



HOW COVID-19 IS CHANGING CONSUMERS DAILY LIFE

IN SAUDI ARABIA



Choueiri Group

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There's no doubt that COVID-19 has turned our world upside down. From the devastating loss of lives, economic uncertainty and the strict lockdowns, people are now forced to re-think every aspect of their day-to-day lives.

Countries right across the GCC are starting to implement greater restrictions to flatten the curve with many regions, specifically Saudi Arabia, taking the drastic measures to close all malls, restaurants, schools, universities and halt all international flights.

With nowhere to go and many now working from home, big shifts are starting to happen in terms of people's behavior. How are people responding to the outbreak? Will this impact people's purchasing behavior? And how is this new 'indoor living' lifestyle affecting the consumption of media?

In an attempt to get some answers, CG Research Unit launched an online survey amongst a wide range of Arabs in KSA. The survey was conducted over 2 waves, which enabled us to track the changes in consumer behavior following the rapidly evolving environment.

Wave1 | Sample: 1400 | Mid-March
Wave2 | Sample: 1400 | April W1

Executive Summary:

- **HOW CONSUMERS ARE RESPONDING TO COVID-19**
- **HOW HAS IT IMPACTED THEIR PURCHASING BEHAVIOR**
- **HOW HAS THEIR MEDIA CONSUMPTION SHIFTED**

How people are responding to the outbreak?

With the government shutting down public venues and forcing a large portion of the population to work remotely, 83% of Saudis confirmed being in quarantine to avoid spreading illness (an increase by 7% since our first survey period from mid March).

The increased concern over COVID-19 urging a shift in everyday activities:

- A hygiene-related behavior pattern began where people significantly increased the frequency of hand washing and using antiseptic wipes and gels.
- The consumption of homemade food increased dramatically with food orders and restaurants visits dropping.
- Social distancing triggered a massive change in their usual daily outings which were previously spent at restaurants, shopping malls and public spaces.



