BIZCOMMUNITY

Navigating growth in a Covid-19 world: Understanding shifts and preparing for growth in uncertain times

By Lynne Gordon, issued by Kantar

3 Apr 2020

The first case of Covid-19, the novel coronavirus, was identified in China on 17 November 2019. In just four months, the marketplace has shifted dramatically. The WHO declared a global pandemic on 11 March and President Cyril Ramaphosa announced that South Africa would go into lockdown after Thursday, 26 March.

As humans, Covid-19 is affecting every sphere of life – from the products we consume, to how we shop, work and socialise, to our enduring attitudes to life. This is likely to be a watershed moment that will change behaviour not just during the crisis, but in the 'new normal' to follow.

This new reality is overwhelming for brands and businesses – how should we respond to our consumers and employees? How do we ensure the sustainability of our future growth? Those that manage the crisis successfully need to navigate how to respond today – while also thinking beyond the immediate horizon, assessing what will happen next and acting early to prepare their business for recovery.

"There's no denying we're now in an era of business as unusual, with an even more unexpected recovery period thereafter. It's essential for marketers to tap into how consumers' needs and purchase habits are changing, to ensure these are well met when we finally start to come out the other side," commented Ivan Moroke, CEO at Kantar's Insights Division.

At Kantar, we've identified six key shifts to shape the response of brands and businesses during this crisis. By understanding these changes, and anticipating their impact, businesses can act more decisively to set themselves up for growth in an unusual and uncertain world.

Covid-19 is having a radical impact on how South Africans shop.

Ahead of the shutdown, 22% of South Africans said they are using online shopping more frequently.* For under 35s, 42% say they are shopping less at physical outlets in favour of e-commerce!*

Online delivery services from our major retailers are flourishing, and smart retailers are rapidly expanding their offering – online florist NetFlorist has launched next-day delivery of fresh produce, with prepared meals coming soon. Further, we can expect to see consumers shopping closer to home (73% agree with this sentiment*), with a shift from crowded malls and chains to local convenience channels.

Retailers are navigating new crises and opportunities.

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Retailers are needing to be agile to respond – battling to stock shelves, protect shoppers and employees and fulfil new online demand. Following the crisis, we can expect that some enduring new behaviours remain, and brands will need to ready for new omnichannel behaviours – where shoppers increasingly explore, compare and buy across online retail and bricks-and-mortar stores interchangeably.

We'll also see a shift in the types of products purchased during and after the crisis.

Even consumers focused on fashion, luxury and beauty purchases prior to Covid-19 are now shifting their wallets towards toilet paper, hand sanitiser and staples. While panic buying will lead to short-term spikes, it is the more fundamental shift towards essentials that will prevail. Concerned about their physiological needs, consumer spend will move towards categories like groceries, cleaning products and airtime – while categories such as luxury goods and travel are likely to experience medium-term negative impacts.

Faced with uncertain times, 66% of South Africans* express fears about financial security – and are likely to become more open to financial services products to be better prepared for the future. Banks are responding with smart payment holidays, while even alcohol brands are pivoting their businesses towards producing hand sanitiser in times of disruption!

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Following the crisis, we can expect many categories to recover quickly and demand to normalise. However, new needs will endure, creating demand for categories we've learned to value as essentials – health and wellbeing products or data for connectivity.

As humans, Covid-19 shakes the world as we know it, shifting and shaping culture in our new reality. Faced with #lockdown and crisis, humanity is in a state of shock today. While fear, anxiety and isolation abound during a crisis, humans also demonstrate the ability to reflect and adapt during difficult times to emerge kinder, more mindful and more connected.

Having experienced hardship, humans learn to appreciate generosity and sacrifice. Having done without, we may learn the value of simpler lives. Having experienced isolation, we will choose to value community. For South Africans, these values are not new – but are amplified as we experience a Covid-19 world.

Covid-19 shakes the world as we know it, amplifying values that have existed all along.

THE HUMAN CONDITION	THE COVID-19 EXPERIENCE		AMPLIFIES VALUES OF
People are social beings and have an innate need for connection	**Isolation**		**Shared humanity**
An era of individualism and status	**Hardship and sacrifice**		• Community and connectedness • Co-operation • A revival of Ubuntu • Generosity • Simplicity • Wellbeing
Consumerism and conspicuous consumption, instant gratification	**Scarcity and insecurity**		

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The result – a post-Coronavirus world is a place we'd all rather be. All around us, we see people coming together – 30,000 people joined Jay Shetty's 20 days of Meditation, seeking peace and mindfulness. We see generosity and empathy as people reflect on the challenges of the average South African facing #lockdown, unemployment and loss of income. And its an opportunity for brands to step up, too – demonstrating their own values of generosity, empathy and the greater good. Castle Lager's commitment to redirect marketing funds to the Solidarity Fund during the 21-day shutdown is just one example of brands stepping up to a new era of shared humanity.

Now is a time for brands to step up to serve consumers better. At least 32% of South African consumers express a desire for brands to offer practical help in response to Covid-19*. In these trying times, it is not enough for brands to offer personal benefits to consumers – great brands will reach beyond their functional promise for individuals to demonstrate their positive impact on society as a whole.

