Dectech

Lockdown and Beyond:

Understanding behaviour in the coronavirus crisis

Contents

Foreword

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Nick is a Professor of Behavioural Science at Warwick Business School and has held chairs in psychology at Warwick and UCL. He is a member of the UK Committee on Climate Change and was a key advisor to the UK Cabinet Office's Behavioural Insight Team. Nick is a Fellow of the Cognitive Science Society and the British Academy and has won four national awards for his research. His popular book, The Mind is Flat (Penguin, 2018) won an Association of American Publisher's PROSE Award.

The Covid-19 pandemic and subsequent lockdown across the world has profound implications for individuals, businesses, and governments. Understanding how our behaviour and attitudes are changing is crucial for helping us cope with the present crisis, and plan for, adapt to, and shape, the “new normal.” The research in this report highlights some key topics and provides some initial insights. Crucially, we use the methods of behavioural research, rather than relying on people’s ability to introspect, and honestly report, their thoughts and actions.

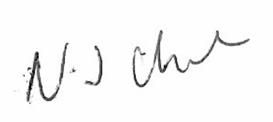
- *How well are people sticking to lockdown rules?* Pretty well, all things considered. But people are ashamed to admit breaching the lockdown. So official government ONS research substantially over-states lockdown compliance. Using an ingenious method called the unmatched count technique, which preserves participant anonymity, we find that there's considerably less lockdown to relax than is currently believed.

- *What aspects of the pandemic are causing anxiety?* People are notoriously poor at explaining the causes of their own behaviour. Here, we separately ask people about pandemic risks and their anxiety levels. Using statistics, we infer the perceived severity of each risk. While we may care about impacts on our relatives and the wider community, it turns out that our anxiety is mainly driven by the perceived level of personal threat.

- *Which new behaviours will stick after the lockdown?* Research into habits shows how for a new behaviour to become permanent it needs to be repeatedly performed. So that change must be both positive and sustainable. We find some behaviours are likely to stick, such as video-chatting with friends and online study. But others, such as going to the office or shopping on the High Street, will return to nearly pre-lockdown levels.

- *Which shops will people return to when the High Street re-opens?* The closure of the High Street has drastically disrupted people's shopping patterns. We explore which physical shops people are missing the most and thereby the pent-up demand for different brands post-lockdown. We forecast strong rebounds for Boots, Argos and clothes retailers like Primark and Next. People have been less frustrated by the closure of food retailers like Greggs, McDonald's and Costa.

The behavioural shifts we are seeing and are likely to see over the coming months and years, were unimaginable before the pandemic began. Understanding how our behavioural responses evolve will be crucial to “building back better” as we emerge from this unprecedented crisis.



