

# CREATIVE SOUL



## COVID19 - CONSEQUENCES ACROSS INDUSTRIES REPORT

THERE MAY BE NO “NEW NORMAL” OR COMPLETE RE-SET - A CHANGE IN MINDSET IS NOT GUARANTEED, HOWEVER NECESSARY IT MAY BE.

THE WORLD WILL SLOWLY RETURN TO THE FAMILIAR, WITH NEW FOCUSES ARISING.

THE NEW FOCUSES WILL REFLECT HEAVILY ON TRAVEL, THE WAY WE DO BUSINESS, HOW WE SHOP AND ENGAGE WITH EACH OTHER.

NEW PROCEDURES AND INNOVATIONS HAVE OPENED UP NEW SCENARIOS AND THESE WILL BE INTEGRATED .

HOWEVER, IT WILL NOT BE ALL ONE WAY. DUALITY AND BALANCE IS NEEDED, AND CAUTION WILL BE PARAMOUNT – eg REMOTE WORK WILL BE BALANCED BY THE NEED TO RECONNECT – TECHNOLOGY WILL BE BALANCED BY THE DESIRE FOR PHYSICAL INTERACTION AFTER SOCIAL DISTANCING MEASURES.

IF ANYTHING, WE WILL SEE A STRONGER FOCUS ON POLAR OPPOSITE SCENARIOS COMING TOGETHER TO CREATE A NEWLY BLENDED SOCIAL LANDSCAPE.

CONSOLIDATION AND COOPERATION ARE GOING TO BE KEY DRIVING FACTORS POST COVID19.

WHAT IS CERTAIN? DEALING WITH COVID19 AND ITS AFTERMATH IS THE NEW IMPERATIVE, HERALDING THE NEED FOR A RESTRUCTURING OF THE GLOBAL ECONOMIC ORDER.

**READ ON FOR A BREAKDOWN AND ANALYSIS PLUS A WHERE TO NEXT PROGNOSIS FOR YOUR BUSINESS**

## COVID19 > CONSEQUENCES

- While we might not know at the moment exactly what is going to be the reality post pandemic, we do know one thing for sure – that our reality will differ.
- The Macro trends that were already forecast and anticipated : eg sustainability, slow fashion, trans-seasonal, cocooning, healthcare, robotics and AI etc. – have simply been accelerated.
- The pandemic has already released a new era of innovation. While innovations such as remote work or online medical diagnosis were already in the making, the onset of Covid19 has seen them brought to market at an accelerated pace.
- Once infiltrated into our minds and systems, they generally remain.
- The onset of physical distancing on a global scale will have a lasting effect. Our habits, mindsets, economies and health will all be affected.
- New growth areas will arise, and some old ones will be depleted or made redundant.
- Digital will be at the forefront and businesses need to get on board and fast. However, while digital content creation is tipped to be the primary mode of brand interaction, digital channels can be less profitable than physical retail so a balanced model - digital integrated with customer experience is needed.
- Post-pandemic - health scrutiny and disinfection will remain one of the world's highest concerns.



*“Many short-term emergency measures will become a fixture of life. That is the nature of emergencies. They fast-forward historical processes. Decisions that in normal times could take years of deliberation are passed in a matter of hours.”*

*Yuval Noah Harari, Author and Historian*

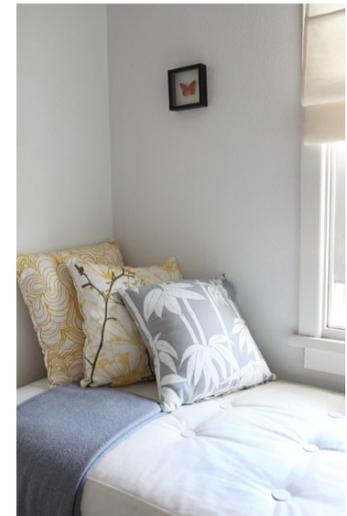
- New work
- Slow fashion & change in fashion seasons
- Re-sale market (vintage/secondhand)
- Virtual events
- Virtual Reality
- Online courses
- Online coaching
- Online schooling
- Digital & new digital shopping experiences
- E-Commerce
- Brand collaborations & mergers
- Non-Travel - Staycations - #vanlife - camping -short stays
- Eating In (and delivery)
- Sanitization
- De-urbanization



*“Consumption is driven by very strong motivations, like emotion, identity, and social connection. Those motivations aren’t going anywhere. But the values, habits, and norms that shape what we consume and how we consume could shift dramatically.”*

