

April 3, 2020

WEEKLY SENTIMENT ON COVID-19 - POLL HIGHLIGHTS

With COVID-19 and concern spreading around the world, Brunswick Insight gathers the **latest global sentiment polls among the public, businesses and opinion leaders**. Please therefore find below this week's highlights, with links allowing easy access to the detailed findings of each of these polls and publications.

IN A HURRY?.....3 KEY FACTS OF THE WEEK

1. The **Chinese economy is beginning to show signs of recovery**, with businesses re-opening and Chinese consumer sentiment more optimistic than in other countries. [\[LINK\]](#)
2. **Yet an Asia wide recession is expected**: The World Bank warns that 11 million people in East Asia and the Pacific could be pushed into poverty due to COVID-19. [\[LINK\]](#)
3. **Americans predict an economic downfall**: the percentage of Americans who believe an economic recession is very likely to occur in the US because of the COVID-19 virus has increased from 38% to 61%. [\[LINK\]](#)

GLOBAL

That discomfort you're feeling is grief

(according to an article published by Harvard Business Review, March 23) [\[LINK\]](#)

- **We realize things will be different for ever**. The loss of normalcy; the fear of economic toll; the loss of connection. This is hitting us and we're grieving. Collectively.
- We're also **feeling anticipatory grief**, a feeling we get when the future is uncertain.
- Like a bereavement, to manage this grief we **need to understand the six stages of grief**: *Denial* ('this virus won't affect us'), *Anger* ('you're making me stay at home'), *Bargaining* ('if I social distance for 2 weeks, everything will be better, right?'), *Sadness* ('I don't know when this will end') *Acceptance* ('this is happening, I need to figure out how to proceed') and finally *Meaning* (finding light in these tough times by staying connected, appreciating walks).
- **Acceptance is where the power lies**. Let go of what you can't control and stock up on compassion.

Key for businesses and society to focus on 're-imagine' as a positive 'output' from COVID-19 crisis

(according to an article from the BCG Henderson Institute) [\[LINK\]](#).

- It focuses on the importance of the 4 Rs: **reaction, rebound, recession and reimagination**.
- Beyond individual companies, there is also an **opportunity for society as a whole to reimagine norms, behaviors, and platforms for coordination and collaboration**.

- In its survey, it found that **companies are less active on forward looking measures**.

Tide is turning in China, while US sentiment is rapidly converging with Europe

(according to a survey conducted by the BCG across China, Italy, France, UK and US, from 13-16 March)

- The **Chinese economy is beginning to show signs of recovery**, with businesses re-opening and Chinese consumer sentiment more optimistic than in other countries. [\[LINK\]](#)
- European sentiment is generally more dire, but **US sentiment is rapidly converging toward it**. [\[LINK\]](#)

There is a strong emphasis on common good and the well-being of the local community among global public

A tracker survey conducted by Dynata among 13,060 general population in Australia, Canada, China, France, Germany, India, Italy, Japan, Netherlands, Singapore, Spain, UK and US in the week of 30 March showed that [\[LINK\]](#):

- The global public are most worried about the health of the elderly in their community (61%), the global (61%) and domestic economy (60%), and whether the healthcare systems can cope with the outbreak (56%).
- 74% agree to prioritize common good over personal needs.
- 63% feel that their government is taking the right steps to protect the nation, with highest levels of support seen in India (85%), Canada (81%), China (79%) and Singapore (78%), with lowest government support in Japan (32%), France (42%) and Spain (44%).
- Healthcare professionals are most trusted (80%) when it comes to information about the virus.

Following the sun...perceptions from around the world:

ASIA

Asia:

Region-wide recession expected

- The World Bank warns that 11 million people in East Asia and the Pacific could be pushed into poverty due to COVID-19. The bank has forecast that regional growth will shrink to 2.1% in 2020 and in the worst-case projection, the economy could even contract by 0.5%. [\[LINK\]](#)

Japan:

Japanese business mood hits seven-year low as COVID-19 revives deflation spectre

According to Bank of Japan's Tankan survey among 9,653 enterprises across Japan between 25 February and 31 March: [\[LINK\]](#)

- Japanese corporates are pessimistic for the first time in seven years, as the COVID-19 hits the country's economy. Both manufacturing and non-manufacturing sectors expect their business conditions to continue to worsen in the next three months.
- Many analysts expect the third-largest economy to contract in January-March 2020.