Professor Nick Chater

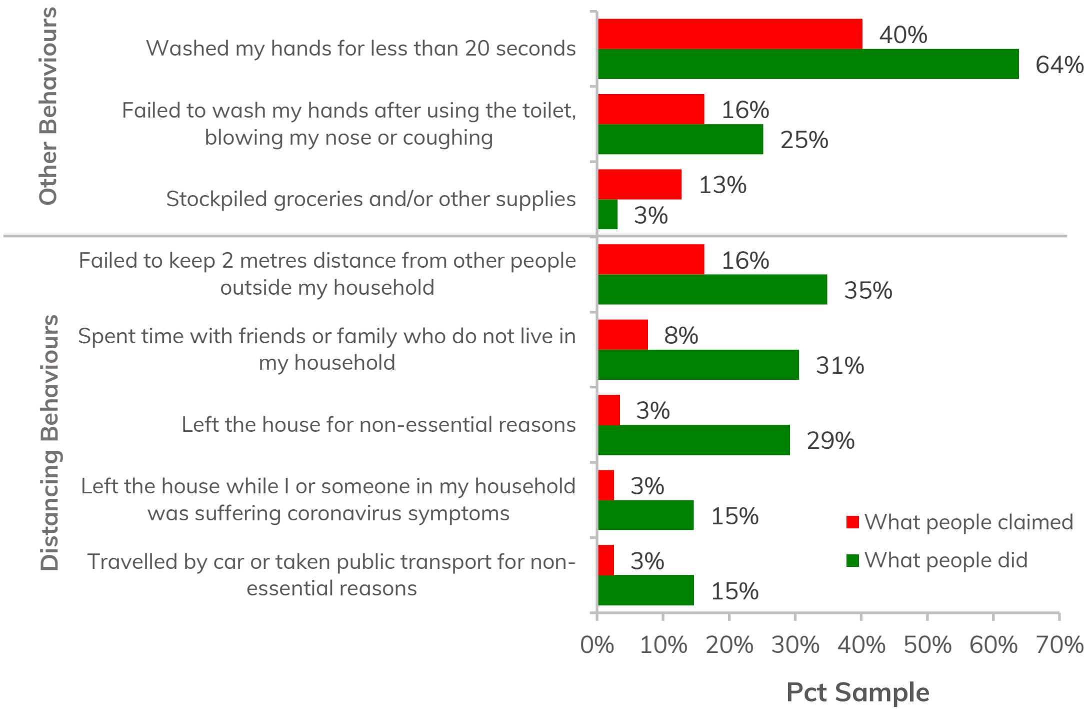
Co-founder, Decision Technology

Chapter One

Lockdown Compliance

The immediate and dramatic response of people to the coronavirus lockdown rules has been incredible. Government tracking by the ONS suggests widespread compliance with the official guidance. However, given the unreliability of self-report research, the method used by the ONS, we wanted to test the level of this compliance in more detail. Specifically, what is the real extent of any lapses and to what degree are people willing to confess this to an ONS-type survey?

Figure 1: I Have...in the Last Week



Fieldwork: 14th April 2020, N = 1,840

Specifically, in self-report research, people will often claim to behave in ways that conform with societal norms and values, whilst in practice their actual behaviour is different. So we tend to employ the unmatched count technique (UCT) to determine the true prevalence of a behaviour when asking about sensitive or embarrassing topics. UCT cleverly provides individual respondents with anonymity and therefore elicits more honest responses than direct questioning.

Figure 1 contrasts our UCT findings with the equivalent direct approach. When asked directly, 62% of a nationally representative sample admit to failing to comply with Government lockdown advice, with most not washing their hands for a full 20 seconds (40%) or as frequently as they should (16%) and not keeping regulation distance from others (16%). A mere 3% admitted to non-essential trips or breaking self-quarantine, when surveyed three weeks into the lockdown.

In stark contrast, the UCT method reveals a much higher underlying rate of lockdown breaches for 7 out of the 8 behaviours tested. We found that in reality 31% of people have spent time with someone outside their household, 15% left the house while they or a household member was experiencing coronavirus symptoms, and 15% travelled unnecessarily. Only stockpiling goods appears to be overreported. Indeed, this is yet further evidence of a desire to fit in with social norms, driven by the numerous news articles reporting high levels of panic-buying.

Figure 2: Number of Breached Behaviours

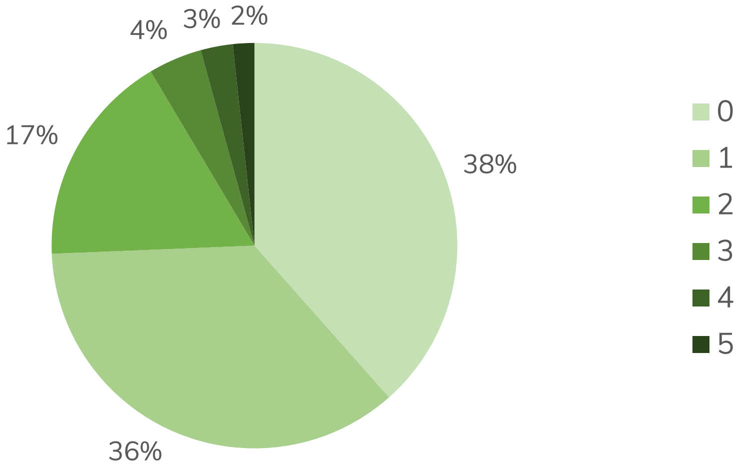


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Figure 2 shows how just over a quarter of people will admit directly to disregarding 2+ rules. But only 5% will concede that they've slipped up on at least half the behaviours in the past week. Hence, on average, people confess directly to breaching 1.1 behaviours. In reality, the UCT reveals an average that is actually closer to 2.2.

