

THE NEW NORMAL



THE POST-
CORONA
CONSUMER

APRIL 2020



HOW ARE WE ALL FEELING TODAY?

CONSUMER OPTIMISM

It's an unprecedented time for us all and one which we are still getting used to. The Covid-19 pandemic is not just impacting our health, it's impacting the very fabric of our existence. From how we shop, how we work, how we socialise and how we interact with other people. This white paper takes a look at how this fundamental change to our 'known-behaviours' is likely to impact our consumerism in a post-Corona world. First of all it's interesting to look at overall consumer confidence in comparison to other countries in different stages of the contagion life-cycle.

According to recent research by McKinsey & Company, consumer optimism varies by country but is typically higher at the start and end life stages of the contagion curve. For the period of 20-23 March, 48% of Chinese consumers were optimistic for an economic rebound within 2-3 months, compared to just 23% of Brits.

The near-term outlook is extremely challenging, Oxford Economics expect global growth to drop to zero, the second weakest in 50 years. However they also believe that - consistent with historical experience - the eventual resurgence will be strong, with annual economic growth next year rising as high as 5% in early 2021 and averaging 4.4% for the year.



SIX KEY TRENDS

FOR THE POST-CORONA CONSUMER

- 01 HYPER CONNECTED**
Working, learning, connecting, playing and consuming online
- 02 (VIRTUAL) EXPERIENCE ECONOMY**
Businesses taking their experiences direct to the consumer
- 03 AMBIENT WELLNESS**
Looking after ourselves and looking out for each other
- 04 DELIVERY**
Consumers are using delivery when they would never have considered it before.
- 05 NEVER FORGET**
Brands will be remembered in the future for what we do now
- 06 CONNECT AND COLLABORATE**
Businesses connecting and collaborating with new partners and even competitors

01 | HYPER CONNECTED

WORKING

9 billion mins on Microsoft Teams per week

LEARNING

Google searches on 'language learning' +100% yoy

CONNECTING

Facebook Group calls +1000% in the last month

PLAYING

Video games played at record levels

CONSUMING

Web content download traffic is up 90%*

Source: The Goat Agency, *Virgin Media

We are spending more time online, during lockdown. But how will this translate to changes in behaviour post-isolation?

Ecommerce will benefit – more older consumers are now totally comfortable with it. More people are now used to consuming news, media, and entertainment online. New sign ups for online grocery shopping, for example, are at record levels, with many proactively attracting over 70's, a consumer group who would not have typically used it before the crisis.



Brand development via digital - Growing and developing your brand and brand reach, via digital, will become EVEN more critical. People who didn't previously turn instantly to google will soon be much more open to google search, social media, accessing online reviews, etc.

Online 'development' or learning - Whilst at home, many will be prompted, forced even, to learn some often long-neglected traditional life skills, such as a new language or cooking for themselves. We're seeing a boom in online tutorials from cooking to yoga, and even new live training and development streams for professionals, such as '[HospoLive](#)'.

Are you only selling a product or service, or can you help your customers to become more better versions of themselves?

As people emerge from a crisis, they'll appreciate those brands that supported them through it. This obviously has implications for staff training *and* building customer connections. After this, both your staff and consumers will be much more comfortable learning AND connecting online, i.e. video chats. This is also relevant for expanding your customer proposition – for example, 'want to learn cooking', 'recipe ideas', 'conversations with operators', etc.

A group of diverse people are seated at a long table in a restaurant, smiling and holding wine glasses. The table is set with plates of food, glasses of wine, and a vase of yellow flowers. The background is softly blurred, showing the interior of the restaurant with warm lighting.

**EXPENDITURE ON
EXPERIENCES GREW
4X FASTER THAN
SPEND ON PHYSICAL
GOODS IN THE US IN
2019**

Source: Harris Group

02 | (VIRTUAL) EXPERIENCE ECONOMY

The wider trend of the experience economy has been popular with industry experts for many years now – the experience economy being, essentially, the next global economy following on from the industrial and service economies. Latest figures (see previous page) show we are continuing to spend less money on buying things, and more on doing things, particularly GenZ.