Erica Carranza, Ph.D. and vice president of consumer psychology  
at research firm  
[Chadwick Martin Bailey](#)

- The focus is shifting back towards the home as a sanctuary, safe place.
- Enforced cocooning heralded a rise in DIY home makeovers and home improvements with the focus on creativity and DIY set to remain as economic burdens impact households.
- Trends towards in-home services will rise.
- Products centering around the kitchen will be key, as the focus on food and home entertaining ascends post Covid19.
- The return of the pantry and cellar as integral to modern interior designs as a result of the forced focus on staples and longevity for food sources.
- Restaurants and bars will think in long-term revenue streams and evolve propositions to service customers at home. dining areas gained Bathrooms sanitation
- Offices and gyms or fitness stations in homes will be the growth areas in interior design.
- Work areas and office accessories for the home are predicted to be a large growth area for home interiors (forecast SP Trend Intelligence 2015).



- Searches for recipes, online cooking classes and baking (particularly bread) spiked as people filled their quarantine time creating meals.
- Downloads of the top five recipe apps more than doubled in February to 2.25 million from January's 1 million, according to research firm Sensor Tower.
- Using fewer ingredients became a core consideration and will be reflected by a change in our eating-out options.
- Home-cooking or dining options, emulating back to basic food fare, were already ascending with the slow food movement.
- Comfort food and baking become activities.
- Plant-based food, and vegetarian/vegan options already propelled forward by sustainability initiatives will continue to ascend as the meat industry takes a hit with Covid19 and the wet market implication for the food sector.
- During Covid19 restaurant chains shared their “secret” recipes for consumers to recreate at home – this leads into the new collective/co-sharing sentiment where collaboration and coming together are key.





- Historically, personal care and cosmetics weather economic downturns.
- The lipstick effect during times of economic downturn will return post Covid19, with beauty companies already creating coveted collections.
- At-home treatments – face masks, hair masks, body treatments etc. rose during isolation, as an affordable form of pampering and nurturing. These trends will continue to influence the beauty market.
- Nail care and DIY nail art searches rose, attributed to the rise in screen time with the hands generally in view - and not least because nail polish is an affordable tool for self-expression.
- Hand cream mask sales also rose due to drying effects of hand sanitizers. Google data shows that searches for lotions with hand sanitizers spiked 1,400% in the March.
- Hygiene will be elevated after Covid19 – sanitation, personal care, Hand lotions etc. as standard beauty products for daily care.



- Jewelry sales are predicted to rise as the onset of remote work, video conferencing and Zoom calls etc. becomes standard.
- Rings and earrings are predicted to be the top sellers as attention on our face and hands becomes heightened during video calls.
- Statement necklaces are also forecast to enter the arena as “above the keyboard” dressing becomes standard.
- Details will be the differentiator, lines between accessories, jewelry and trims blur with versatile and detachable components a core consideration.
- *“Embellishment will remain relevant, but as sequins and glitter come under scrutiny, ensure decorative applications are made to last by using recycled materials, plastic alternatives and recycled glass beads.”* (WGSN Buyers Briefing SS21)
- Masks will become fashion accessories - practical and decorative - to complete a style, as sunglasses currently are used for.
- Sunglasses, hats, and headwear accessories will rise attributed to “above the keyboard” dressing.
- Handbag market is predicted to downturn.



- New office spaces in the home open up new décor opportunities. People will increasingly look for office décor that is more friendly and more design-inspired to integrate into their home.
- The rise of home office and remote work will see different work formats evolve for many companies, but there will be a balance between home and office as people desire to connect and interact.
- Open plan offices will be reconfigured and solo cell or temporary surrounds/cubicles will be constructed for desks immediate post Covid19.
- Hot desking is predicted to be eradicated immediately post Covid19.
- Conferencing technology such as online meetings Zoom etc. will be further implemented as standard company practices.
- Business travel will slow down – due to closed borders, environmental impact and budget cutting – resulting in an increase in webinars, online presentations, virtual events and online meetings.
- Need for interaction became highlighted during extreme isolation. Issues arise from home office – scenarios: extended hours, always online etc. Office parameters will need to be set as “productivity porn” became an issue with endless ways to be productive promoted on social media.