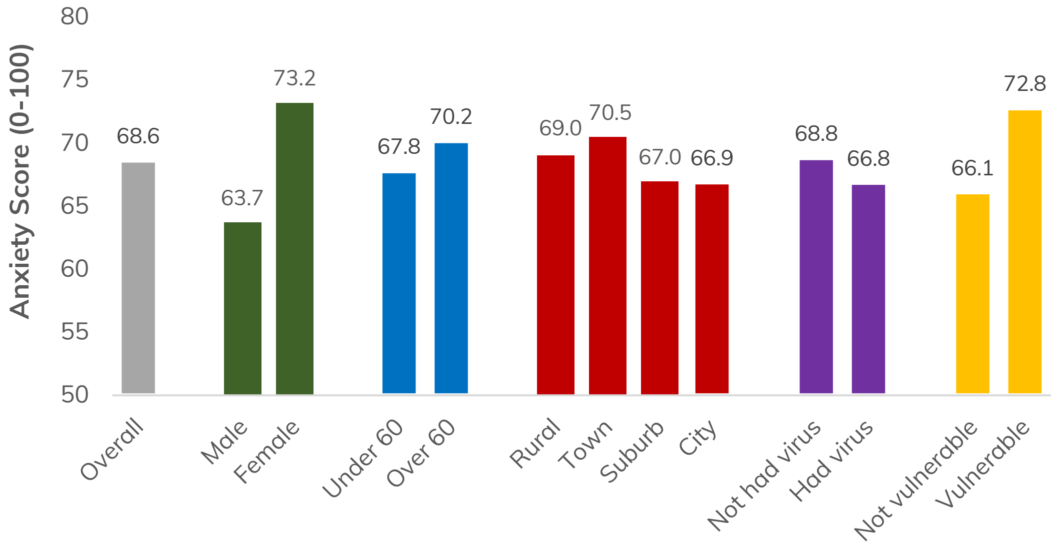
The unprecedented public response to the lockdown is to be hailed. However, the strong social norm of following the lockdown rules has rendered traditional survey methods ineffective for measuring true compliance. And the longer the lockdown endures, the more likely attitudes to compliance will relax, increasing the gap between claimed and actual behaviours. At least the good news is that, as we approach the beginning of the end of the lockdown, fears of the impact can be tempered by the knowledge that there's less lockdown to relax than is generally believed.

Chapter Two

Pandemic Anxiety Drivers

The coronavirus pandemic is unlike anything experienced in most people's lifetimes and, as the first wave of infection recedes, public and government attention has begun to turn to other issues, such as its mental health effects. In this study we explore who is feeling most frightened and what perceived pandemic risks are causing that anxiety. Is it a fear of catching the virus, an economic recession, or being stuck longer in lockdown?

