COVID-19 IMPACT ASSESSMENT

Outlook & Implications
Our Impact Assessment identifies macro trends and implications that will drive shifts in business models, brand development, and the design of built environments — and ultimately, shape the human experience.

As an integrated architecture, design, and strategy firm that works across retail, restaurant, hospitality, workplace, mixed-use, industrial, healthcare, and public sector industries, NELSON is uniquely positioned to leverage our collective expertise to:

- Analyze user behavior, attitudes, and values
- Synthesize emerging patterns into actionable opportunities
- Develop relevant innovation and implementation strategies
- Partner with clients to navigate this unprecedented landscape

NELSON Worldwide conducted a comprehensive evaluation of COVID-19’s impact across industries to arm our clients and partners with short- and long-term solutions to best respond, adapt, and innovate in the wake of COVID-19.
IMMEDIATE IMPACT

| 01 | SEEING CLEAN |
| 02 | INVISIBLE INSURANCE |
| 03 | DECOMPRESSED DENSITY |
| 04 | CHOICE-DRIVEN INTERACTIONS |
| 05 | MEANINGFUL EXTENSIONS |
| 06 | CONCIERGE MINDSET |
| 07 | RESPONSIVE RELEVANCE |

Manifestation: tangible examples of how a trend is coming to life

EXPANDED INFLUENCE

| 01 | REDEFINED ESSENTIALISM |
| 02 | INVESTING IN MICRO COSMS |
| 03 | A NEWFOUND CAMARADERIE |
| 04 | WIDESPREAD WELLNESS |
| 05 | ENGAGEMENT ECOSYSTEMS |

Driver: sociocultural or consumer influence

Implication: resulting outcome for brands & businesses

In This Assessment:

Considerations, tactics, and solutions for short-term implementation as businesses reopen and return to “normal”

Long-term shifts in attitudes, beliefs, and values that will shape the future
IMMEDIATE IMPACT

Considerations, tactics, and solutions for short-term implementation as businesses reopen and return to “normal”
Immediate Impact

SEEING CLEAN

Clearly visible solutions that signal the new cost-of-entry for sanitation and germ mitigation – reassuring guests, employees, and consumers they are safe

MANIFESTATIONS

- Establishing a new design aesthetic that signals clean
- More outdoor spaces and a purposeful integration between indoors and outdoors
- More, and highly visible, sanitation stations
- Staff dedicated to the task of cleaning
- Separation mechanisms that enable distancing while retaining engagement
- Screening of guests and employees at entry points
- A return to disposable, resulting in a short-term tension with sustainability
- Prominent graphics and messaging to communicate and reinforce protocols, safety, and efficacy

From installing plexiglass shields at cash wraps to designating cleaning technicians, Kroger was quick to implement a robust set of initiatives across store locations — even publishing a Blueprint for Businesses document with guidelines for other brands to leverage.

Geometry, a WPP-owned agency, is relaunching Handle on Hygiene—a device designed to clean shopping cart handles in between uses. First launched in 2015 through a partnership with Unilever, the product is resurging due to COVID-19 relevance.

Hilton’s CleanStay program partners with Lysol and the Mayo Clinic to activate medical-grade cleaning strategies across properties. A seal on every door signals that the room hasn’t been accessed since it was cleaned.
Immediate Impact

INVISIBLE INSURANCE

A concerted investment in behind-the-scenes solutions, systems, and infrastructures that create resilient environments

MANIFESTATIONS

- Smart buildings that enable automation
- Contactless interactions and payments
- Anti-microbial materials and finishes
- High-performing HVAC systems
- Camera and tracking technology
- Germ-killing lighting
- Self-cleaning mechanisms

The Pittsburgh International Airport is experimenting with automated UV scrubbers to clean its floors in an attempt to eradicate COVID-19 from surfaces.

Publix, amongst others, announced a contactless payment program that allows shoppers to use existing providers as well as implementing a payment option in their branded app.

Smart solutions will infiltrate all public environments moving forward – from automatic doors to responsive shades.
**Immediate Impact**

**DECOMPRESSED DENSITY**

*Proactive management of personal space between guests, employees, and each other*

**MANIFESTATIONS**

- A short-term reevaluation of best practices for space planning
- Limiting capacity
- Guided journeys
- Social distancing communication
- Less merchandise, furniture, and clutter
- Tech-enabled solutions to detect proximity
- Evolution of established metrics beyond conventional baselines

From floor graphics to integrated carpets, visual cues help to guide shopper journeys and maintain recommended social distancing.

Mediamatic ETEN, a vegan restaurant in Amsterdam, is experimenting with “separate greenhouses” as a way to socially distance dining groups up to three people. Reservations through the end of June are already booked.