SIGNIFICANT INCREASE IN



Frequency of hand washing
88%



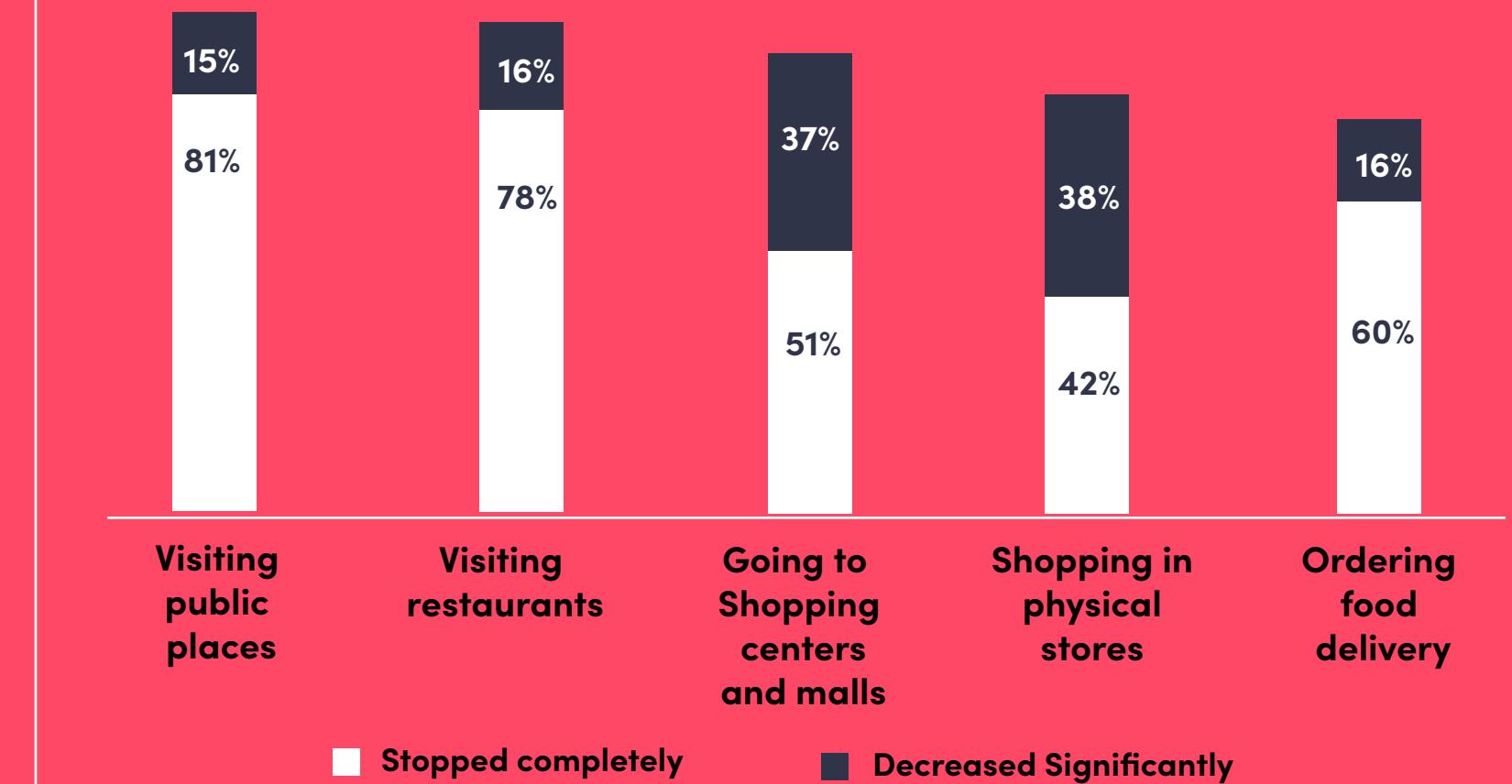
Use of antiseptics – wipes and gels
79%

SIGNIFICANT INCREASE IN



Consumption of homemade food
76% vs. 71%
in previous wave

