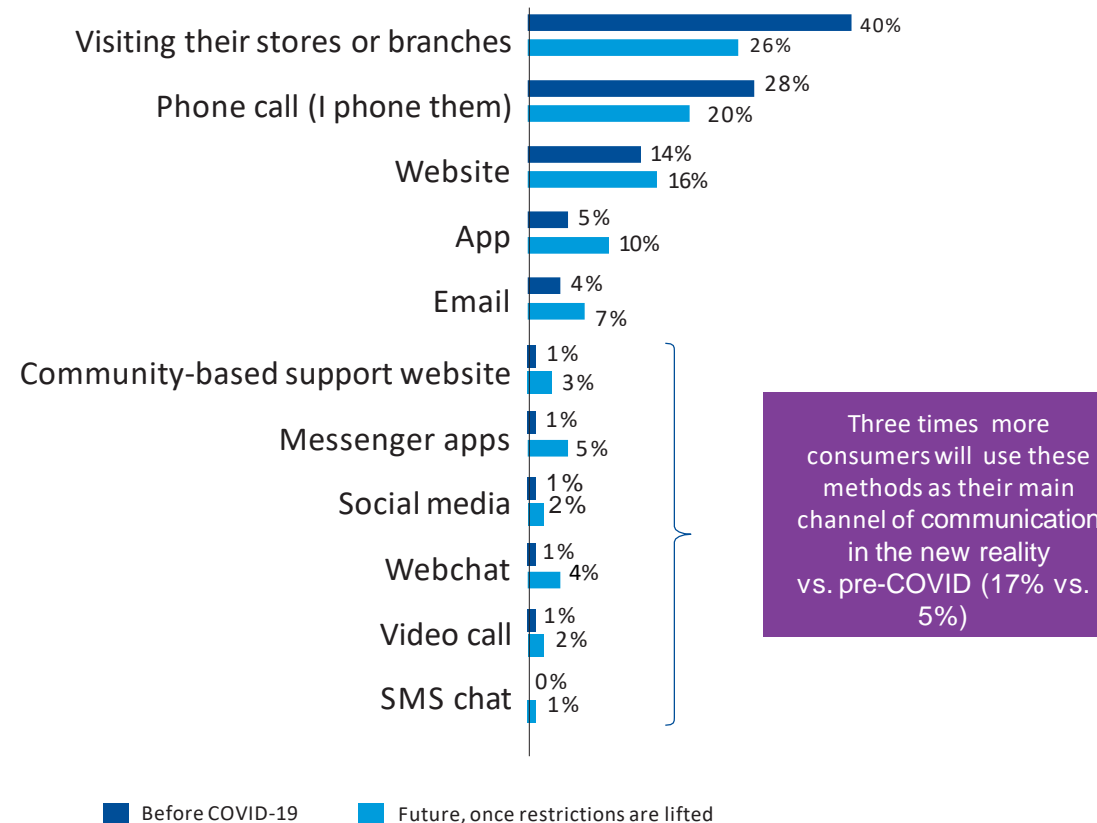
**Organizations will need to rethink their business and operating models.**

The consumer's search for value for money is much more than just short-term margin dilution. It is a fundamental change in purchase priorities and will be prevalent for 12 months or more.



# A digitally savvy consumer emerges

**In the future, the main channel of communication for customer support is likely to be increasingly digital, often with a human touch**