Ford is experimenting in its manufacturing plants with wearables that vibrate when workers get too close to each other.
Immediate Impact

CHOICE-DRIVEN INTERACTIONS

Empowering users to control and customize their surroundings or experience based on personal preferences

MANIFESTATIONS

- Allowing users to opt-in/out of activities, engagement, and experiences
- Enabling individuals to control temperature, space, and other environmental inputs
- Journey planning that enables self-navigation
- Tiered owner, tenant, or franchisee solutions to provide guidance on how to evolve current environments
- Offering a portfolio of unique experiences to enable choice for users

Providing options for guests to engage as they wish will proliferate in retail moving forward – from grocers like Wegman’s offering a live butcher and pre-packaged, chef-quality meals, to Sephora’s inventive solution for using color-coded baskets to signal if you want employee interaction.

To emulate the ways in which we’ve been able to completely control our work environments while at home, furniture providers like Steelcase, will continue to consider how workstations can be modular, flexible, and customizable to accommodate individuals’ preferred modes and styles of working.

The “do not disturb” door hanger will take on a whole new meaning as hotel guests opt-in or -out of daily cleanings. Other expected in-room amenities, from notepads to coffee machines, may be stripped from rooms and available upon request.
Immediate Impact

MEANINGFUL EXTENSIONS

Amplifying how brands and companies connect with their users beyond traditional environments and locations

MANIFESTATIONS

- Evolving offerings and services for relevant in-home applications
- Elevating the “unboxing” experience
- Mobile relief programs to support communities and individuals
- Innovation in virtual collaboration and connection platforms

Restaurants are rethinking their carryout options, including Taco Bell, who recently launched a DIY taco bar kit in time for at-home Cinco de Mayo celebrations.

DoorDash partnered with several leading chains, like Cracker Barrel, to offer branded backgrounds for Zoom that simulate that you’re in the restaurants.

An emerging trend before COVID-19, hotel brands have the opportunity to reposition their hotel luxuries for in-home rituals – from bedding and decor, to skincare and candles.
Immediate Impact

**CONCIERGE MINDSET**

*Elevating previously “luxury” convenience models to the expected, everyday normal*

**MANIFESTATIONS**

- Initiating or elevating delivery
- Curbside pick-up services
- Walk-up or drive-thru activations
- Easy-drop returns
- 24/7 customer service
- Elevated role of office manager
- Designated spaces and zones for public vs. private

Retailers and restaurants galore are evolving their pick-up and delivery touchpoints. Some launching new services, like Michael’s curbside pick-up and MadTree Brewery’s “adult ice cream truck.” Others are rethinking their tactics and safety protocols to ensure contactless or sanitary interactions. Kimco Realty also implemented curbside service in its shopping centers. KFC’s drive-through-only concept in Australia demonstrates how concierge-driven experiences may continue to evolve in the future.

Workplace conference rooms and co-working amenities will continue to be rethought to best enable elevated, and productive, virtual meetings with remote workers and across office locations.
Immediate Impact

RESPONSIVE RELEVANCE

Ensuring the business and its corresponding offerings, experiences, and environments can evolve nimbly, quickly, and effectively

MANIFESTATIONS

- Pivot to provide other products or services relevant to new need states
- Flex into adjacent offerings that blur category lines
- Convert and transform spaces for other purposes
- Cater the experience to specific audiences in need
- Reinvent real estate contracts and propositions

Panera Bread quickly pivoted to reposition its cafes into local grocers where produce, dairy, and other staples are available for pick-up or delivery.

Hilton opened its doors to host first responders who are attempting to separate themselves from their families.

A pre-COVID-19 initiative from Macerich, BrandBox signifies a shift in real estate solutions that will continue to influence mixed-use centers and shopping malls.
EXPANDED INFLUENCE

Long-term shifts in attitudes, beliefs, and values that will shape the future
REDEFINED ESSENTIALISM

A purposeful evaluation of what we’ll allow back into our lives post-pandemic, and how that impacts our expectations of businesses and brands

DRIVERS

• A personal assessment of what’s essential vs. non-essential
• A shift in what people embrace and reject, influenced by crisis connotations
• A “back to basics” mentality paired with an investment in “little luxuries”
• Seeking normalcy, comfort, and familiarity within the reassurances of safety

IMPLICATIONS

• Elevate brand purpose and ensure it is relevant in the new landscape
• Behave as a business and a brand with genuine authenticity
• Expect to be held to table-stake values, responsibility, and empathy
• Invest in your employer brand to deepen meaning for employees
• Reevaluation of past “economies” (e.g. shared, gig, experience, circular)

Allstate
Shelter-In-Place Payback

Shoppers, moved by nostalgia and hunting for longer shelf lives, are returning to old standbys like Chef Boyardee and Campbell’s soup.

‘I Just Need the Comfort’: Processed Foods Make a Pandemic Comeback

Insurance companies issue refunds

Leading sharing economy brands

Popular meme on social media

New York Times headline
INVESTING IN MICROCOSMS

A heightened appreciation for immediate proximities will influence, shape, and drive user behavior

DRIVERS

• Deepened emotional ties to local communities and businesses
• Reconnection with family, neighbors, and loved ones
• A renewed appreciation for the outdoors
• A spotlight on things that were previously taken for granted

IMPLICATIONS

• Rise of “surban” and neo-urbanism
• Authentic, localized design expressions
• Evolved local programming and assortments within national brands
• A resurgence in local and regional brands and experiences
LOREM IPSUM
Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod.