COVID-19 IS ALSO IMPACTING HOW MUCH THEY ARE GOING OUT



Have consumers changed their purchasing behavior?

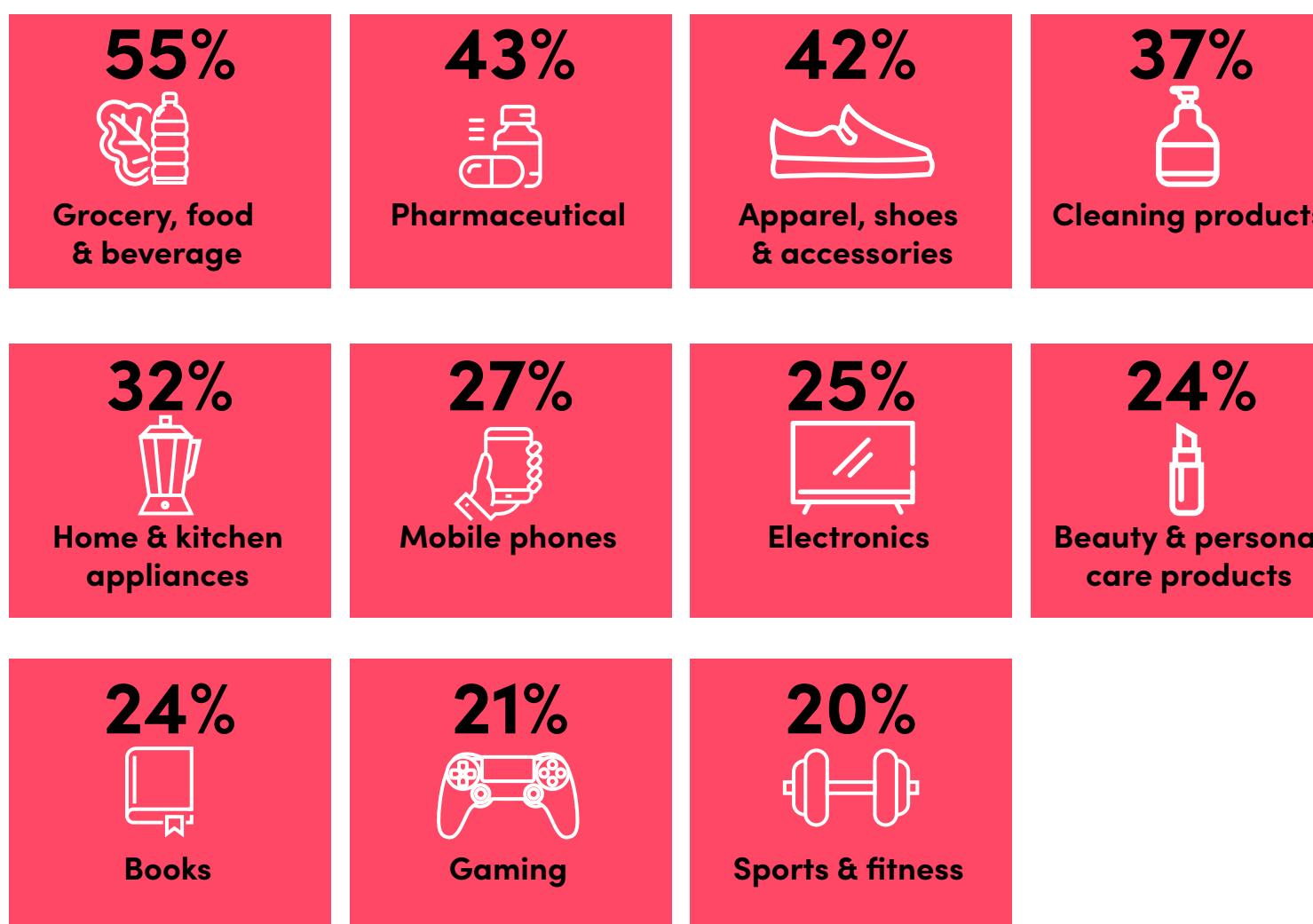
With social distancing necessitating due to COVID-19, Arab consumers are seeking out alternative retail options.