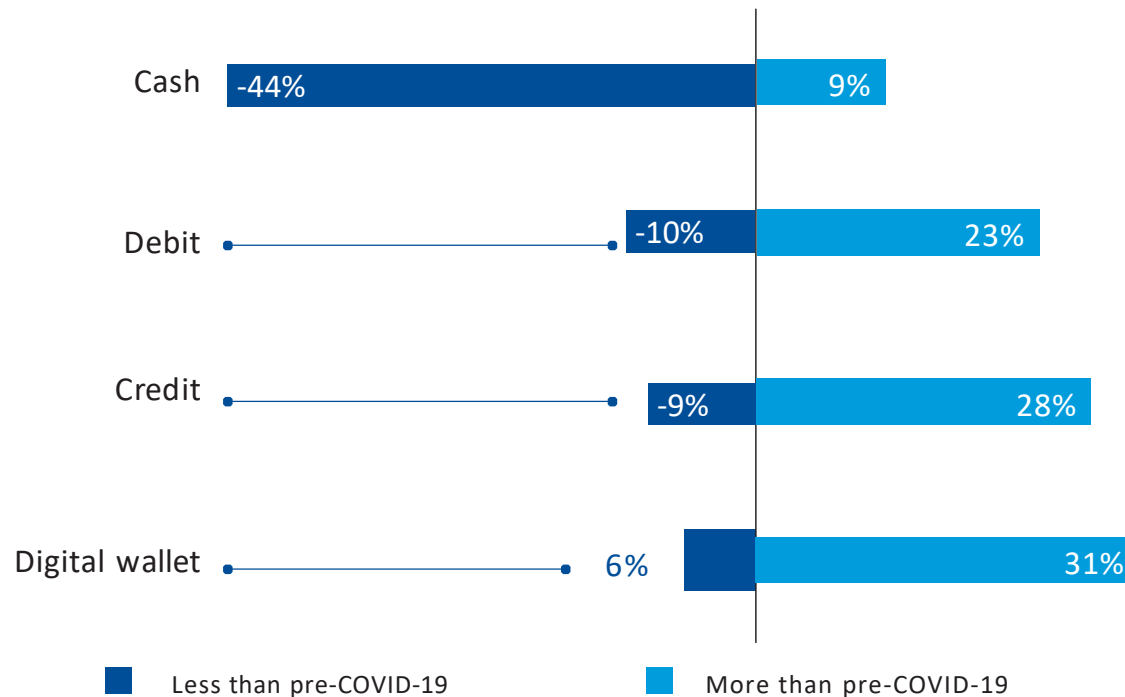


Consumers are now gravitating towards touchless shopping and contactless

**Organizations will need to invest in new digital methods of communication and payments.**

Organizations will have to consider releasing cash from existing channels and shifting into digital. Prioritizing digital security will be key.

**Consumers believe that they will use cards and digital wallet options more than cash for future purchases**



Respondents saying they would use each method the same as before are not shown

Considering your future purchases, do you think you will use cash, cards or digital wallets more, the same or less than before the COVID-19 situation? Please consider your future purchases once all restrictions are lifted

Source: Consumers and the new reality, KPMG International, June 2020

# Brand trust is multidimensional

Trust in the brand is associated with perceptions of safety, as well as an organization's conduct towards their community, employees and the environment



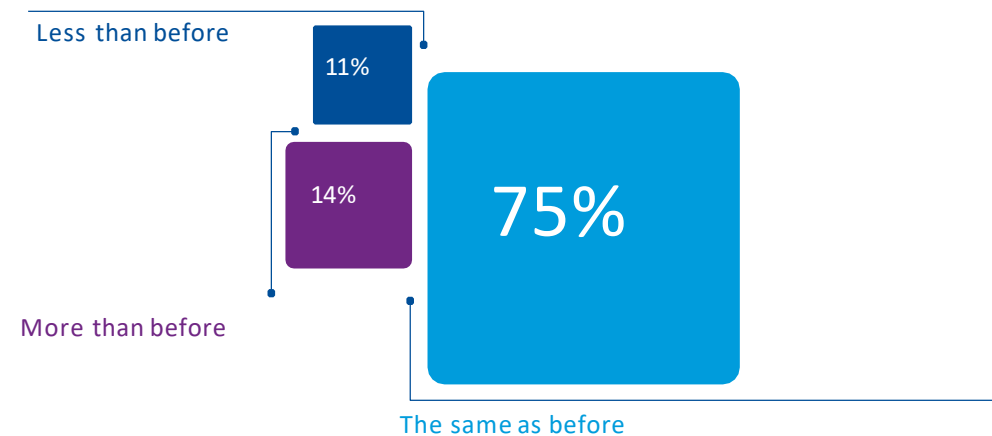
% is those saying more important

Thinking again about those same things, have they become more or less important to you as a result of COVID-19?

Source: Consumers and the new reality, KPMG International, June 2020

We saw a net increase in trust, with organisations putting customers and employees wellbeing ahead of profit

On balance, slightly more customers are trusting of organizations now compared with before COVID-19



