

NELSON

# COVID-19 IMPACT ASSESSMENT

*Outlook & Implications*



*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.*

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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

## *In This Assessment:*

### **IMMEDIATE IMPACT**

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

- 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**

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

- 01 | REDEFINED ESSENTIALISM**
- 02 | INVESTING IN MICROCOSMS**
- 03 | A NEWFOUND CAMARADERIE**
- 04 | WIDESPREAD WELLNESS**
- 05 | ENGAGEMENT ECOSYSTEMS**

*Driver: sociocultural or consumer influence*

*Implication: resulting outcome for brands & businesses*

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# IMMEDIATE IMPACT

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



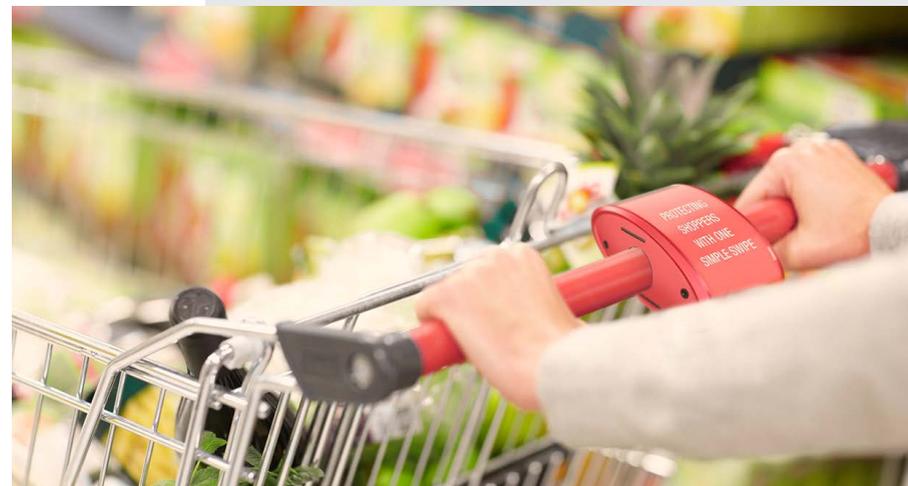
Immediate Impact

## 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.*

01

*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.*

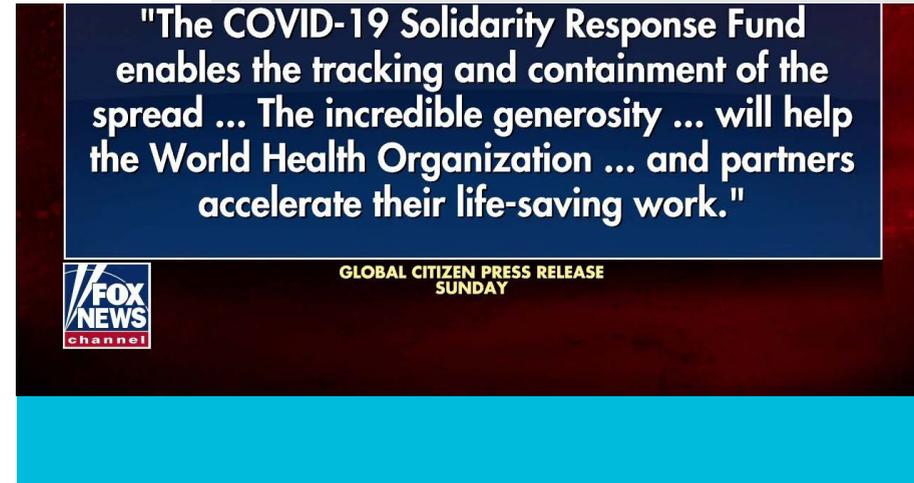
Immediate Impact

## 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-thru-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

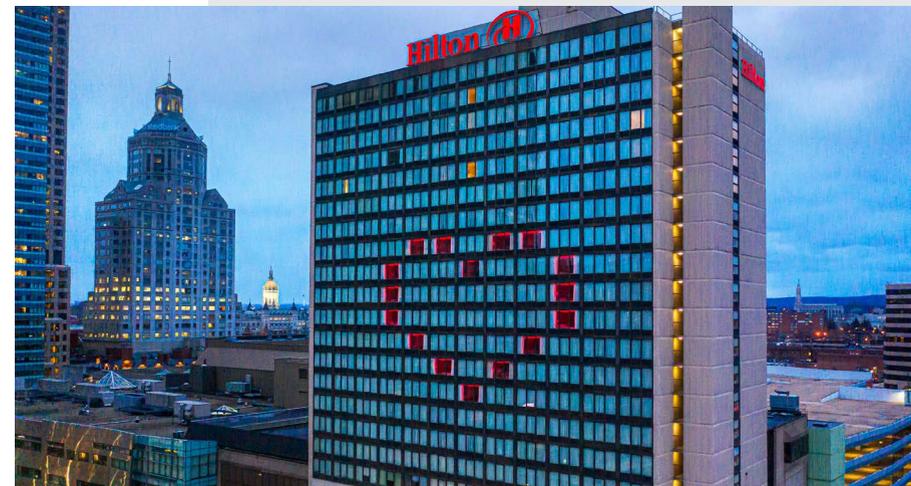
*Ensuring the business and its corresponding offerings, experiences, and environments can evolve nimbly, quickly, and effectively*