Figure 3: Anxiety Levels across Population



Fieldwork: 14th April 2020, N = 1,840

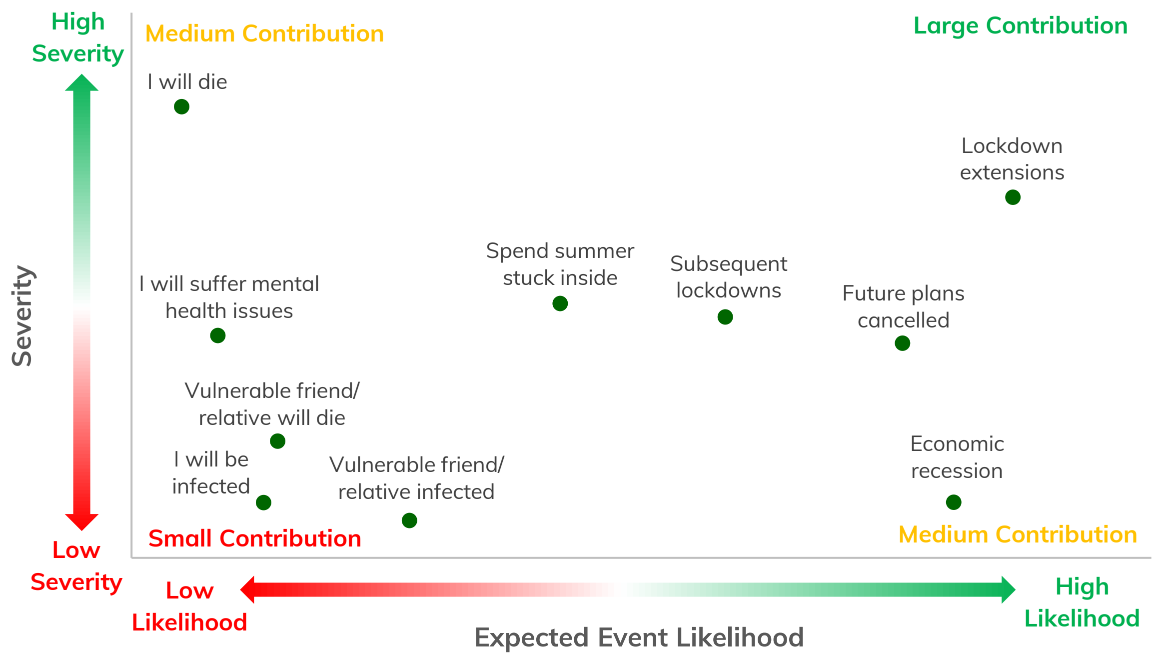
Predictably the fieldwork found significant pandemic anxiety across a nationally representative sample, with an average Anxiety Score of 68.6 on a 100-point scale (see Figure 3). Women and those at-risk are experiencing the highest levels of worry. Counter-intuitively, those who live in more densely populated areas, where the virus can spread more easily, are less frightened. And despite their substantially higher mortality risk, older respondents are only slightly more anxious.

In general people have limited insight into what drives their beliefs and actions. So we need behavioural methods to quantify what's causing these pandemic fears, rather than relying on inaccurate introspection. In this case we asked each respondent to judge the likelihood of various pandemic risks. We then statistically modelled these data to measure how responsive overall anxiety is to changes in the perceived likelihood of each event.

The findings are shown in Figure 4. Clearly the prospect of dying is seen as by far the most severe event. Small changes in its perceived likelihood have a large effect on anxiety. But because it's considered very unlikely, it doesn't actually contribute much to the wider population's overall anxiety level. Likewise, other drastic consequences, like losing a vulnerable friend or suffering mental health issues, are perceived as unlikely and seem more remote, thereby weighing less on people.

Conversely, the consequences of the pandemic that are easiest to imagine and would have a direct impact on people's lives, are causing the most trouble. For example, a lockdown extension or a second lockdown that would perpetuate the difficult day-to-day circumstances faced by many, are seen as both relatively likely and reasonably severe. The same is true of spending the summer cooped up or having to cancel future plans, such as holidays. It's therefore these more relatable consequences that are generating the most stress, or dis-utility, in aggregate.