North Korea:

Virus-sparks shortages and inflation devastates North Korea

According to an article by The Diplomat published on 31 March: [\[LINK\]](#)

- The government's strict measures to limit the spread of the virus including closing its borders with China devastates the country's vulnerable economy.

- As local merchants have been unable to trade with China, the shortage of supplies has driven a sharp spike in inflation on the price of basic commodities, reflecting its reliance on China.

Hong Kong:

Government fails to re-build public trust amid new virus outbreak as locals fend for themselves

The Chinese University's Centre for Communication and Public Opinion Survey conducted a survey between 19-27 March among 847 Hong Kong residents and results showed that: [\[LINK\]](#)

- 72% of Hong Kongers credit the community's effort for combating COVID-19, with only 24% crediting the government.
- 68% are dissatisfied with the government's protective equipment procurement for medical professionals and ordinary citizens.
- Circa one-third have suffered a significant impact on their finances as a result of COVID-19.

MIDDLE EAST

UAE:

UAE senior professionals believe the pandemic has drastically affected their business, and are not very hopeful for the future

A poll conducted by YouGov between 24 -30 March among 500 UAE senior business managers shows that the majority (92%) of working professionals in the UAE believe that the pandemic had resulted in a large or moderate impact on their business. [\[Link\]](#)

- Half of respondents (50%) have cancelled or postponed business trips or appointments, as well experienced a decrease in sales.
- 44% said the virus has led to insecurity among employees and office/store closure, as well as reduced operating hours (42%).
- 86% of UAE professionals believe the virus is very likely or fairly likely to affect their business in the future.
- 32% of respondents believe their businesses may take a month or less to recover from the setbacks of the pandemic, once the situation is resolved, while 17% of respondents believe it could take four to six months and 13% think it could take more than six months.

EUROPE

Germany:

Germans are very satisfied with the performance and measures taken by its Federal Government

Conducted by the Mannheim research group (1,473 Germans were interviewed between 23 to 26 March): [\[LINK\]](#)

- Supporters of all German parties share the view that the German government is doing a good job during the COVID-19 crisis (89%).
- The measures taken are well-received among citizens. 95% describe the initial restrictions in Germany as appropriate, only 5% disagree.
- The extensive measures to combat the economic consequences of the crisis are also met with broad approval. 74% consider them to be adequate, 18% think that the Federal Government is not doing enough and 2% say too much has been done.

- In contrast to the measures taken by their own government, many Germans (43%) rate international cooperation as poor, according to an international survey conducted by Kantar with respondents from the G7 countries. [\[LINK\]](#)

Germans expect only a modest impact on their income

- According to Kantar's survey, nearly half of Germans (46%) expect no impact on their income, which is the highest figure among the G7 countries surveyed. 18% of respondents say the effects of the crisis can already be felt. 36% say that they have not felt any effects so far but expect them in the future. [\[LINK\]](#)

Germans feel that the behavior of the majority of their fellow citizens is reasonable

- According to a survey by the Mannheim research group, 76% have the impression that people in Germany are behaving sensibly during the crisis, 22% doubt this. [\[LINK\]](#)

Italy:

Among European countries, Italy is the one where the fear of contracting COVID-19 is the highest, but at the same time Italian citizens are the most confident in their government

(according to a research carried out by BVA-Doxa and Gallup March 10-19, 2020 among 5.000 citizens across Italy, France, Germany and UK) [\[LINK\]](#)

- 90% of Italians have a fear of being infected by the virus (in the South of Italy it is 94%), more than in UK (78%), France (76%) and Germany (46%);
- 72% of Italians positively evaluate the actions taken by the government and Prime Minister Conte.