71% are likely to replace in-store trips with online purchases

Due to the pandemic, older generations are also starting to shop online for safety reasons, especially when it comes to obtaining groceries to avoid supermarket queues and crowds.

Shifting towards shopping online is clearly taking place in Saudi, but more fascinating is the change observed in what consumers are buying online nowadays compared to normal days.

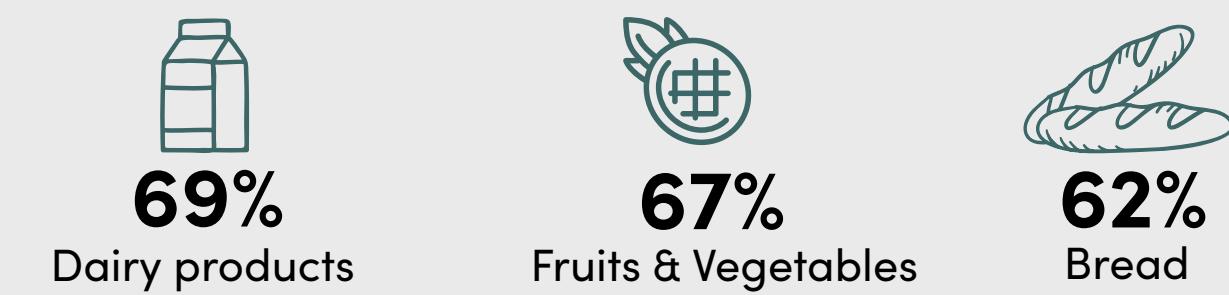
CONSUMERS INDICATE THAT THEY ARE MORE LIKELY TO BUY PRODUCTS THEY MIGHT NOT OTHERWISE CONSIDER PURCHASING ONLINE



Comparing these figures to the results of a previous survey conducted by Choueiri Group Research in 2019 on e-commerce, we clearly see a new product mix for online shopping. Initially, categories such as grocery, pharmaceutical and cleaning products were not even showing amongst the top 10 purchased categories. Before COVID-19, only 6% (2019 CG E-Com Research) of the Saudi population claimed they purchased grocery items online, compared to 55% in April 2020. A massive increase that also shows a jump from 43% in previous wave (Mid-March).

The main grocery items being purchased right now are products with short shelf life. This is mainly driven by the freshness aspect as well as the fact that they contain higher nutritional benefits to help boost immunity.