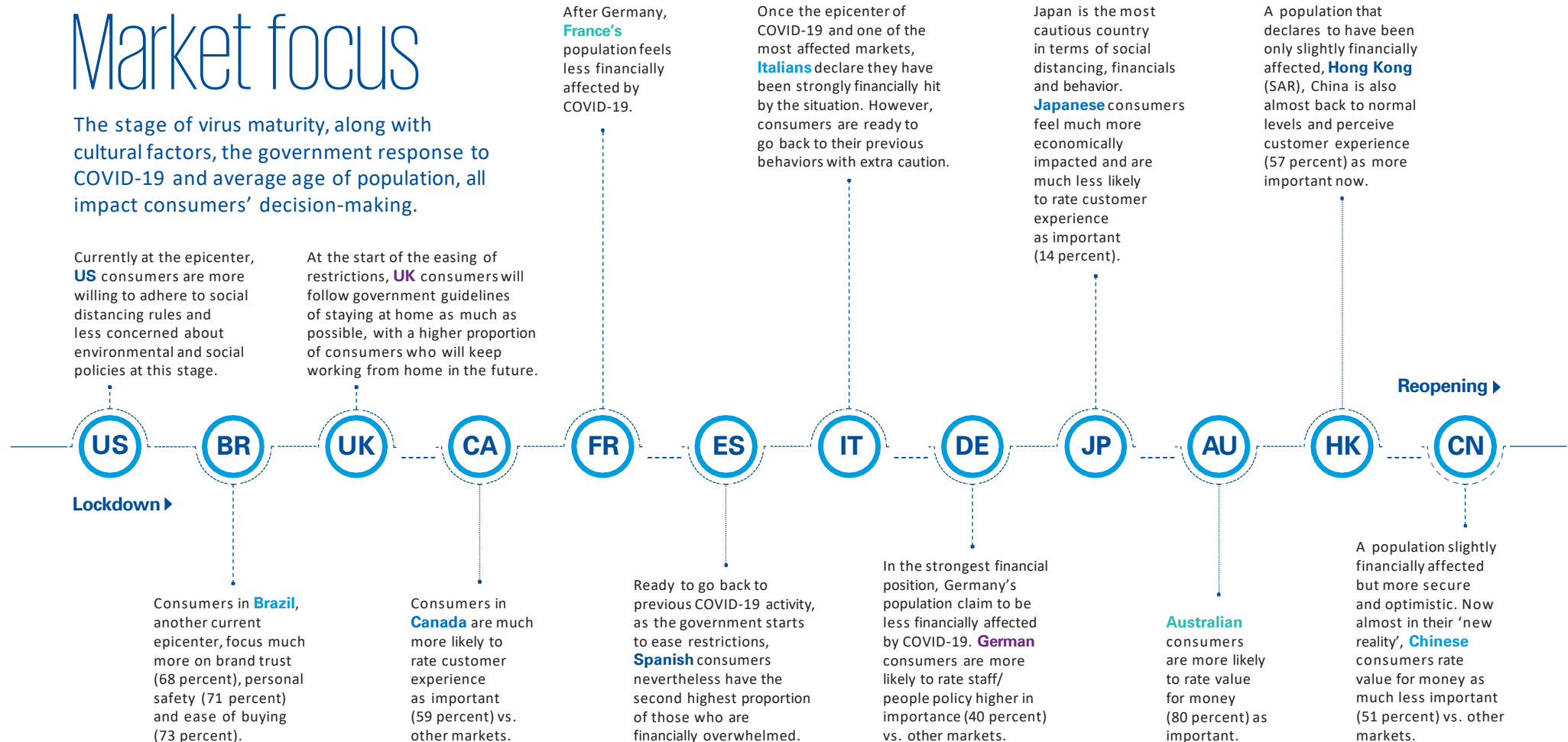
To what extent do you trust each type of company now, compared with before the COVID-19 situation?

Source: Consumers and the new reality, KPMG International, June 2020

**Organizations will need to review their sense of purpose and ensure it is aligned to the unique environmental and social impacts that the individual company can make.** Tight adherence to social distancing and personal safety will be demanded across every interaction. Organizations will need to identify where they can build trust and ensure that actions that erode trust are eradicated.

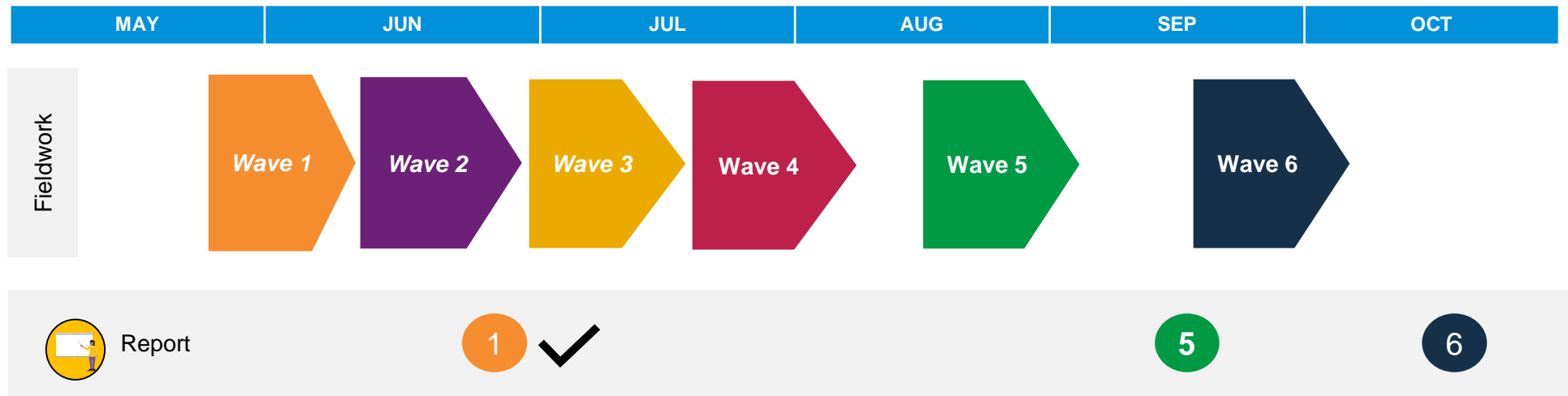
# Market focus

The stage of virus maturity, along with cultural factors, the government response to COVID-19 and average age of population, all impact consumers' decision-making.





## Timeline



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# Discussion

**Katherine Sachun, KPMG Nunwood**

**Danny Scott, CoinCorner**

**Chris Gledhill, PDMS**

**Moderated: Simon Nicholas, KPMG Isle of Man**



# Wrap up and questions

**Simon Nicholas - Markets Partner**





# Thank you



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