Italians are ready to renounce to their privacy in order to reduce contagions

- According to BVA-Doxa and Gallup research almost all Italians (93%) are in favor of renouncing some fundamental rights such as privacy. This is higher than in the rest of Europe: 84% in France, 72% in the United Kingdom and 71% in Germany; [\[LINK\]](#)
- According to a research run by SWG 25-27 March, 2020 among 800 Italian citizens, 74% of respondents are favorable to the use of drones to monitor movement on the streets, the 67% agree on supervising people exits from home through the cellphones, 64% is for the use of electronic bracelet to control quarantined people. [\[LINK\]](#)

Italian consumers are unsure about the future of the economy and are adjusting their habits

(according to a survey conducted by McKinsey March 21-22, 2020 among 1,300 Italian citizens)

- 87% declared to be unsure or pessimistic about Italian economy recovery after the COVID-19 crisis, with half of the Italians expecting a reduction in income over next two weeks;
- General uncertainty prevents Italians from making purchases or investments (48%) and make them very careful about how they spend their money (58%). [\[LINK\]](#)

Over these weeks, Italian people have significantly increased their presence on social media looking for positive contents and emotional links with influencers and brands

- Almwave, the research branch of Almviva Group, has analyzed 7 million of Tweets and 60 thousand posts on IG about COVID-19 published in Italian between February 24 and March 26, 2020, showing that the sentiment of Italian people has been significantly improving over the time.
 - At the beginning of the research, dominant sentiments were fear and sadness, while starting from March 18, analysts has seen a switch towards more positive words like encouragement, resistance, culture and solidarity. [\[LINK\]](#)
- According to research conducted by PULSE among 150 Italian influencers, social media interactions have increased, and the majority of influencers adapt content to the moment by focusing on charity and positivity. [\[LINK\]](#)

UK:

Media consumption is changing:

- News source preferences have shifted: British consumers have gravitated towards trusted, traditional media brands and live TV in response to the crisis. A report from Havas Media shows that the BBC has become the most trusted news channel during the outbreak, followed by Sky News and The Guardian. (500 respondents surveyed by Havas Media). [\[LINK\]](#)
- As people seek to understand the pandemic, media consumption has increased across all channels. The biggest increase has been in live TV viewing, followed by social media, streaming, video on demand and newspapers. (500 respondents surveyed by Havas Media). [\[LINK\]](#)
- But while media consumption might have increased, journalists are actually among the least trusted groups when it comes to communicating information about COVID-19. It is notable that employers are trusted more than journalists. (10,000 respondents surveyed by Edelman). [\[LINK\]](#)

According to a detailed survey among 1,079 British adults surveyed by Ipsos Mori: [\[LINK\]](#)

People are worried about the economy:

- Britain's view of COVID-19 as a 'high threat' to their business jumped 19 points in a week.
- 52% of Britons think that the Coronavirus poses a 'high' or 'very high' threat to their job or businesses. This is compared to 33% the week before.
- 37% say it has become harder for them to afford their usual expenses because of the pandemic.
- 40% think that the country will be weaker for years to come after the pandemic is over.

Working from home is hard for many:

- Half of working Britons say that the pandemic has made it harder to work.
- 39% of British parents said that looking after their children has become more difficult.

Self-isolation is a strain on mental health, wellbeing and relationships:

- 55% have said that COVID-19 has made it harder to stay positive day-to-day and 62% said that its harder to feel positive about the future due to COVID19.
- 33% have said that its harder to stay in touch with family and friends.

Meanwhile, according to a survey conducted by YouGov on 1 April: [\[LINK\]](#)

Brands who put staff and customers first are seeing a popularity surge:

- After bringing in no-contact delivery options, allowing many small restaurants to continue trading - Deliveroo's consideration scores increased 3.5 points in 2 weeks.
- M&S has created essential goods boxes, brought in social distancing initiatives in-store, and partnered with Deliveroo to deliver groceries contact-free. These efforts increased buzz scores by 9.1 points in just over a week.
- Morrisons donated £10 million to food banks and brought in similar social distancing measures increasing their own buzz scores by 11.4 points.