*“While the luxury industry has been leaning into wellness and environmental sustainability as macro-trends shaping the future of the luxury market, wellbeing is going to be the emerging macro-trend that will subsume wellness and sustainability as micro-trends within it.”*

Pamela N Danzinger. ([www.forbes.com](http://www.forbes.com))



- Wellness and exercise at home became a major topic during the pandemic with gyms, fitness centers, trainers etc. offering online course and experimenting with hosting workouts via Instagram Live for example, to keep their members fit while they've been confined to their homes.
- With the exponential rise of on-line exercise classes – wellness and exercise areas at home will gain traction.
- In March 2020, e-commerce sales for home fitness equipment in the US alone jumped 55% over a 5 day period.
- Exercise and mental wellbeing will become further entwined.
- Rise of ecotherapy – nature base programs to help mental well being.
- Mental health will continue to be a huge focus as isolation has ramped up depression – in-home workouts and wellness offerings will be designed to counteract this.
- Meditation classes, yoga, wholistic programs or one-on-one trainings will rise for more affluent.
- Wellness and its focus, will be the new luxury arena with strong consumer buy in.

- Since 2014, SP Trend Intelligence has been highlighting the “buy less, but better” mindset with the rise of Millennial and Gen Z and their focus on sustainability – this will now come from an economic necessity as well.
- Comforting designs that help people to cope with post-traumatic stress will stand out.
- Pure, calming, positive and restorative colors will come to the fore as people prioritize comfort and wearability.
- Increased demand for daily necessities, driven by the pandemic, has also led to decreased interest in paying for dispensable items.
- Cautious future consumers will be more inclined to pay for quality and longevity.
- Key piece culture – as predicted in our 2018 trend directions - will be at a premium.
- Protective materials will become central.
- Functional and protective designs will be apparent – anti bacterial, anti viral, - utility, protective elements.
- Although online sales experienced a surge during Covid19, despite the uptick, 44 percent of US and European consumers expect to decrease online purchases overall.
- Recent studies showed that 49 percent of consumers globally expect to decrease offline purchases as of April 2020.



- As a counter trend, and on the polar opposite spectrum, energizing brights and playful prints will evolve
- Versatility in designs will amp up and the flip side of prolonged isolation - the desire to get dressed up and go out - will result in extreme individuality, and a new dressing-up ethos to counter the isolation blues.
- Color will re-emerge for a sense of uplifting, fun and joy after the desolation of isolation.
- Luxury fashion tends to outride recessions, but spending will be circumspect as post pandemic lavish spending will be curtailed.
- Investment pieces will be the big winners.
- “The opposing themes — investment purchases and escapism — indicate the consumer is focused on his or her finances, “but is also making some emotional purchases and eager to have a bit of fun with her fashion when we’re through this.” Lisa Aiken Modus Operandi (wwd.com)
- Online purchasing was still relevant, with recent surveys finding that consumers were more likely to spend money if they knew it was going to support a good cause. (wwd.com)
- Covid-washing or opportunism is a definite no-go.



- Covid19 has already ushered in a global recession, with fashion one of the more vulnerable businesses due to discretionary spending.
- Discussion around re-setting the fashion chain entirely is ambitious (no matter how necessary) and will only be maintained if the entire sector has buy-in.
- *“With luxury being the most discretionary of all consumer purchases, it was the first consumer segment to suffer cutbacks due to the coronavirus and is shaping up to be the last one that will recover.”* Pamela N Danzinger. (www.forbes.com)
- Pricing wars are on the horizon – however the danger lies in discounting too much to undercut the value amid stockpiling inventory.
- Local and slower – Fast Fashion’s dependence on global networks meant needing materials from other supply chains and companies as well as having a high rate of stock turnover was a disadvantage.
- If entirely local is not an option – diversification in supply chains has proved to be a definite necessity.
- As noted by SP Trend Intelligence from 2014 onwards - fashion cycles were simply unsustainable, regardless of a pandemic. The enforced slowdown, in our opinion, was always going to happen, if not solely for sustainability reasons. The forced slow down will come now because the lower to middle income groups will no longer have economic means for “throwaway” fashion.
- Middle market will be the hardest hit – considered offerings from fashion houses will need to be determined, for example collections that interact with each other or tip over into the next collection – even if a collection occurs only once a year.
- Covid-washing became a thing. Opportunistic brands will incur further damage: According to an Obosco (l’Observatoire Société et Consommation) survey, *63% of consumers confessed to losing trust in brands that 40% consider « opportunistic »*. (Carlin-creative.com)