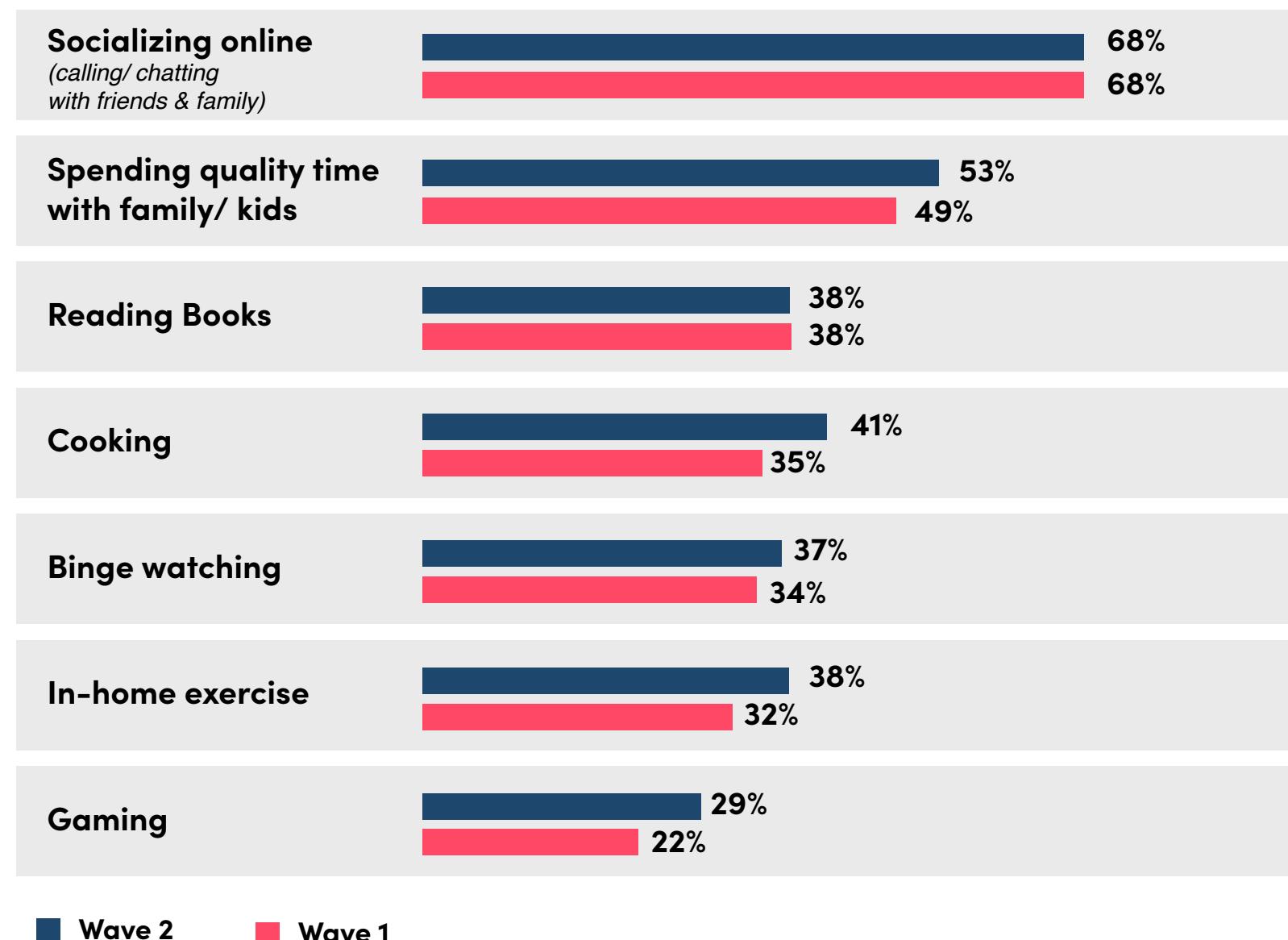
THE TOP CONSIDERED GROCERY PRODUCTS WHEN IT COMES TO ONLINE PURCHASE DURING THESE EVENTS



What are consumers doing while staying inside?

