

The Impact of COVID-19 on the Consumer Relationship with Financial Services - US - June 2020

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The impact of COVID-19 has shaken quite a few industries to their very core. Some will be fundamentally changed going forward, while others will, in the longer term, eventually return to normal working order. Similar to the effect on ecommerce in 2003 with the SARS outbreak, this pandemic has had an immediate impact on the financial services industry.”

- Jennifer White Boehm, Associate Director, US

This report looks at the following areas:

One of the most major and immediate effects is the need for digital and contactless services. Younger generations will continue to embrace these technologies, and older consumers may be more willing to adopt them as they look for more convenient and safer ways of transacting. The financial services industry has an opportunity to become a better, more supportive partner to both consumers and businesses. This is especially true for financial services institutions, as they look to maintain and build trust with consumers moving forward.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

The Impact of COVID-19 on the Consumer Relationship with Financial Services - US - June 2020

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

Scope
 Definition
 Economic assumptions
 COVID-19: US context

Executive Summary

Key takeaways

Figure 1: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, July 2020

Key trends and innovations

US economic performance

After slow and steady recovery from 2008, US economy falters during pandemic

Market performance

Short-term effects were mainly behavioral

Medium term heavily dependent on health recovery

Longer term will be driven by economic recovery and a shift to digital

Looking to the future

Figure 2: Mintel Trend Drivers – shifts for the financial services industry, July 2020

The Impact of COVID-19 on Consumers

Majority of consumers are worried about their exposure

Figure 3: COVID-19 exposure and life disruption concern, March 4, 2020 – July 7, 2020

Consumer concerns reflect a grudging recognition of the next normal

Following advice of medical professionals, consumers have adjusted their lifestyles

US consumers still optimistic about their own financial health, but not of the country as a whole

Mintel's Global Consumer Trend Drivers

Figure 4: Mintel Trend Drivers

Opportunities

This is the time to be bold

Remind consumers that the financial industry is sound and can offer support

Stop making it so difficult for consumers to like you

What it means

How a COVID-19 Recession Affects the US Economy

US sees massive layoffs and furloughs due to shutdown

Figure 5: Unemployment and underemployment, January 2007-June 2020

Consumer confidence craters as the pandemic rages on

Figure 6: Consumer Sentiment Index, January 2007-June 2020

DPI increased over 13% due to government stimulus package

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Impact of COVID-19 on the Consumer Relationship with Financial Services - US - June 2020

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 7: Disposable Personal Income change from previous period, January 2007-June 2020

GDP drops by nearly 4%

Figure 8: GDP change from previous period, Q1 2007 – Q2020

State of the Market before COVID-19

Financial services industry strong in pre-COVID-19 landscape, though signs pointed to a recession

Account ownership was high

Figure 9: Financial product ownership rates, October 2019

Trust in the industry was low

Figure 10: Trust in financial service providers, October 2018

Short-term Impact on the Industry

Figure 11: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020

Banks were quick to close brick-and-mortar locations, pushing customers to digital and mobile channels

Figure 12: First American Bank email, June 2020

Figure 13: Banking activities in the past three months, November 2018

Credit usage focused on using fewer cards to limit exposure

Figure 14: Card favoritism versus card indifference, by generation, July 2019

Figure 15: Citibank email encouraging contactless payments, March 2020

Figure 16: Wells Fargo card and Apple Pay, March 2020

Lenders begin to offer assistance for those struggling through the pandemic

Figure 17: Attitudes toward debt, by generation September 2019

Figure 18: Patriot Federal Credit Union direct mail piece, May 2020

Insurance steps into its role as a health and wellness provider

Health insurers educated the public about the coronavirus

Figure 19: United Healthcare direct mail piece, April 2020

Property & casualty insurance offered refunds to those driving fewer miles

Figure 20: GEICO Facebook post, April 2020

Investment into fintech contracts, but consumers will appreciate the innovation brought about by new technologies

Figure 21: Simple email, April 2020

Medium-term Impact on the Industry

Figure 22: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020

Consumers will be watching their finances more closely as the recession takes a stronger hold

Meeting consumer needs:

As the recession takes a stronger hold, card issuers have the chance to step up as consumer advocates

Meeting consumer needs:

Need for loans will remain high, and financially secure consumers might be convinced to make larger purchases

Meeting consumer needs:

COVID-19's first wave continues across the US, and health insurers need to put priority on transparency

Meeting consumer needs:

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

The Impact of COVID-19 on the Consumer Relationship with Financial Services - US - June 2020

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Investment in fintech will slowly return as consumers become even more reliant on digital channels

Meeting consumer needs:

Longer-term Impact on the Industry

Figure 23: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020

Traditional banking behaviors will return, but consumers will expect more transparency from the industry

Meeting consumer needs:

US card customers will thoroughly embrace contactless

Meeting consumer needs:

Consumers will return to loans for large purchases

Meeting consumer needs:

Technological holdouts in insurance will embrace digital channels

Meeting consumer needs:

Interest in fintech will continue to grow, and new partnerships will emerge

Meeting consumer needs:

Appendix – Data Sources and Abbreviations

Data sources

Consumer survey data

Direct marketing creative

Abbreviations and terms

Abbreviations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com