Pick n Pay was the first to initiate special pensioner shopping hours, to allow those most vulnerable to shop safely and avoid stockouts. Discovery has innovated their business model fundamentally with its Dr Connect offering, providing access to diagnosis and advice on mobile as a response to the crisis. Netflix's smart Netflix Party feature allows viewers to sync up watching for a shared experience, even when far apart. Brands that rise to the occasion have the opportunity to emerge from the crisis and enter recovery stronger than they were before.

Throughout, it's essential that brands make smart communication choices – adding value to consumers, being agile to adapt and speaking authentically without exploiting people's fears.

Ensure your communication fits the moment we're in.

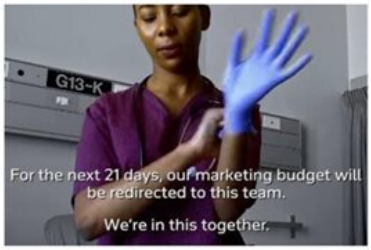
Avoid creative tactics that fail to add real value

McDonald's has faced consumer backlash for their logo tactic, which makes no real positive impact

Be responsive about depicting situations that will feel uncomfortable

KFC demonstrated agility by quickly replacing their "finger-licking" creative as hand hygiene became a hot topic

Amplify messages that connect and **add value** to societal good



Castle Lager has pledged to donate all marketing funds for the shutdown to the Solidarity Fund, as they step up to support those on the frontline of the crisis

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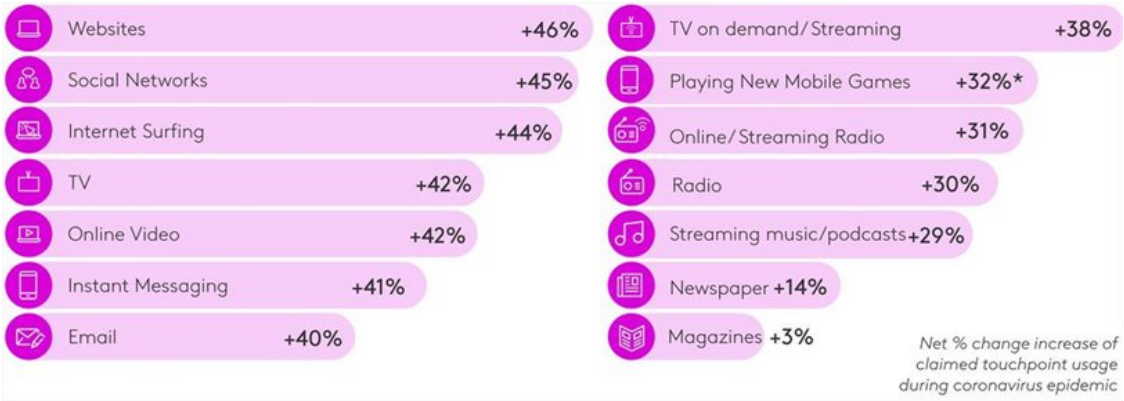
Brands will also need to consider how to invest effectively during this unusual time. Already, we see consumer media behaviour shifting significantly as people isolate themselves in their homes. Digital media usage is up, with over 40%* of people spending more time on websites, social media and WhatsApp to stay connected and inform themselves on the status of the world around them. At least 43% of South Africans claim to be watching more TV* in a desire to entertain and inform themselves at home. Smart brands need to maintain presence and awareness during the crisis, preparing themselves for the future by ensuring their brand remains top of mind.

In the short term, optimise media plans for 'in-home friendly' options.



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Finally, we should not overlook the impact of the crisis on organisations. While many will face the dire impact of unemployment during the shutdown, even large corporates continuing to operate in this unusual time will see changing organisation dynamics as employees work remotely and need to adopt new practices, tools and structures to be effective.

Organisations more able to adapt to this change will see greater business success – in fact, 66% of high-performing businesses globally rate themselves more effective in agility**. Strong organisations will protect their people, adapt to new ways of working and be responsive to the consumers they serve. Clicks has offered all employees free flu vaccines to build immunity. Effective businesses will emerge from the crisis with new tools and capabilities for a new world of work, better able to anticipate and respond to future changes.

For brands and business, it is a challenging time. The demands of the rapidly changing world require fast responses and deliberate choices today. But opportunities abound to respond to the shifts around us; maximise impact for people, shoppers and organisations; and emerge prepared to play a leadership role in the recovery. As winter comes, can spring be far behind? As the world recovers, new opportunities will emerge for brands to thrive, having navigated the crisis and prepared for new growth.

Click here to listen to our webinar recording on-demand or reach out to us over email at brandfanatics@kantar.com with any questions.

Also, stock up on updates and insights to help your brand manage the effects of Covid-19 and prepare for the future on our Covid-19 page. Follow us on Kantar LinkedIn and Twitter to keep up to date with our comms, and stay safe!

**Kantar SA Covid-19 Barometer study, Wave 1 March 2020.*

*** Initiative for Real Growth, WPP, 2019.*

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