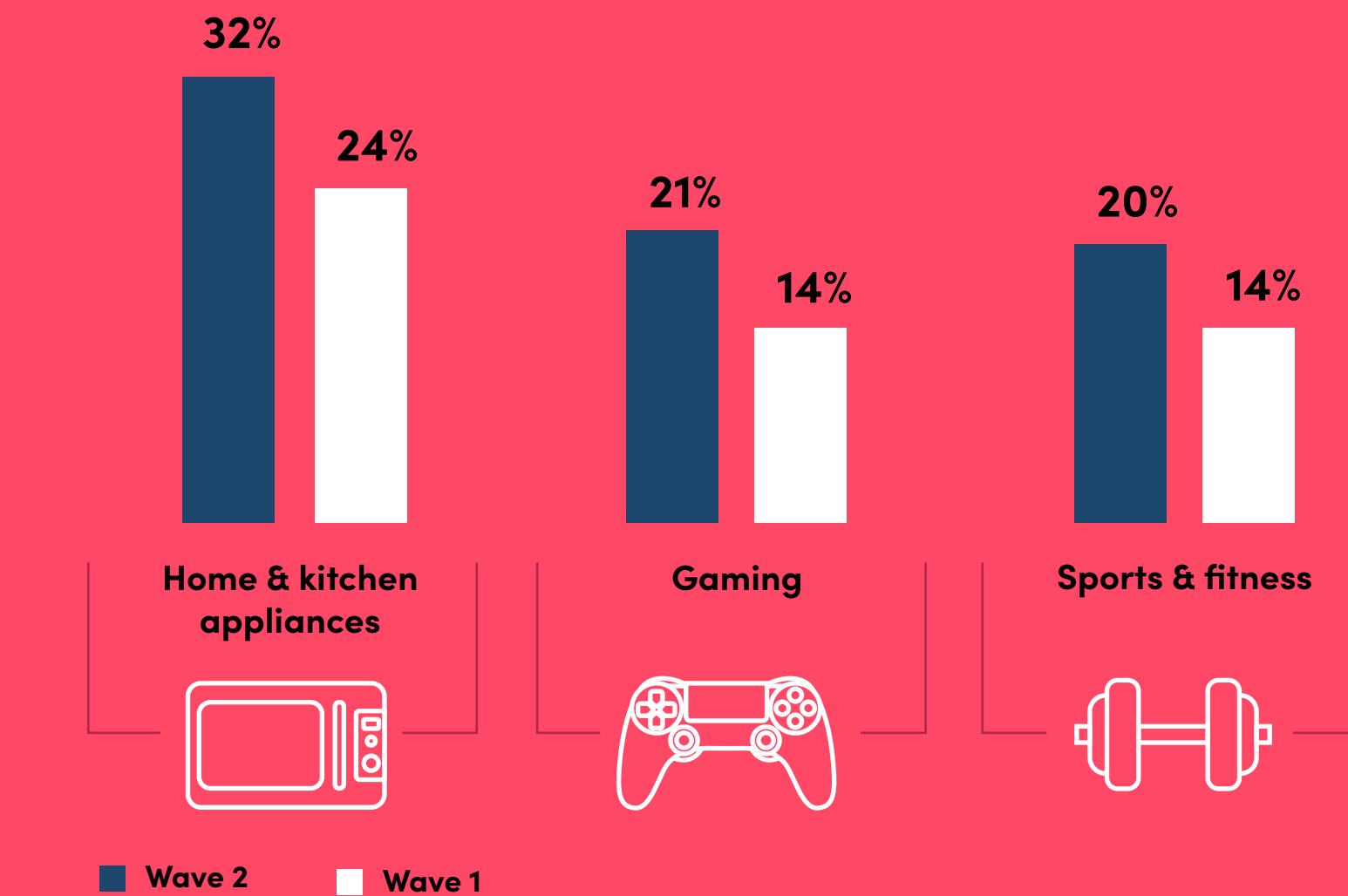
Not being able to go about their normal social life is a key trigger for consumers to rely on online tools for socializing with their friends and families (68% say that they enjoy socializing online). More than half of the Saudi population tend to benefit from this enforced isolation by spending quality time with their kids and families, which is significantly higher among Gen X; while Gen Z are more likely to fill their time with gaming and binge watching.