Whether it's pubs or shops or brands, businesses have been scrambling to adapt to this consumer shift. Creating a memorable experience is what will keep a business ahead of competitors. Only recently KAM Media reported that 2/3rds of consumers want hospitality venues to deliver 'an experience that they can't replicate at home'. Now things have changed. How can we now replicate these experiences at home?



With music acts canceling tours, museums and art galleries closing their doors and the Olympics will now not take place for the first time since World War II, there will be a massive void in people's lives. But immersive new technologies mean that people can increasingly get their experience fixes from the virtual world. Social media and esports are two of the obvious examples, but YouTube and Zoom are also being used to bring these experiences into the home. In the 'new normal' expect these, and other virtual experiences to take on new levels of meaning. **A photo on Instagram probably won't cut it anymore.**

Can your brand create 'virtual' experiences that they'll want to share, as much as their real-world experiences?

For a bricks and mortar establishment, you don't want to drive consumers away from your venues with these virtual experiences. But rather like how online delivery has changed the way in which physical retail stores have adapted, could the new 'virtual pub', for example extend the reach of hospitality venues and create a new normal in which online and offline compliment each other?



OUR HABITS WILL
CHANGE AND
STICK WITH US
FOREVER

03 | AMBIENT WELLNESS

It takes 6 weeks for a new habit to be formed. Habits formed within this lockdown will take a while to shift. Consumers were already becoming more health conscious, more aware of their mental health, more aware of the need to slow down & de-stress and spend time with the family - we expect the desire for improved health and wellness to continue.

Emotional well being - Think about how your customers interact with your physical spaces, and the impact those spaces have on aspects of their physical and mental well-being.

Hygiene is obviously critical. Physical safety is now a consideration. Offering an environment which minimises negative impacts, and even actively offers health-boosting benefits, will be appreciated.

Help re-connecting - People are likely to be vulnerable and a little confused coming out of isolation. Many will have been through some VERY tough and sad experiences. Get ready to flex your brands empathy muscle. This is something that doesn't require a huge budget or highly technical solution. It simply needs you to think about what's causing your customers' mental anguish.

Functional foods - With the corona virus pandemic sweeping the world, more people are looking for "functional foods" to fight illness and stay healthy. "Immune system" in food chatter is up 66% month over month (Source: Tastewise). Food safety awareness will also be heightened. Consumers will want 'transparency' in the food chain and operators need to ensure they are even more open and honest with consumers, at every stage.

04 | DELIVERY

Consumers are using delivery when they would never have considered it before - for groceries, meal deliveries and veg boxes. Even the milkman has made a comeback. Many more restaurants, convenience stores, pubs and bakeries are now offering delivery, when they had no intention of doing so. Some are doing it to make money, or retain customers, and many to support the vulnerable and NHS. As the saying goes, necessity is the mother of invention.

Only 7% of UK consumers were using delivery apps on a weekly basis before this crisis (source: KAM Media.) Estimates now place that figure at 24%, at time of writing.

Consumers are currently accepting kinks that WILL NOT be acceptable in less challenging times. Smart brands will use this period to experiment, but when making longer term plans, think carefully about which parts of your customer journey to automate.