While brands that don't follow government guidelines, or fail to prioritize their staff see backlash:

- Sports Direct's buzz score fell from -3.9 to -39.2, according to BrandIndex. Mike Ashley, Chief Exec, had to issue an apology after refusing to close stores after the government issued all non-essential shops to close. YouGov data shows that 88% of Brits don't consider selling sports equipment as an essential service.
- Wetherspoons has seen a 16.9 point decrease in buzz scores to -23.2, after refusing to pay pubs or pay its workforce.

NORTH AMERICA

As schools across the US and the world transition to online courses, this unprecedented situation has many parents worried about the pandemic's negative impact on their child's education

Research conducted by Gallup among 1,870 US parents of K-12 students whose schools are currently closed to in-person attendance. Fielded March 24-29, 2020. [\[LINK\]](#)

- 42% of parents are very or moderately concerned about the negative repercussions COVID-19 will have on their child's education.
 - Several subgroups of parents are more concerned than others – non-whites (52%) are more concerned than whites (36%), and Democrats (49%) are more concerned than Republicans (31%).
- Despite their concerns, most parents do not favor extending the school year into the summer if schools are closed for the remainder of the school year. Instead, 48% say students who complete a formal online learning program should be allowed to advance to the next grade in the fall.
 - Sentiment is split among race: Non-white parents (39%) are nearly twice as likely as white parents (21%) to say school should be extended into the summer months.

US adults have steadily adopted stricter social distancing practices. However, women, young adults, Democrats and residents of the most densely populated areas are following these practices most strictly

Data pulled from Gallup's March 31st Data Brief on COVID-19. [\[LINK\]](#)

- The percentage of Americans avoiding small gathering, such as with friends and family, has surged 15 points to 83%.
- The percentage of Americans reporting they are avoiding public places, like stores and restaurants, has increased six points to 78%.
- The percentage avoiding mass transportation, including air travel, has leveled off near 90%.

Prolonged, widespread business closures and other efforts designed to halt the spread of COVID-19 have led many Americans to predict an economic downfall; sentiment has a stark partisan divide with an overwhelming percentage of Democrats fearing the worst

Gallup conducted an online survey of 3,555 US adults between March 20-22, 2020. [\[LINK\]](#)

- In a little less than two weeks, the percentage of Americans who believe an economic recession is very likely to occur in the US because of the COVID-19 virus has increased from 38% to 61%.
 - A staggering partisan split: 83% of Democrats and 35% of Republicans think an economic recession is very likely to occur
- Americans are less pessimistic about the potential effects of COVID-19 on their own financial situation – only 18% say it is very likely that their household will have "major financial struggles."
- However, the combined percentage who think COVID-19 is either very or somewhat likely to harm their finances has increased from 40% to 52% since the March 13-16 polling.

There remains a large gap in the level of preparedness among socio-economic status, as well as by race and gender, with all of these divides appearing to hold across partisan lines

Research conducted by CNN of 1,013 US adults from March 24-29, 2020. [\[LINK\]](#)

- **Women report feeling less prepared than men:** 73% of women say they are "very" or "somewhat" prepared to deal with a COVID-19 infection in their families, compared with 80% of men.
- Among Americans with household incomes of \$50,000 or less, **69% say they feel at least somewhat prepared to handle an infection in their family;** that rises to 83% among those in households with incomes of \$50,000 or more.

- However, the poll holds some indication that those gaps are beginning to shrink: Among those with incomes under \$50,000 annually, the percentage of respondents who feel prepared to handle a COVID-19 infection, has jumped by 14 points, compared with a five-point increase among those with higher incomes.

ABOUT BRUNSWICK

Brunswick is a strategic advisory firm focused on helping companies navigate critical issues. Along with a worldwide team of experts, we have a deeply experienced team across China who can advise on capital markets related implications of the COVID-19 outbreak. Please do not hesitate to get in touch with us.

Business and Society	Business Resilience	Employee Communications	Investor Engagement	Healthcare	China
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