ACTIVITIES MOST ENJOYED WHILE AT HOME – WAVE 2 VS. WAVE 1



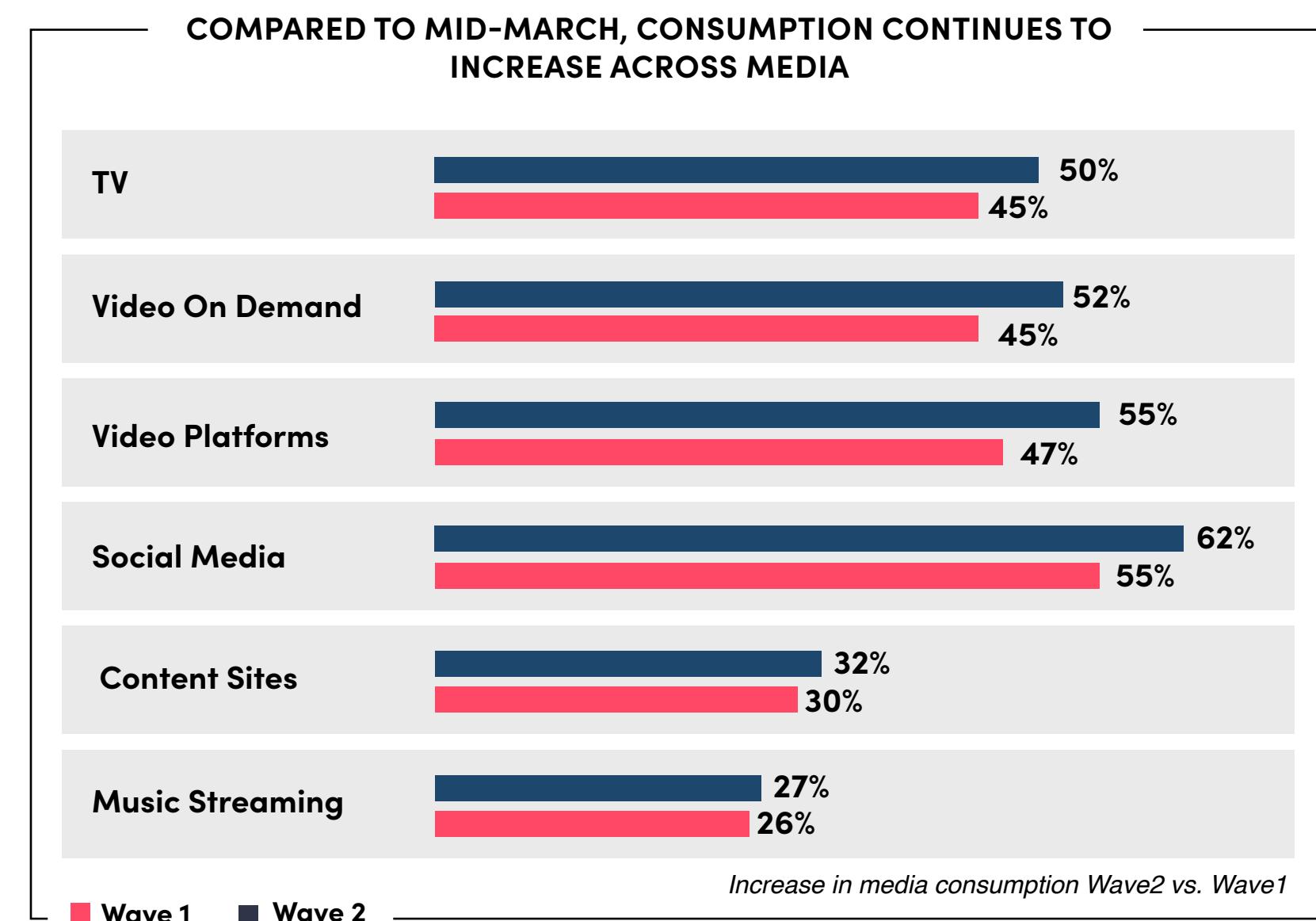
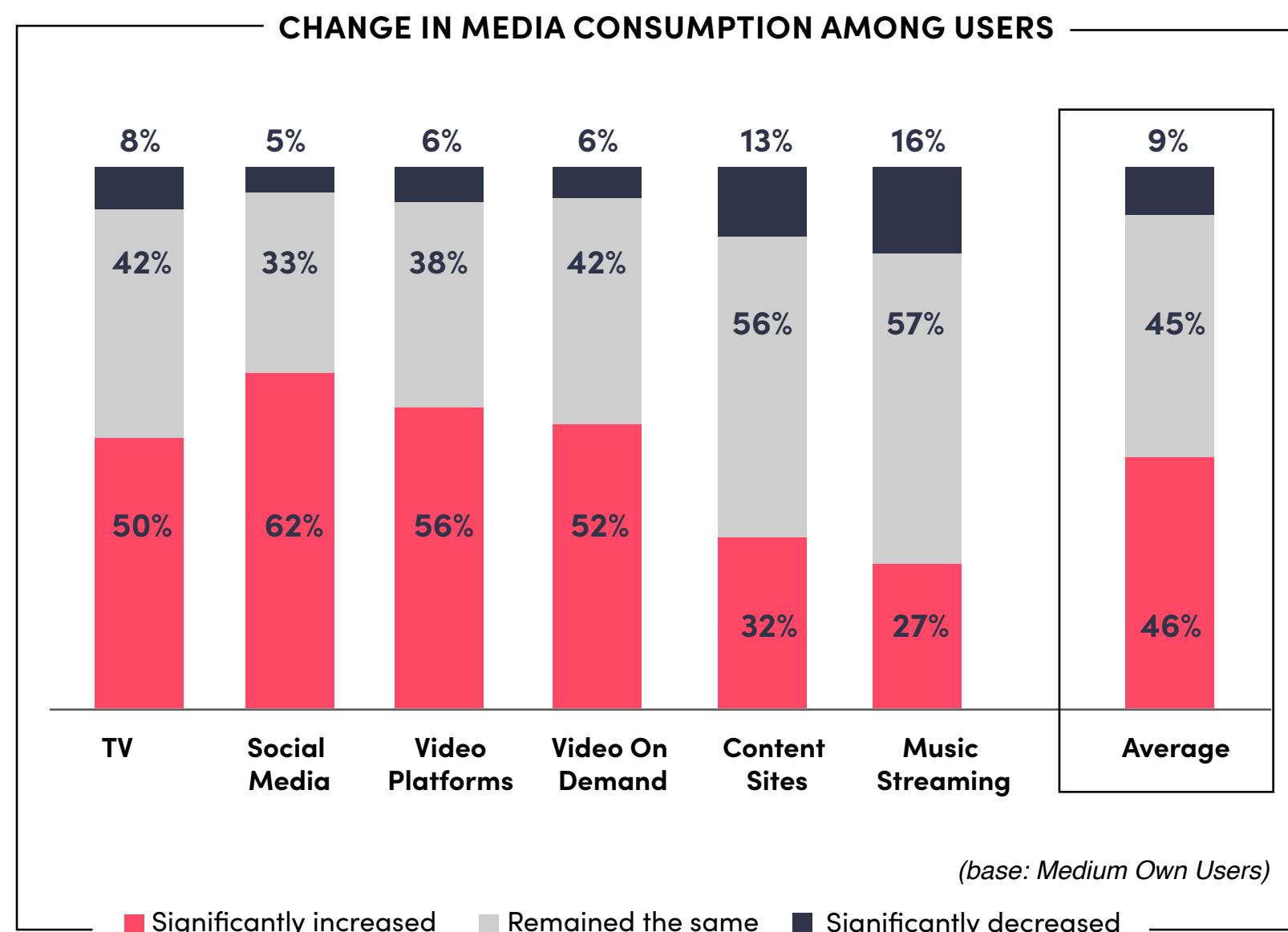
Consumers are also finding positive ways to spend their extra time at home including taking up hobbies such as cooking, at-home workouts and gaming, which is clearly reflected in their purchasing patterns.