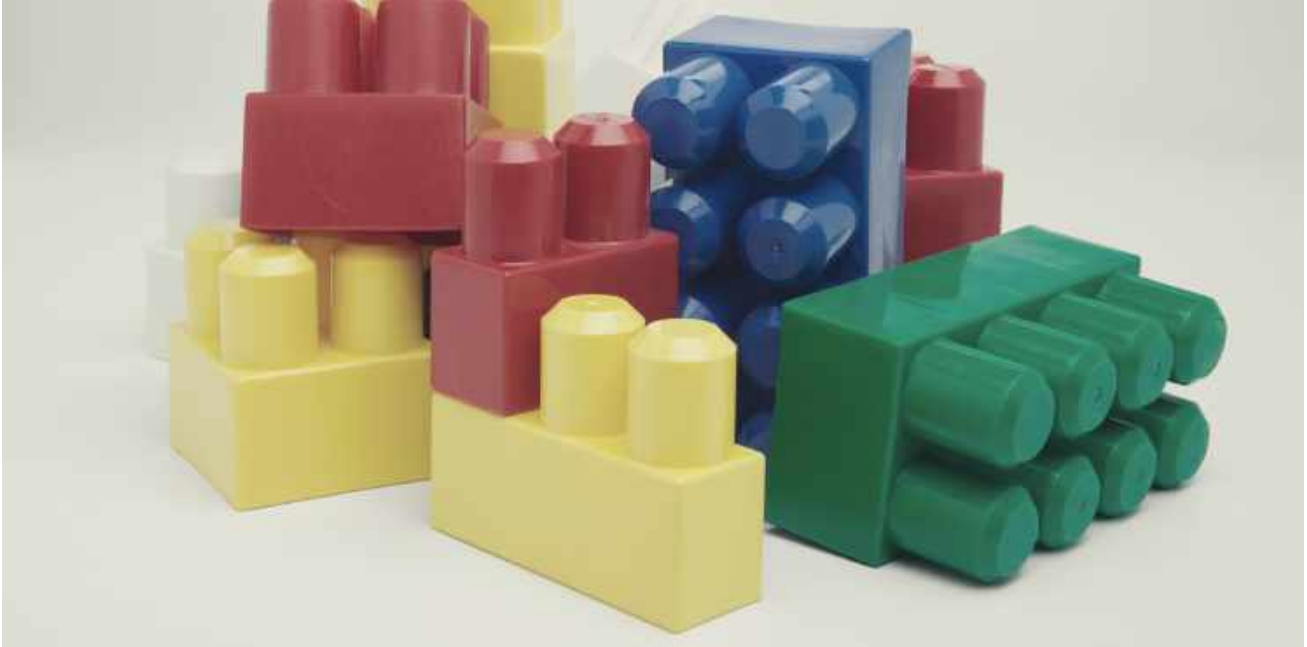
05 | NEVER FORGET

Consumers want to buy from brands that care. KAM Media research shows that 1 in 3 say that a brand's impact on the environment is important to them. 1 in 4 tell us that a brand's ethical stance is a major factor in influencing whether they buy from them. And this was BEFORE the current crisis. In times of crisis, the importance of ethics and ideals of the business are magnified.

During this time, consumers will remember how a business acted and it will forever influence how they see them.

Ultimately what you do now will help them decide whether they want to be associated with your business or brand in the future.

You too can be like Leon. However, it's not as easy as just saying you care, you need to 'live' your ideals in order to resonate with the consumer. In a lot of ways we see brands like we see our friends, everything a brand does from how it treats it's staff to how it supports the community, so it's by these actions that consumers will measure a company in a post-Corona world.



06 | CONNECT + COLLABORATE

Many consumers are connecting more with neighbours, old friends, their children and their partners, because they have more time to do so. There's an increased acceptance and ability to video chat, through the likes of Zoom, which means some people are actually speaking MORE regularly.

Many businesses are at it too. Connecting and collaborating with new partners and even direct competitors. The corona virus is one of the most urgent transnational, cross-demographic problems in recent history, and as such it has reminded people that the best organisations are those that collaborate generously with others. Many suppliers are offering free access to their products,

Key rivals such as Brakes & Bidfood – foodservice wholesalers – are working together, sharing information and processes, to ensure their joint supply chain is stronger in order to get the necessary foods to their customers and local communities.

Reshape your ecosystem – who could / should you be collaborating with?

What moves can you make now to serve your customers, your employees, and your partners better for the longer term? Which growth avenues could you pursue? What new partnerships could you develop now that were more difficult before?

This really could be one of the most impactful trends to come out of this crisis. In 1959, Volvo invented the three-point seat belt and made the patent available to everyone in the interests of public safety. It's estimated that since then the invention has saved over 1 million lives. The brand still (rightly!) celebrates this decision.

Ask yourself: What could we do in 2020 that people will still be talking about in 50 years time?

SUPPORTING

THE POST-CORONA
CONSUMER

DO THE RIGHT THING

CONNECT & COLLABORATE

DEDICATED DELIVERY

FOCUS ON WELLNESS

HYPERCONNECT

FOCUS ON THE (VIRTUAL)
EXPERIENCE

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WWW.KAM-MEDIA.CO.UK
@KAMMEDIAINSIGHT
HELLO@KAM-MEDIA.CO.UK

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