

# COVID-19 Weekly Insights Update

w/e 5<sup>th</sup> June 2020  
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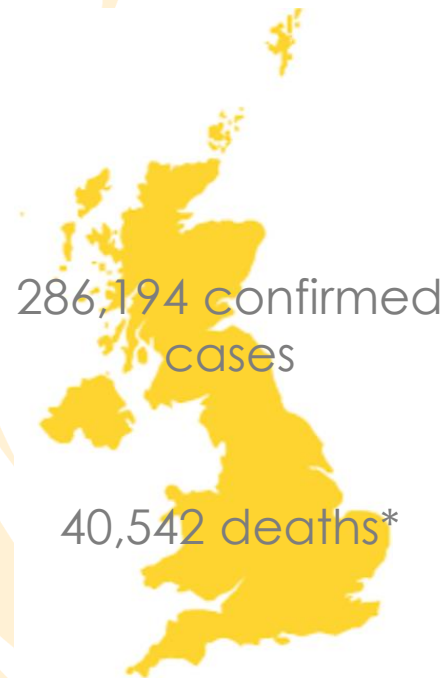


# Key take outs

- 1) **UK's coronavirus death toll** has passed **more than 40,000**. The UK is now the second country after the US in number of deaths. Fears of a second spike are growing after new Public Heath England figures show the virus could be growing exponentially in the northwest of England.
- 2) People's **level of concern remains high** and is now **predominantly economic**. Fears for the future are overtaking health worries.
- 3) **Despite the eagerness to return to OOH activities**, most people plan to avoid busy places and some will be cautious, taking things slowly due to **fears of a second wave**.
- 4) **Delivery** is likely to continue playing a key role in OOH, especially as consumers are wary of returning to re-opened pubs/restaurants right away.
- 5) Grocery retail stores around the world are evolving to **accelerate digital capabilities**.
- 6) **Food boxes** remain a popular Covid-19 initiative, with retailers now expanding their offerings from just essential products to more variety.
- 7) **Foodservice** operators continue to expand their services and to **focus on hygiene and social distancing**.

# UK infection rates spark fears of second wave

## The infection in the UK



Data from Public Health England (PHE) released on Friday 5<sup>th</sup> gave an R value of 1.01 for the North West and 1.0 for the South West, with all other regions below 1.

If it is 1 or higher, the virus will spread exponentially through the population, while a value less than 1 indicates the virus is in decline.

### Worldwide >7.1M confirmed cases / >406,000 deaths

- Fears of a second coronavirus spike grew after new PHE figures showed the virus could be growing exponentially in the northwest of England.
- As a result, more schools abandon plans to reopen.

Source: Gov.uk & Worldometer as per 8/6/2020; BBC news

\* Covid-19 associated deaths, not just in hospitals

## Coronavirus developments last week

- The **UK's coronavirus death toll** has passed **more than 40,000**. The UK is only the second country - after the US with 108,000 deaths - to pass the milestone.

- From 15/6 the wearing of **masks** will be mandatory **on public transport**



- **Sunday trading hours** could be scrapped for a year to help the economy recover from the coronavirus crisis.
- From 8/6 people arriving in the UK by plane, ferry or train need to self-isolate for 14 days, including UK nationals
- MPs' seven-week summer holidays could be cut by 21 days in order to get Brexit and coronavirus legislation through Parliament.
- Leading scientists demand Boris Johnson hold **inquiry into coronavirus mistakes**. They want to identify the mistakes that undermined the fight against coronavirus before the feared second peak.

Source: BBC News & The Telegraph, 6/6/2020

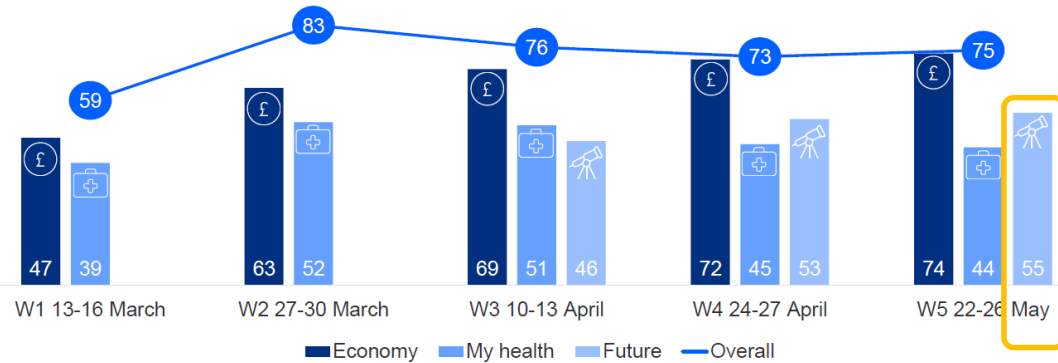


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# Fears for the future overtaking health worries