Figure 4: Causes of Anxiety



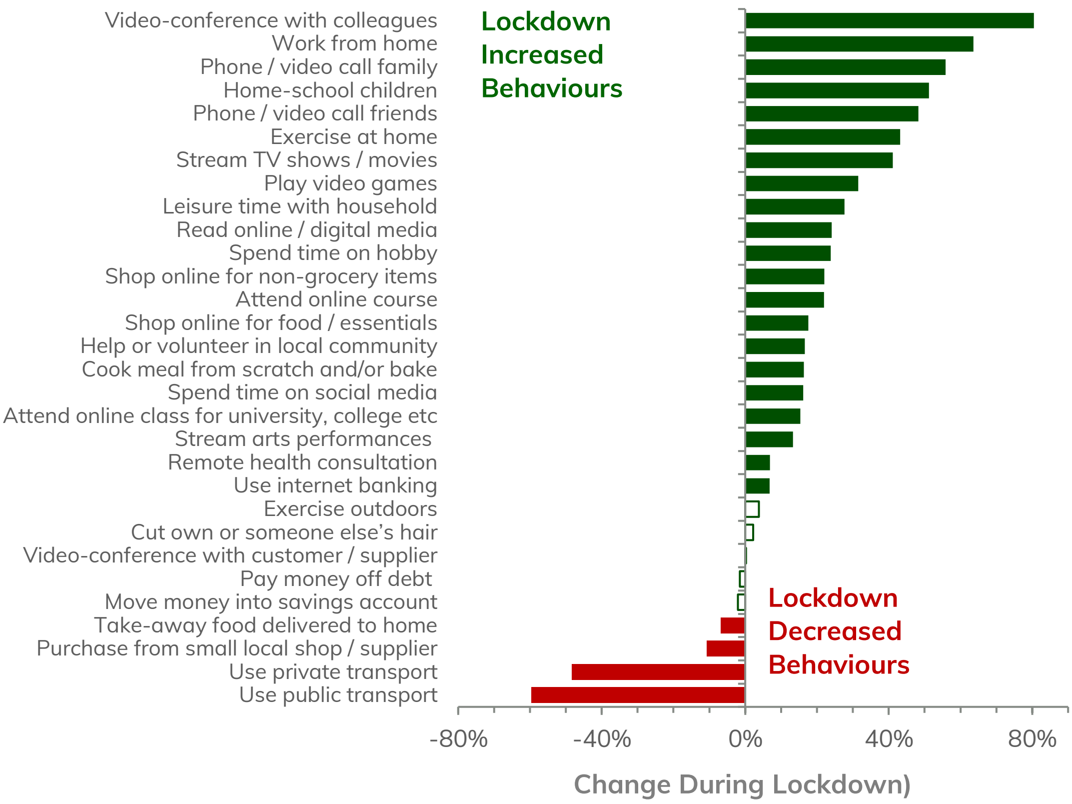
Fieldwork: 14th April 2020, N = 1,840

It will be interesting to see how these perceived likelihoods and implied severities evolve over the coming months as the lockdown starts to ease and there's less uncertainty. Presumably the more extreme outcomes will become even less likely and their severities harder to measure. Meanwhile, the economic fallout, which at present seems likely but comparatively unthreatening, will become an increasingly pressing concern as its practical consequences, such as unemployment and higher taxes, become more real.

Post Lockdown Changes

Humans are creatures of habit. We often get stuck in patterns of behaviour, even when better alternatives are available. An external shock, like the coronavirus crisis, can disrupt those routines, forcing people to try something new, and under the right circumstances, help people to develop new habits. So, what have been the biggest behavioural shifts during the lockdown and which changes are most likely to stick in the new normal?

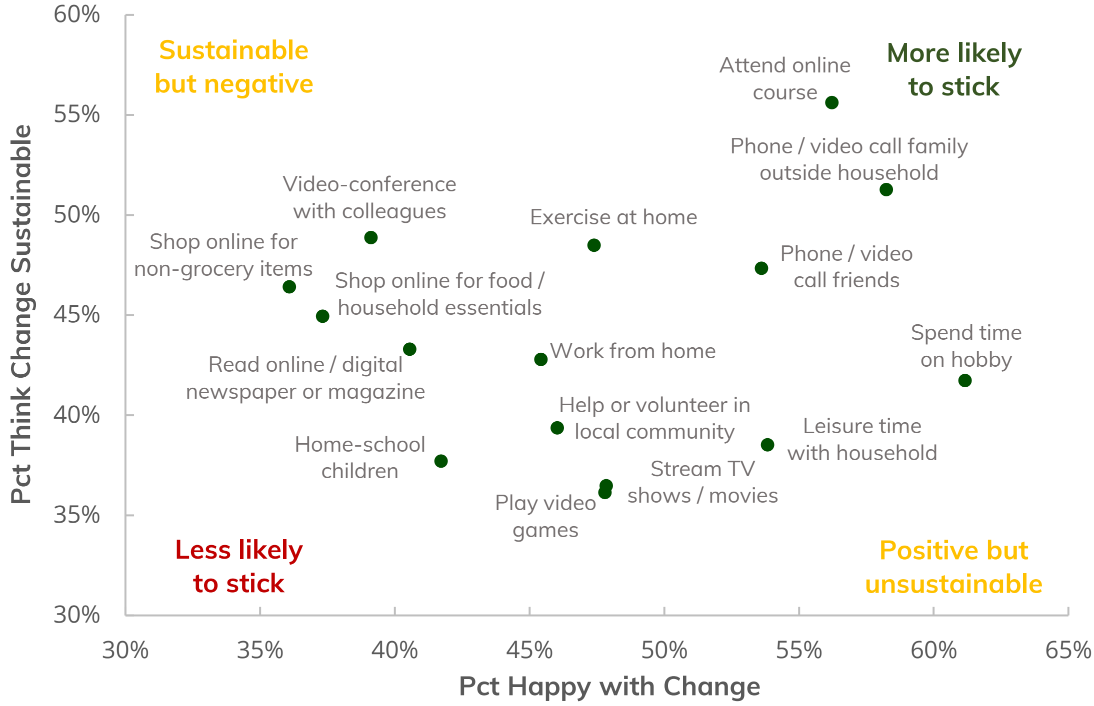
Figure 5: Behaviour Changes since Lockdown