### 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

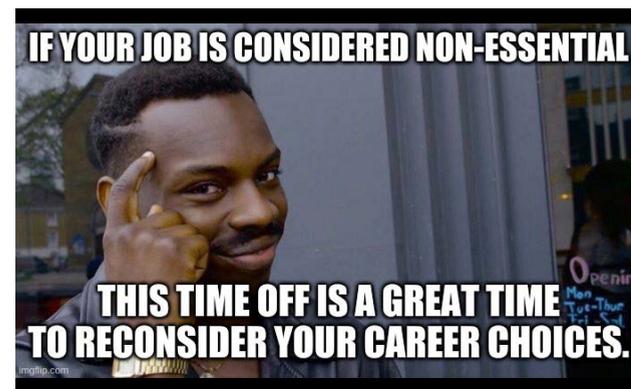
*Long-term shifts in attitudes, beliefs,  
and values that will shape the future*

# 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



Popular meme on social media

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

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

New York Times headline

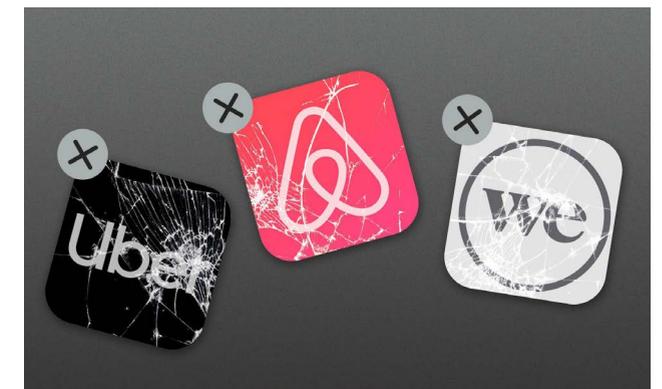
## IMPLICATIONS

- 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



Insurance companies issue refunds



Leading sharing economy brands

# 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

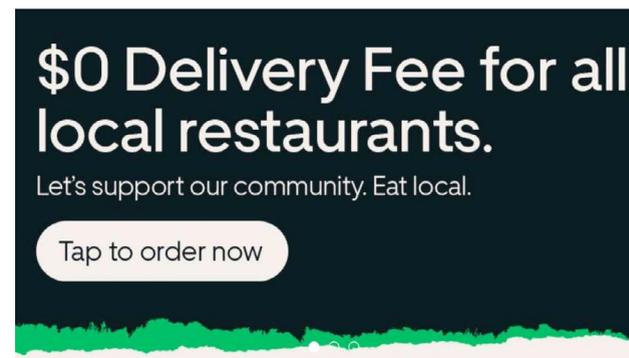
- Rise of “surban” and neo-urbanism
- Authentic, localized design expressions
- Evolved local programming and assortments within national brands
- A resurgence in local and regional brands and experiences

OPINION

### **Parks are essential — especially during the coronavirus pandemic**

During the COVID-19 pandemic, parks should be celebrated, protected, and leveraged to support public health.

By Julia Africa, Cheri Ruane, Gary Hildebrand, and Chris Reed Updated May 5, 2020, 2 hours ago



*Boston Globe headline*

*Uber Eats: Food Not Finances pledge*



*Avalon lifestyle mixed-use development*



*T-Mobile signature store in Chicago*

# 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



*Global Citizen concert to support WHO*



*Rothy’s & several DTC companies make masks*

## 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



*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.



*Public requests for safety protocols*



*HeadSpace offers many COVID-19 programs*

## 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”



*Planet Fitness*

**Luxury Brands, Get Ready: Wellbeing Will Emerge As A Huge Trend After Coronavirus**

*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



Box by Posti



Whole Foods dark store

## 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



Target



Penguin Publishing

NELSON

# 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.*

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# APPENDIX OF SOURCES

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- 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](#))