- On-line is ahead: *“Early indications from China, for example, are that new customers and markets specifically individuals aged 36 and over and residents of smaller, less prosperous cities - have begun to shop online in greater numbers. In Europe, 13 percent of consumers said in early April that they were planning to browse online e-tailers for the first time. In Italy alone, e-commerce transactions have risen 91 percent since the end of February.”* (mckinsey.com)
- Fashion giants and fast fashion outlets proved less agile and adaptable during Covid19 than smaller, local companies due to supply chain disruption - closer to home appears to be the big winner.
- Change in fashion seasons – no season fashion – catwalk calendar will be upended and transformed.
- Business model needs to be rethought with continuing demand for more responsible and ethical supply chains.
- For the luxury sector - free time that they once spent shopping to meet social belonging, esteem, and self-actualization needs is now being spent doing other things, like connecting with friends and family via their devices (57% doing more), decluttering their homes (45%), crafting or hobbies (35%), spending time outdoors (26%) and exercising (23%), according to [YouGov Affluent Perspective survey](#) conducted in early April. (www.forbes.com)
- The new consumer has gone from a global traveler to local shopper – brands must consider this throughout the value chain, and within their marketing, advertising and collection offerings.
- If the economic fallout is far worse than the 2008 financial crisis in economic damage then it will not be enough for companies to tweak their business model, instead they will need to entirely rethink it.
- There will be lasting changes in consumer attitudes, and these differing scenarios need to be thoroughly examined in relation to the specific business model. Companies must get closer to the consumer if not physically, then empathetically.

## COVID19 > SENSE OF COMMUNITY

- One positive outcome out of the pandemic will be a burgeoning sense of community.
- Taking better care of the aged, and a general return to humanity as we learn to reconnect again will result in a step back to more cohesive, collective societies.
- The new “looking out for others” stemmed from communities having to support each other during long periods of enforced isolation.
- Usually anonymous neighbors in apartment buildings in large cities – eg Spain, Italy - collected on balconies - playing music or singing - interacting to boost each others’ morale.
- “We are all in this together” campaigns were initiated – even though the irony did not escape some, and was tone deaf at times – however the burgeoning sentiment of community was the basis.
- Pandemic highlighted social inequality – unfair divisions between labor and payment.
- Kindness is the new cool: kindness and empathy were on the table as many companies starting recognizing their influence and effect, even introducing Kindness as the new KPI. Post Covid19 it will hold even greater value as people generate towards companies that practice these values.



- In the short term: Staycations will become standard.
- Due to countries closing borders, some for the unforeseeable future, societies will get to grips on exploring their own back yard.
- Expect travel companies to come up with localized offerings.
- There will be a rise in the already trending #vanlife as people rediscover their own countries.
- Heightened sense of patriotism to evolve.
- The eco-benefits of restricted travel will have an on-going impact.
- Increased awareness of environment and nature will continue to drive the #staycation movement.
- Tourism will evolve for slow travel options.



- Travel will be resurrected slowly towards end 2020, and heading in towards 2021, as the industry adapts with various measures put in place to ensure health and safety.
- Tourism will evolve for slow travel options and people will travel in smaller numbers.
- Isolated - away from it all - offerings will replace huge hotel and all-inclusive options.
- A focus on more boutique offerings rather than mass.
- Smaller hotel stays will become standard.
- Confined travel such as cruise ships will take a heavy hit. For those that remain - physical distancing measures will become standard ensuring ensure that cruises and flights are not fully booked (at least until second wave scenarios or antibodies are found).
- Testing will become part of border controls and hotel experiences.
- Strict sanitization measures will be increased.
- New disruption and health and safety procedures in airports and on flights, ships, trains etc.



- Statistics already showed a large number of people facing mental health risks on a global scale pre Covid19 - but particularly in Western Europe, the United States, Brazil, Japan and South Korea.
- Covid19 has exacerbated mental health issues due to extreme isolation, depression and anxiety over economic and health issues.
- According to Mintel, 90% of Chinese consumers now consider mood management important for maintaining their health.
- Lockdown and the anxiety it induced has acted as a wake-up call for people to prioritize their mental health.
- Nearly half (45%) of adults in the United States reported that their mental health has been negatively impacted due to worry and stress over the virus. (kff.org)
- Now research has shown that anxiety over finance is even greater than anxiety over personal health after the pandemic and the resulting global meltdown.
- Job loss is associated with increased depression, anxiety, distress, and low self-esteem and may lead to higher rates of substance use disorder and suicide. (Kff.org)
- Online doctors and medical services will increase
- Online counselling will become big business.
- Telemedicine services reported a 50 percent increase in the week ending March 20, 2020.
- In March - *“Sweden’s KRY – one of Europe’s biggest tele health providers reported that registrations were up more than 200 percent.”* (Mckinsey.com)