Level of concern remains high and predominantly economic

Evolution in concern: UK percentage



- Overall sentiment is one of uncertainty with an overriding desire to return to 'normal' life
- Concerns around inefficient management and lockdown disobedience are eroding trust in government, leading people to look elsewhere for leadership – everyday heroes and the private sector

Top of mind worries

## 1. Family



- Worrying about loved ones and when we will see them again
- Loss of social interaction and wish to see friends and family

## 2. Money



- Loss of work and income causing stress
- Uncertain futures for those furloughed and for the country facing recession
- In face of uncertain future focus on less spend and saving

## 3. Health



- Focus on mental wellbeing vs physical, unless there is an existing health condition
- Polarised coping mechanisms – some bingeing for comfort and to alleviate boredom, others exercising more and cooking healthy meals from scratch

# What people are most looking forward to doing after lockdown

## 1. Night out / Pub / Drinking with friends

The phased release from lockdown could be a party pooper, but on-trade should expect a significant bounce back. Pubs with beer gardens should expect to see more visitors as social distancing rules will favour premises with more space.

## 2. Festivals and gigs

Many more people are craving live music. Experiencing one's favourite band live or going to a festival is high on people's to-do list.

## 3. Pampering

The most anticipated activity after week one is now 3<sup>rd</sup>. Once restrictions are lifted hairdressers, spas, beauty salons and masseuses will see a boom in business. With social distancing rules, mobile services will probably benefit.

## 4. Travel

Many more people are starting to think about their next vacation. Travel has shot up the list from 8th to 4th place. As the reality of restrictions sink in, the types of trip people are talking about has changed.

## 5. See loved ones / friends and family

More people simply want to see friends again or give their parents, grannies or grandpas a hug. Houseparty, Zoom and WhatsApp are good enough for now, but we miss face-to-face interaction.

## 6. Sporting events

With loyal fan bases, most sports will experience a bounce back, but restrictions on large gatherings will see stadiums empty for some time. This has implications for sponsorship, as big games may be played behind closed doors for a while. Until then, some people are taking to watching replays

## 7. The Outdoors

Safe social distancing activities such as going to the beach, fishing, walking and hiking could prove very popular after lockdown eases. With picnics set to be allowed again, brands should be ready to harness that potential opportunity.

## 8. Eating out

Many people want to head straight to their favourite restaurant, although this activity has dropped from 2nd to 8th place in the list, may be because of the increase of foodservice delivery – in the UK, there were 22 million more delivery occasions in April than in March.

## 9. Retail therapy

Some people can't wait to physically shop once quarantine is over. Search data suggests DIY and Garden Centres are going to experience a significant bounce back. It appears spending more time at home has given rise to more interest in home improvements and activities such as growing vegetables.