Fieldwork: 6th May 2020, N = 1,100

Figure 5 shows how behaviours have changed during the lockdown. Clearly, the biggest shift is the mass migration to remote working. People are also spending more time videoconferencing with family and studying or exercising at home. And there's been a dramatic switch in both media consumption, with more TV streaming (+41%) and reading news online (+24%), and retail channel usage, with more online shopping for both essentials (+18%) and non-essentials (+22%).

Figure 6: Stickiness of Behaviour Changes



Fieldwork: 6th May 2020, N = 1,100

But old habits die hard and experiencing new behaviours alone isn't enough to make them stick. Behaviours that endure will need to be performed repeatedly and, for that to be the case, should fulfil two conditions. First, the new behaviour must be perceived as a positive improvement. Second, it will have to be sustainable, once the abnormal circumstances of the lockdown are gone. Figure 6 plots the 15 most-increased behaviours against these two criteria. The graph predicts:

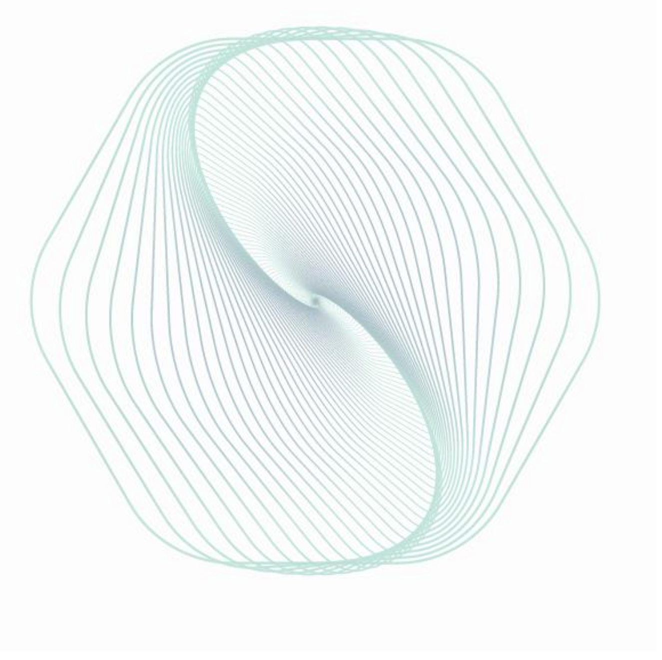
- **Taking online courses and virtual social communication will stick.** We expect a continued shift towards online training, both personally and professionally. This is good news for companies like Udemy, Skillshare and Coursera. Similarly, we expect people to continue communicating online, driving growth in apps such as Zoom, Cisco Webex and Slack.

- **People enjoy the increased leisure activity, but the change is unsustainable.** While more time spent with household members, enjoying hobbies, streaming TV and playing video games is positive, people don't think it's sustainable post lockdown. We predict that the surge in streaming subscriptions (e.g. Disney+'s 50M new subscribers) will drop off again.