- The trends towards minimizing human contact in businesses are unmistakable, and predicted to be irreversible.
- Social distance has affected high-touch industries, such as restaurants, retail and recreation segments
- According to an Oxford study we will have the technology to automate 86% of restaurant jobs, 76% retail jobs and 59% recreation jobs by 2023 ([www.marketwarch.com](http://www.marketwarch.com))
- Post Covid19, cost advantages are going to be reinforced by risk perception to the advantage of robots - the environment for automation has never been better.
- The automated workforce will arrive sooner as robots are immune and don't require overtime.
- Covid19 has increased the adoption rates of robots and AI, with autonomous robots playing a vital role in supporting businesses during the pandemic.
- Global Data thematic expert, Wafaa Hassan, states social distancing globally will hasten the mainstream introduction of robots into industrial and retail workflows and they will be further integrated to support customer facing tasks as we get more used to them
- Greater automation was already occurring before Covid19, in 2017 the McKinsey Global Institute estimated that 60 percent of all jobs could see more than than 30 percent of their key tasks automated, affecting 400million to 800 million jobs around the world by 2030. (Mckinsey.com)
- The influx depends on human objection or government intervention - both of which may be a possibility if globally we buy-in to the great slow down.

- Groceries
- Beauty
- Direct to consumer brands
- Home delivery
- Trans-seasonal collections
- Online entertainment – video and mobile games, game clouding
- Healthcare
- Wellness – homeopathy/naturopathy
- DIY Wellness – personal care @home treatments
- DIY Home décor – home improvement
- DIY Modern craft - Knitting, crochet, macramé, woodwork, beading
- VR – games
- Entertainment – live streaming, subscriptions – e-sports digitalization
- On-line training and courses
- Robotics/automation - delivery, health care robots, drones
- Children's segments



Two scenarios have arisen

1. Complete Reset OR 2. Business as Usual

A merging of these two scenarios with a focus on sustainability, community, technology and automation is warranted.  
Either one is completely viable however.

- On-line, virtual doctors will become standard practice – to ease traffic, ease medical congestion, and for convenience.
- Hyper-hygiene sanitation and disinfectant, microbe-fighting will become big business in and outside of home.
- Wellness technologies will infiltrate daily practices.
- Anti-pollution and protection - face masks will become not only a necessity but will infiltrate fashion collections.
- Fashion seasons – trans-seasonal – or change in catwalk calendar as fashion gets in tune with slowing down.
- Introduction of robots and AI on more widespread basis.
- Return of humanity, and the rise of the neighborhood.
- Return of collective societies.
- Stronger sustainability measures and protection of planet.
- The children’s segment is expected to withstand an economic downturn, if not thrive post-pandemic.
- Post-lockdown expect beauty, jewelry, casualwear and accessory categories to be less impacted in fashion segments.
- Reduction in physical retail - significant portion of consumers say they will be reluctant to shop at physical stores post lockdown – on account of avoiding virus exposure but also in an effort to spend less (Boston consulting group)
- Less-is-more approach – multi-tasking products for beauty, fashion, accessories and interiors. Continuation key-piece culture.
- De-urbanization scenarios – eg. wealthy selling in New York, and rise in buying outside areas.

Post Covid19 the masses will have more say than ever.

If Covid19 was the “great equalizer” across all societal and global groups it also served to highlight huge discrepancies in pay for professions.

This focus and the ensuing outcry could result in a changed world order.

Currently calls for changes in pay conditions for must-have professional roles which are highly under-paid.

As governments sustained business with tax payer money, they will now be held highly accountable by the people that provided it.

- Forget the old rules of marketing – predicted evolving consumer behavior and former marketing strategies are already outdated.
- Direct to consumer brands will have more leverage.
- Engagement has a new meaning – attention spans which were at 8 seconds are now longer, particularly during Covid19 where format videos, Instagram Live etc. were used for engagement as people (generally) had more time.
- Creativity became the defining parameter for companies and work styles.
- Agility in companies became the defining factor, and will continue to set the bar.
- Opportunism or Covid-washing will kill a company – people are now more than ever looking for accountability and giving back in companies.
- Social media audience grew wider – everyone was on screen time, ability to cater across the board, not simply to Gen Z and Millennials – need content for older audiences, or more all-inclusive content as labels not justified .
- E-commerce and social commerce became the key players.
- New work – previously highlighted by SP Trend Intelligence in 2015 – has become the new norm. Remote, freelance, home office etc. will stay, but a balance will be redefined as people miss working and physical engaging environments.

THANK YOU FOR YOUR ATTENTION

CREATIVE SOUL