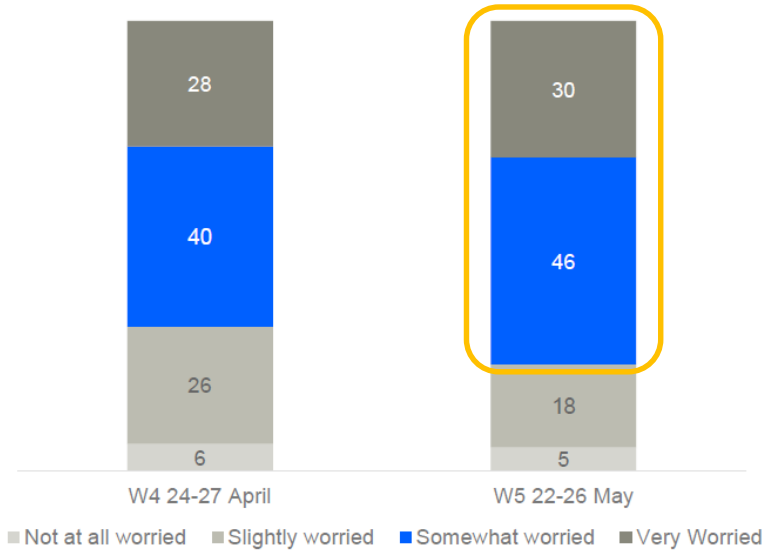




# People are eager to return to OOH activities but fears of a second wave are rising

## As restrictions loosen, fears of a second wave are rising

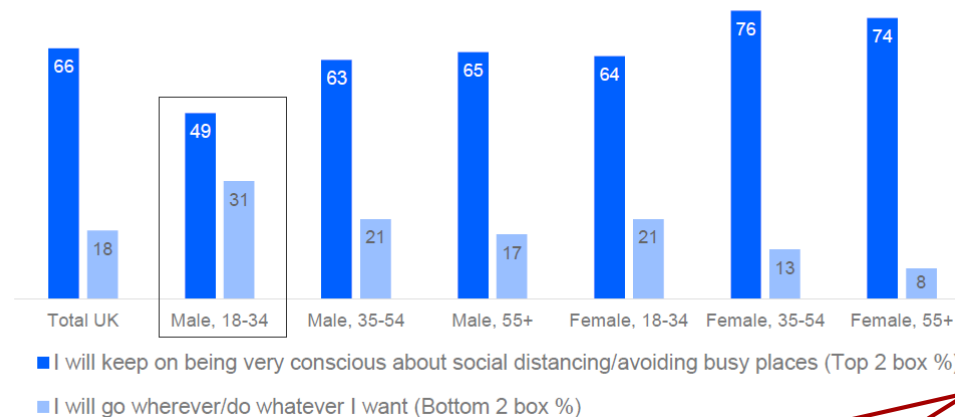
Once this emergency phase is over, how worried are you that a new, similar critical period will come back in a few months?



Caution is underpinned by continued uncertainty around the future of wealth, health and social interactions. Some need reassurance, others are 'waiting and seeing'

## Most people plan to avoid busy places as lockdown is lifted

Once lockdown is over...



"Won't go into crowded and busy restaurants"

"Won't queue for just a sandwich at lunchtime when back at work as don't think it's vital so will take my own food for a while"

"I will see how things go and make decisions based on what is safest for my family and for others"

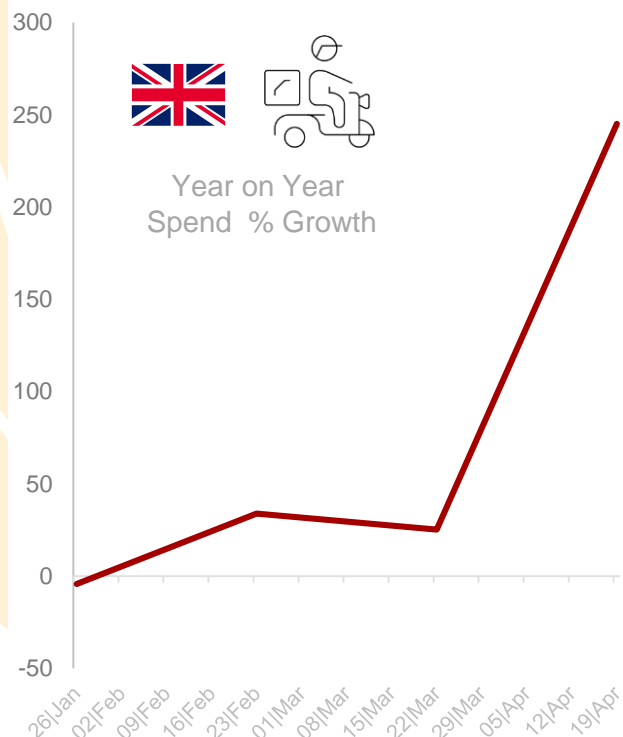
"Will be wary about being with lots of people"

- Very quick return to Home & Garden retailers, not so quick for food service
- **Young males** the **most eager** to go and do what they want
- Half of consumers would be comfortable going to a **restaurant or bar** just over a month after restrictions are lifted
- It would take 2-3 months for half of consumers to return to the **cinema** and 4-5 months for **international travel**

# Delivery likely to continue playing a key role in OOH. Grocery retail stores around the world evolving to accelerate digital capabilities.

By choice or necessity Home Delivery has the potential to be a more permanent change for OOH

Home Delivery Spend % Growth YOY - UK



Source: Kantar, UK OOH Panel, 03.06.20

Case studies from around the world: Accelerating online capacity and digital contactless solutions

**Hypothesis:** In the short-medium term retailers will use stores better to increase capacity for online orders, while digital initiatives such as in-store apps, cashless payment and the use of robotics will accelerate...