- **Working from home will be more prevalent, but don't cancel the office lease just yet.** Remote working is seen as relatively sustainable, but isn't as popular as you might expect. People still want to spend part of their week meeting face-to-face with colleagues. So demand for office space will decrease post lockdown, but not to the extent widely believed. But, for example, we don't think this rebound will be enough to save WeWork

- **Don't write-off the High Street, especially for clothing and general merchandise.** Online shopping is deemed moderately sustainable, but people aren't particularly happy with the experience. The speed of return to physical shops will depend on the new measures put in place, and how these alter the in-store experience, and whether online is a viable substitute for in-store for that type of product.

While these forecasts are at an average, different groups will of course vary in both the prevalence and stickiness of their behavioural change. Time will be a key factor across these different groups. The longer any lockdown remains in place, the more people will be forced to repeatedly practice a new behaviour, thereby improving that experience and making it more likely to persist in the long-term. For example, the better people get at online shopping, the harder it will be for the High Street to rebound.

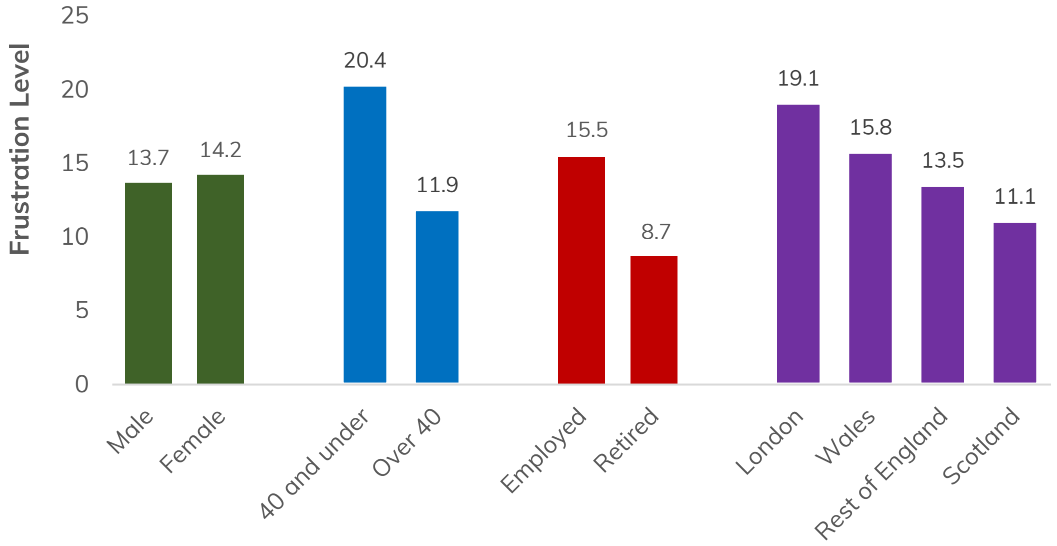


Chapter Four

The Return to the High Street

This March, retail customers faced a hitherto unimaginable event. All non-essential shops, cafes, pubs and restaurants closed their doors, massively disrupting people's long-established shopping routines. As the return of the High Street approaches, how has this disruption changed purchasing behaviour? Who will be going back to the High Street? And which brands will they go back to?

