

RESEARCH

Most consumers seeking a "third space" post-pandemic: Accenture

April 14, 2021



Post-pandemic, many consumers will continue desiring a "third space" outside of work or the home. Image credit: Annie Spratt

By KATIE TAMOLA

More than nine in 10 consumers have made a permanent lifestyle change as a result of the COVID-19 pandemic, and these behavioral shifts will likely disrupt industries, according to new research from Accenture.

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According to Accenture, 95 percent of consumers have made long-term lifestyle changes and many have developed preferences for working from home, avoiding travel and shopping locally. As a result, brands will need to continue showing innovation in tailoring to consumers while noting their evolving preferences.

"The ripple effects of the pandemic will be felt for some time and serve as a powerful illustration of the need for consumer-facing companies to be agile, resilient and responsive to change," said Oliver Wright, senior managing director and head of Accenture's global consumer goods industry group. "Born out of disaster and necessity comes opportunity; the pandemic has sparked a new wave of innovation.

"As companies fundamentally rethink ways of doing business that deliver growth, many are using advanced analytical capabilities to spot, respond, and target changing consumption trends," he said.

The findings are based on an [Accenture survey](#) conducted between Feb. 25 to March 5 of more than 9,650 consumers in 19 countries, including China, the United States, the United Kingdom, India and other key markets.

Consumer changes and challenges

Online purchases for products such as food, home dcor, fashion and luxury goods by previously infrequent ecommerce users has increased 343 percent since the onset of the COVID-19 pandemic. Infrequent ecommerce shoppers were categorized as those who used online channels for less than a quarter of their purchases prior to the pandemic.

Luxury and fashion ecommerce purchases among infrequent online shoppers increased by 315 and 375 percent, respectively. Home decor items and alcohol also saw triple-digit ecommerce growth, at a respective 319 and 347 percent, as more consumers stayed home.



Consumers are more comfortable shopping online for wines and spirits than before the pandemic. Image credit: Moet Hennessy

While ecommerce has boomed as consumers fully embrace online shopping, many people still remain cautious about travel. The hospitality industry has seen some of the greatest losses due to COVID-19.

Forty-six percent of respondents stated that they intend to cut previous business travel by half or have no business plans at all planned post-pandemic. Consumers who do feel comfortable traveling are also more likely to plan trips for leisure.

While recognizing that some consumers still do not feel comfortable nor safe enough to travel, many resort, hotel, cruise and airline companies are attempting to optimistically plan for the future in the wake of lower COVID-19 cases and continued vaccine rollouts

There is also an unexpected opportunity, however, for hospitality brands to market "third space" options, places other than a consumer's home or place of employment where they can work.



From keynote speeches to galas, Four Seasons is assisting guests in hosting meaningful and memorable events through hybrid meetings. Image credit: Four Seasons

More than three-quarters of respondents, 79 percent, said they would like to occasionally work from a third space. More than half of respondents said they would be willing to pay up to \$100 per month to work from a caf, bar, hotel or retailer with a dedicated space.

This is where hospitality brands can reflect attentiveness in continuing to offer disparate features that make it easier and more enticing to work within their hotels and organizations.

The new third space

To make up profits lost due to the pandemic, brands are continuing to develop programs with offerings that allow consumers to work anywhere from a private island property to a spacious office within a hotel.

Several brands are focused on expanding their programs and offerings that market unique workspaces, presentation tools, COVID-19 testing assistance and more.

Four Seasons Hotels and Resorts is offering hybrid meeting options, giving guests a new opportunity to reach their audiences in a range of ways.

The new feature, available at any Four Seasons hotel or resort, is allowing guests to host meetings that feature a mix of in-person and virtual participants. Four Seasons is providing guests advanced technology and assistance in

adhering to health protocols, enabling guests to host versatile events that aim to assuage anxiety and meet individuals' disparate meeting preferences ([see story](#)).

Other hospitality groups have also taken several measures to make their offerings versatile and enticing to consumers who may desire a different workspace.

Last year, Auberge Hotel Collection and Mandarin Oriental introduced remote long-term stay packages to accommodate working individuals looking for a vacation while still navigating the pandemic. Some packages even include tutoring for children who were attending school remotely.

The Mandarin Oriental Workcation package included private sanctuaries in selected rooms, complimentary Wi-Fi, printing, dining credit, as well as temperature checks, increased cleaning measures across all areas and even PPE for all guests ([see story](#)).

"The pandemic has forced 'creative pragmatism', especially for travel and hospitality firms grappling to find additional revenue streams during the crisis," said Emily Weiss, managing director and head of Accenture's global travel industry [group](#). "Some hotels turned rooms into pop-up restaurants while others experimented with offering temporary office space to customers seeking a third space' to work.

"While there has been experimentation with innovation in select pockets, companies need to scale these new services and address travelers' renewed focus on health and safety," she said.

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