SHIFTING CATEGORY TRENDS SINCE OUR FIRST SURVEY WAVE

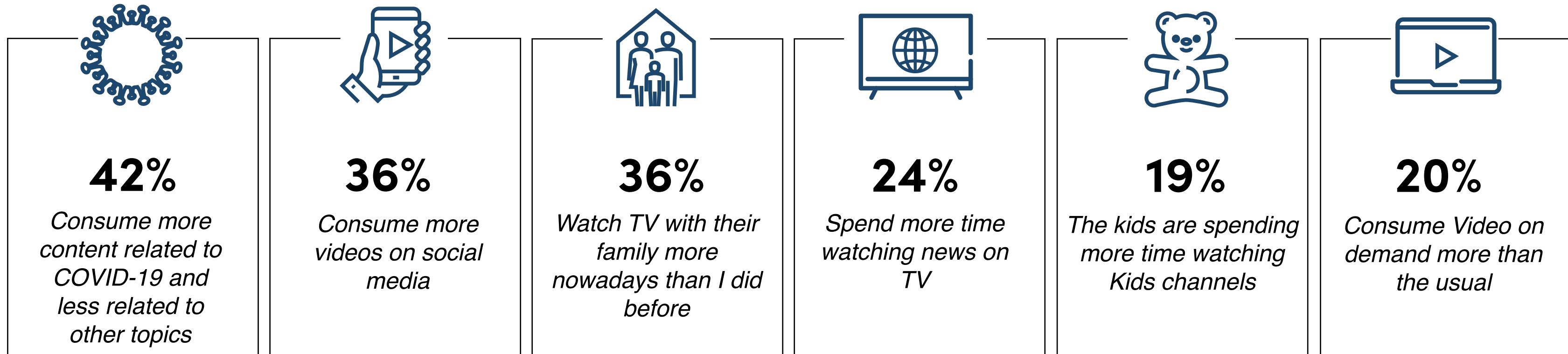




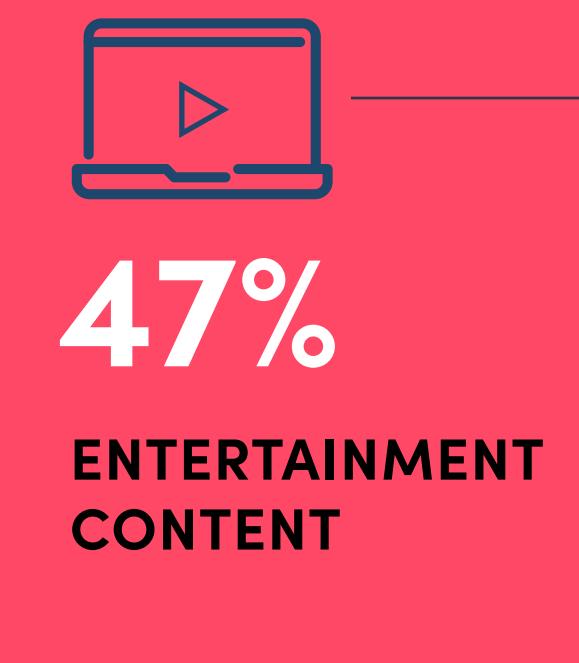
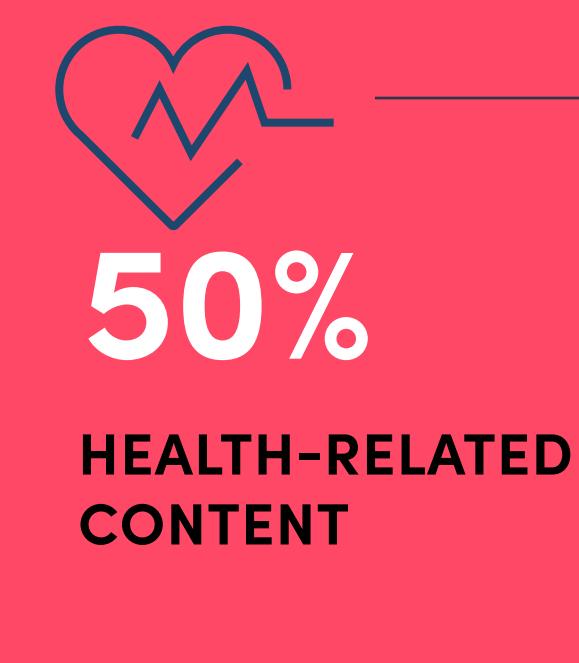
Spending more time at home resulted in a growth in media consumption. TV and Video On Demand being among the key media activities that witnessed the highest consumption growth. Social media users also began to ramp up their consumption to stay informed, find solace and stay in touch with others during this uncertain time.



COVID-19 is triggering a shift in the way people consume media content



Given the circumstances, consumers are seeking the most recent news on the outbreak and health related information irrespective of the medium. They are also looking for new forms of entertainment content offered by brands they love and trust





THANK YOU



Choueiri Group