Expanded Influence

A NEWFOUND CAMARADERIE

A shared sense of connection and solidarity among cities, states, countries, and everyone across the globe—uplifting humanity no matter what

DRIVERS

• United under a common purpose and a “we’re all in this together” mentality
• A dissolution of perceived boundaries
• A new lens on humanity’s reality and vulnerability
• Ignoring previously established norms and obstacles to do what’s right for the greater good

IMPLICATIONS

• Brand partnerships to enable more impact together
• Programming of experiences to empower connections
• Consumers look to brands to disrupt conventional systems
• A rise in co-tenancy and co-location

Global Citizen concert to support WHO
Rothy’s & several DTC companies make masks
Neighborhood Goods initiative
Walgreens & Kroger co-location strategy
WIDESPREAD WELLNESS

A collective pursuit to prioritize health as a central tenet to our lifestyles

DRIVERS

• Public health has never previously impacted the global economy to this extent
• Rise in anxiety and loneliness before the pandemic; now only more pertinent, creating a heightened awareness of mental, emotional and physical health
• Uneven impact of the virus on specific populations
• Pre-pandemic movements around organics, no-meat, etc.

IMPLICATIONS

• Continued blur of wellness, lifestyle, and experience as a new equity for brands and workplaces
• Increased messaging regarding proactive and preventative health and safety measures
• A more purposeful consideration for how to serve all populations
• Establishing a new architectural and design standard for wellness
• A new spotlight on human influences on climate change and a deeper understanding of its impact on our “everyday”

Public requests for safety protocols
Headspace offers many COVID-19 programs
Luxury Brands, Get Ready: Wellbeing Will Emerge As A Huge Trend After Coronavirus
Planet Fitness
Forbes headline
ENGAGEMENT ECOSYSTEMS

A greater acceptance and appetite for increased opportunities to engage with a brand or business — all relevant and seamlessly connected

DRIVERS

- Accelerated adoption of emerging behaviors that were catapulted into the mainstream out of necessity (e.g. working remotely, BOPIS)
- Increased expectations for a frictionless shift between online/offline channels
- Pent-up desire for increased control and choice
- Thirst for entertainment and distraction

IMPLICATIONS

- More access points to a brand or business
- Increased tolerance and utilization of emerging behaviors
- Sophisticated expectations for technology
- Ownership of the entire brand experience
- An evaluation of both direct-to-consumer and diversification solutions
- Dedicated infrastructure for off-site operations
- A surge in innovation around additional service offerings, content creation, and truly meaningful experiences

Box by Posti
Whole Foods dark store
Target
Penguin Publishing
LET’S TALK.

Looking for strategies, ideas, and solutions for your brand or business post-COVID-19? Reach out to explore how we can partner to solve today and tomorrow’s challenges.

ROB DEPP | SR. VICE PRESIDENT, BRAND STRATEGY & INNOVATION
RDEPP@NELSONWW.COM | 513 362 1580

WWW.NELSONWORLDWIDE.COM
APPENDIX OF SOURCES

- Seeing Clean
  - Kroger, Blueprint for Businesses
  - Handle on Hygiene (Adweek)
  - Hilton CleanStay

- Invisible Insurance
  - Pittsburgh International Airport
  - Publix (Progressive Grocer)
  - Automatic mall doors (Medium)

- Decompressed Density
  - Integrated carpet (Open-Minded Interiors)
  - Kroger decal (Retail Info Systems)
  - Mediamatic ETEN (NL Times)
  - Ford (Bloomberg)

- Choice-Driven Interactions
  - Wegman’s
  - Sephora (Huffington Post)
  - Steelcase
  - Bellyard (NELSON Worldwide)

- Meaningful Extensions
  - Taco Bell (People)
  - Zoom x DoorDash (Business Insider)
  - Waldorf Astoria robe, Westin candle (Forbes)

- Concierge Mindset
  - Michael’s (Digital Commerce 360)
  - Kimco Realty (CNBC)
  - KFC (FRCH NELSON)
  - MadTree Brewing

- Responsive Relevance
  - Panera Grocery
  - Hilton (EMS World)
  - Macerich BrandBox

- Redefined Essentialism
  - New York Times headline
  - Allstate Payback
  - Sharing Economy leaders (Axios)

- Investing in Microcosms
  - Boston Globe headline
  - Uber Eats
  - Avalon (NELSON Worldwide)
  - T-Mobile (FRCH NELSON)

- A Newfound Camaraderie
  - Global Citizen
  - Open Innovation Coalition (Rothy’s)
  - Neighborhood Goods, The Commons (Dallas Innovates)
  - Walgreens & Kroger (CNBC)

- Widespread Wellness
  - Public sign (Logan Weaver on Unsplash)
  - Headspace (AMA Association)
  - Planet Fitness, United We Move
  - Forbes headline

- Engagement Ecosystems
  - Box by Posti (Dezeen)
  - Whole Foods (Progressive Grocer)
  - Target (Digiday)
  - Penguin Publishing (Stylus)