Space for online fulfilment



**Franprix (France)** transformed several of its stores in Paris into micro-fulfilment centres. Stores are closed during the morning to enable staff to prepare orders. Click & Collect and home delivery, in partnership with delivery specialist Stuart, are available.



Click & Collect capacity



**Target (US)** is planning to create additional car parking spaces and expand the staging area for orders to support the growth of its Drive Up service. In April, sales through the service increased 1,000% vs. last year, serving more than 5m shoppers in Q1.



Store-based apps



**Woolworths (Australia)** launched a new app for its Rewards loyalty scheme. The app allows members to activate bonus point offers, discover personalised special offers, and scan their digital loyalty card in-store.



Cashless payment / Scan & Go



**Asda (UK)** was in the process of rolling out its Scan & Go app, however the pandemic has seen the retailer accelerate this. Having originally been in 60% of stores, it is now in all 581, allowing customers to scan and pack their groceries as they shop, and pay on their mobile phones.



Automation and robotics



**Central Food Retail (Thailand)** is using a UV-C Disinfection Robot in its Central Food Hall store in Chidlom, Bangkok. The robot operates while the store is closed and emits 360-degree UV-C light to disinfect areas and destroy 99.99% of all pathogens.

Source: IGD Post-coronavirus agile and flexible store formats, June 2020



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# Retailer news w/e 5th June

## Supermarkets & Discounters:

**UK supermarkets:** Facemasks are set to become commonplace on supermarket shelves within the next three weeks



**Tesco** is continuing its expansion of discounter Jack's estate; revealing plans to launch its 13th Jack's store, as the supermarket continues with its plan to take on the discounters.



## Convenience & Wholesale:



**Costcutter** has expanded its free online coronavirus support package and made it available to all independent retailers to help them support their local communities. The online resource now includes guides on home delivery and call & collect on its dedicated website [freshstart.costcutter.co.uk](https://freshstart.costcutter.co.uk).

**Central England Co-operative** is rolling out a new phase of social distancing measures across its stores. Permanent hand sanitiser stations have been installed at the front of all the society's 430 stores as part of the move. A one way system is also in place, with signage and stores reformatted to aid the new measures.

**The co-operative**  
Central England Co-operative

## Online:

**M&S** has expanded its food box range due to soaring demand – adding three new options to its range of now 10 boxes. Demand for the boxes has been so strong that some variants have sold out in recent days, according to M&S. Since the launch of the online service in March, 146,000 boxes have been sold.



**Morrisons'** new telephone shopping service, set up to help families without access to online deliveries, has received 100,000 orders in its first two months.



**Morrisons** has expanded its food box range with a vegan option. The retailer said the box had been created in response to requests from vegan customers following the launch of Morrisons' other food boxes, and would be enough to feed two people for a week.



Sources: The Grocer; HIM/MCA Trade Response; Various Retailers



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# Foodservice continues to adapt to the post-Covid-19 reality

Operators continue to expand service and to focus on hygiene and social distancing



- Last week reopened 700 of its 950 stores in the UK&I
- As well as delivery and drive-thru, over half of the estate is now also open for takeaway after they implemented a series of measures to ensure the safety of staff and customers



- Camden Market reopened with 80% of its F&D traders.
- A series of measures including a strict one-way system, frequent hand sanitiser stations and customer volume limits have been put in place.

## LOUNGERS

- Plans to reopen the majority of its Lounge and Cosy Club sites in July
- Currently has 17 sites offering a takeaway service, with a further 10 opening w/c 8/6
- Planning revised layouts and removing surplus furniture from its sites to accommodate as many people as possible
- Will trial order-and-table technology, a reduced menu size and an entirely cashless payment system

## the restaurant group plc

- The Restaurant Group is to permanently close between 100 and 120 of its leisure brands sites
- The group plans to close a large number of its Frankie & Benny's restaurants. Garfunkel's and Coast to Coast will also be affected





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Our food, beverage and nutrition experts and the entire Nestlé Professional team are available to help and support you during this extraordinarily difficult time.

Please get in touch by phone: UK: 0800 745 845, ROI: 00800 6378 5385  
(9am - 5pm Mon-Fri) or email us at: [learn.more@uk.nestle.com](mailto:learn.more@uk.nestle.com)



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