Figure 7: Frustration Level across Population



Fieldwork: 21st May 2020, N = 1,648

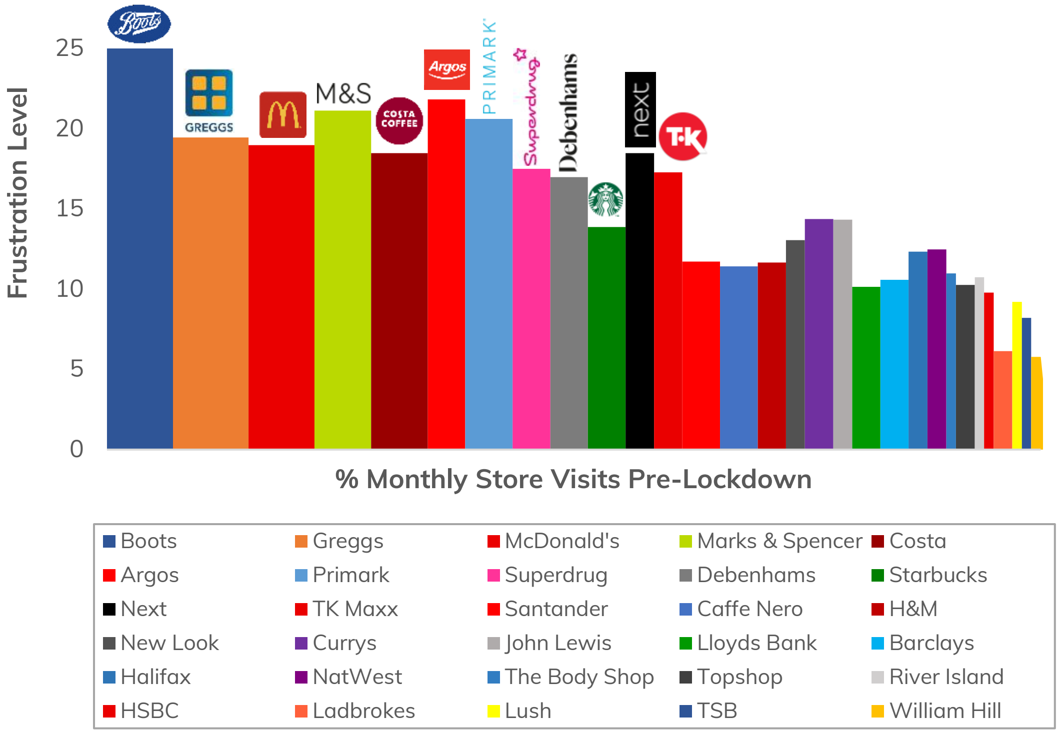
To address these questions, we measured how frustrated people are with not being able to visit specific stores. Figure 7 shows how this frustration aggregates across consumers. For example, both men and women are finding the lockdown equally annoying. But younger consumers and Londoners are finding the closures much more irritating than everyone else.

This may seem counterintuitive since young people are more likely to have pre-existing online shopping repertoires. But younger consumers also tend to shop more often, meaning they experience the inconvenience of shop closures more frequently, an observation we return to presently.

Figure 8 explores how this frustration plays out at a brand level. Focusing on the vertical Frustration Level axis, the partial closure of Boots has caused people the most inconvenience and, conversely, shuttering licensed betting offices has generated the least. Notably shoppers are struggling with the closure of Argos, M&S and Primark.

Primark is interesting since other brands have been able to partially offset their High Street losses with higher online sales. Hence, frustration with Primark has been intensified by their lack of an online channel, a disastrous decision in retrospect. Similarly, whilst Next does sell online, it was closed for weeks to reconfigure their supply chain.

Figure 8: Pent-up Demand for Retailers



Fieldwork: 21st May 2020, N = 1,648

The horizontal axis shows each brand's share of pre-lockdown High Street footfall. There is a strong relationship between footfall (bar width) and frustration. People miss the places they used to spend time rather than, say, money. For example, consumers spent £10Bn at M&S last year, about 30% more than at Boots. But people visited Boots about 30% more than M&S. And it's Boots they're missing more.

The area of each bar is a measure of pent-up demand. To have a bigger bar means people are both in the habit of using your store and upset that it is closed. Pent-up demand therefore estimates how much footfall brands can anticipate once the lockdown is lifted. The stores have been ranked by this metric.

The bulk of pent-up demand is for food chains like Greggs, McDonald's, and Costa. But post-lockdown demand is going to be muted by comparatively low levels of frustration, given prior footfall. People have to some degree found ways to live without them during the lockdown and some of these new habits will stick.

Conversely, there's relatively high frustration levels with the closure of clothes stores like Primark, Next and TK Maxx. People want them to re-open more than their prior footfall implies. There's no doubt that the pandemic has accelerated the migration to digital. But this research shows that people still miss physical. The High Street still has a role to play providing us with a coffee, a sausage roll, and a place to try on outfits.

About Dectech

Dectech was created to provide the most accurate and best value forecasts available on how people will behave in new situations. We are enthusiastic proponents of behavioural research, randomised controlled trials and data modelling. Founded in 2002, we are based in London and are staff-owned. We are members of the Market Research Society and Management Consultancies Association. Follow us on social media or register on the website to receive future research.

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