

IBM Consumer Study Points to Potential Recovery of Retail and Travel Industries, as Consumers Receive the COVID-19 Vaccine

Study shows global consumer optimism is high, with more than half of respondents surveyed saying that they expect a COVID-19 vaccine to keep them protected

ARMONK, N.Y., April 8, 2021 /PRNewswire/ -- According to the findings of a [new global consumer study](#) released by IBM's (NYSE: [IBM](#)) Institute for Business Value (IBV), respondents surveyed are mostly confident in the safety, effectiveness, and distribution of the COVID-19 vaccines and indicate a desire to return to 'normalcy' after being vaccinated. But different rules, personal preferences, and social norms formed during the last year means that key industries like retail, travel and transportation may need to provide more seamless, personalized marketing and client experiences, to help remain competitive and successfully engage customers.

The study of more than 15,000 adults surveyed globally, found most people are confident in the safety, effectiveness, and distribution of COVID-19 vaccines, and more than half expect the COVID-19 vaccine to keep them protected. Economic progress can happen gradually, however, as most respondents surveyed indicated that vaccination levels will need to exceed 70 percent in order for them to feel comfortable returning to life as it was before the COVID-19 pandemic. If current COVID-19 vaccine rollout rates continue, it purports that most people may not regain pre-COVID-19 pandemic comfort levels until well into 2022. Amidst this uncertainty, consumers are rethinking the way they want to work, socialize, travel, and shop, according to the study.

"Habits formed during the COVID-19 pandemic have raised consumers' expectations of digital engagement, especially in service industries like retail, travel & transportation," said Jesus Mantas, senior managing partner, IBM Global Business Services. "As we anticipate the 'post-COVID-19 pandemic normal,' businesses should accelerate their digital evolution with AI and Cloud based solutions to help remain competitive. Investing in hybrid physical and digital experiences can help provide a more personalized experience."

Noteworthy survey findings include:

Most Global Consumers Surveyed are Ready to Return to in-store shopping once Vaccinated

According to the study, the tides may be turning for the ailing retail industry, with global consumers surveyed indicating a strong desire, once they are vaccinated, to return to malls and shopping centers.

While many surveyed consumers may not abandon the online shopping options they've become accustomed to using during the COVID-19 pandemic - with at least one in five respondents surveyed stating that they plan to continue shopping primarily online - once vaccinated, they expect to buy items in-store much more often.

The biggest categories that may see shifts toward in-person shopping are toys, games, and hobbies, (+121 percent) and apparel, footwear, and accessories (+76 percent), according to the study.

With convenience indicated as the main reason global consumers surveyed continue to shop online, followed by value and the wide variety of products available online, to lure consumers back to physical stores, retailers can look to in-store promotions and local products. In-store promotions were the top factor that could drive consumers to shop in a physical store, especially for Gen X (54 percent surveyed) and Boomers (52 percent surveyed). Additionally, local products that are not available online, such as small batch food products and hand-made apparel, may attract nearly 50 percent of surveyed Millennials, Gen X and

Boomers, to shop in person.

Potential Recovery of the Travel Industry

While consumer travel has yet to rebound, there are promising signs on the horizon. The study showed plane travel may see an uptick in demand, with 30 percent of people planning to fly more often—though this is offset by the 23 percent of respondents surveyed that plan to fly less.

The study found that roughly 1.5 times more vaccinated consumers surveyed expect to take an overnight trip in the next six months. Still, a sizeable subset of the population plans to stay home indefinitely, with roughly one in four surveyed consumers saying that they do not plan to travel in 2021, even after they receive the COVID-19 vaccine.

The vaccine may also reinvigorate professional travel, increasing the number of respondents comfortable travelling for business two to four times in most countries. However, older business travelers surveyed are less confident. Only eight percent of respondents surveyed over 55 are comfortable traveling for business without a COVID-19 vaccine, and just 25 percent are comfortable after they're vaccinated.

The study showed personal automobile continues its prominence, both during the COVID-19 pandemic period and after people receive the COVID-19 vaccine. While 10 percent of respondents surveyed plan to use a personal vehicle less often after getting the shot, 47 percent surveyed say they will use it more.

The survey showed that other forms of transportation may either see a very slight increase or a net reduction in demand as more people become vaccinated. The cruise industry may experience the most significant net decline, with 26 percent of people surveyed saying they will use cruise ships less and only 17 percent surveyed saying they will use them more.

Generation Z Respondents Surveyed (People Aged 18-24) Are Exceptions to the Findings

Post-COVID-19 vaccine outlook varies widely across surveyed consumers by generation, but in several categories, Generation Z respondents surveyed (people aged 18-24), especially hard hit by the COVID-19 pandemic, tended to be outliers.

Most Gen Z respondents surveyed want to spend time with people outside of their households once they get the shot. 27 percent of Gen Z surveyed said they will increase outside interaction, compared to 19 percent of Gen X surveyed and only 16 percent of those surveyed over 55. However, with the exception of restaurants and free venues like beaches and public parks, Gen Z respondents surveyed reported finding the return to some large crowd social venues, such as live sporting events, amusement or theme parks, museums and art galleries, live theater events and movie theaters, less appealing than other generations surveyed.

On average, 60 percent of Gen Z respondents surveyed plan to visit venues such as restaurants and bars, salons and barbershops once vaccinated, compared with 71 percent of Millennials surveyed and 69 percent of Gen X respondents surveyed. This appears to be the continuation of a trend, as Gen Z surveyed also reported visiting venues less frequently than those in other age groups during the COVID-19 pandemic.

IBV Study Methodology

The IBM Institute for Business Value polled more than 15,000 adults in the United States, India, U.K., Canada, Germany, Mexico, Spain, Brazil and China in February 2021 to better understand consumers' perspectives on the COVID-19 vaccine, what they plan to do once they are vaccinated, and how it may affect their perspectives on a number of issues, including retail spending, transportation, future attendance at events in large venues, and returning to work. The full study is available at:

<https://www.ibm.com/thought-leadership/institute-business-value/report/vaccine-consumer-behavior>.

The IBV continues conducting research to regularly draw insights on consumer behavior since April 2020, about how COVID-19 has impacted their outlook and preferences.

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