



THE FUTURE FOR BRANDS

A Tangible view of the potential impact of the Covid19 pandemic on consumers and their attitude and behaviour towards brands and how to plan a way out of the crisis.

For the avoidance of doubt, we feel deeply the appalling nature of the crisis and the impact it is having on real lives. We are however taking the opportunity to focus on our area of business interest – people and their relationship with brands – and look forward to a positive future based on collaboration, learning and optimism. Please feel free to use, adapt, share and develop the ideas we have generated by being inspired ourselves by other people's thinking and research as well as our own.

Warning: it's a bit of a long read

(7th April 2020)

The unique circumstances of the pandemic have resulted in almost certainly the **biggest and fastest ever shift in UK consumer behaviour.**

On the one hand consumers have been **prevented** from continuing as usual – restaurants and bars have closed, and they are being confined at home. On the other, they are **constraining** themselves due to concern about health risks as well as potential or real loss of income.

Discretionary spend has already been reduced by up to 50% according to sources. For those that can afford to, precautionary saving has increased as people sit tight. The consequence is an unforeseeable **commercial hiatus.**

The questions for business are many and profound : what's happening? how do we deal with it? is it temporary? what will change? And for those that prevail the biggest question is how do we compete and flourish as and when the world and our markets emerge from the crisis?

POST LOCKDOWN SCENARIOS

In order to plan we typically need to consider where we are. The unique set of circumstances which prevail now mean that this is not the most important question – after all our current circumstances are officially temporary and are based on state enforced rules rather than freedom of choice. The key questions therefore include: where will we be immediately post lockdown, what stages will consumer attitudes and behaviour go through, when will we emerge, how can we define our own new normality?

There are plenty of expert analysts, investors and speculators working on scenarios for the immediate future – whether that future emerges via a phased release of the lockdown, a prolonged period of social distancing or an ongoing programme of shielding the most vulnerable.

This is of course highly complex and it is therefore not surprising that McKinsey managed to illustrate no fewer than 9 different outcomes in their recent briefing note on the topic.

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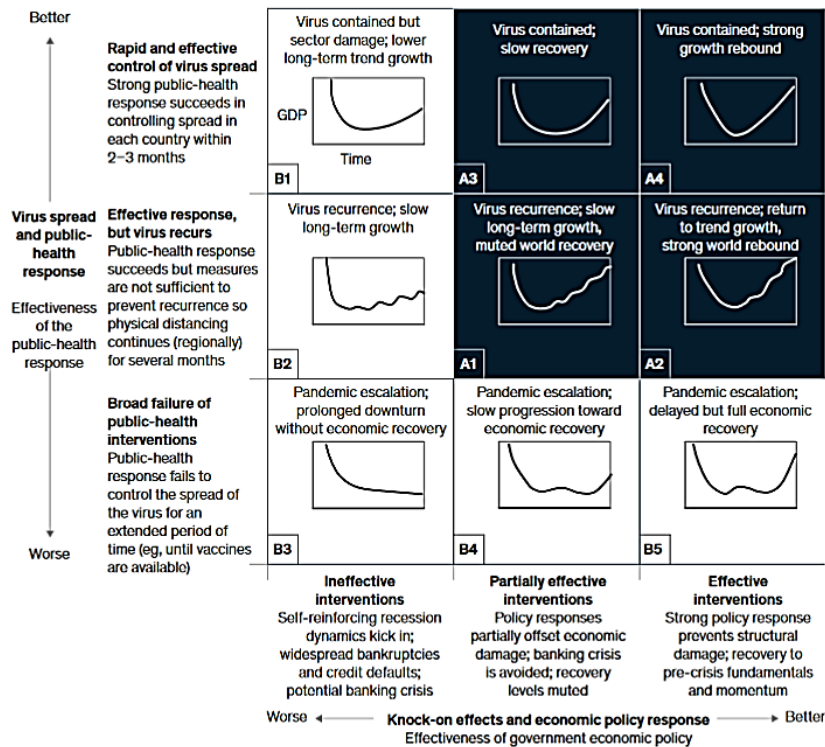
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Scenarios for the economic impact of the COVID-19 crisis.

GDP impact of COVID-19 spread, public-health response, and economic policies



(McKinsey, Covid 10 Briefing note 30th March 2020)

Based on our understanding of consumers and brands, with the experience of researching the 2008-9 financial crisis as well as this Covid 19 pandemic , **the Tangible view is:**

1. **We believe there will be a severe and negative impact on the economy and people's personal finances**
2. **We expect consumer confidence to be at historically low levels**
3. **Whilst some pandemic crisis feelings will eventually be forgotten others will be carried over and influence new consumer behaviours**
4. **Weak brands and businesses will come under pressure and many will disappear**
5. **Strong businesses will flourish creating a successful future by resetting and reforming their propositions based on understanding shifts in attitudes and behaviour**

This note is intended to help brand owners with an exploration of the ways that current circumstances may motivate people to behave differently in future in terms of their attitudes towards brands and their resulting buying activity.



WHY CONSUMERS BUY BRANDS AND WHAT'S CHANGING

We know that the text book definition sees brands operate as a combination of a name and a promise, represented by a set of recognisable properties that form a mark of trust. This much has not changed in recent times.

We also know that successful brands are those which have a *recognised* name and an *appreciated* promise that resonates with a *consumer want or need*. The result is that reputation builds based on experience.

It is this dynamic that has been dramatically disrupted as well-established wants and needs have been put into a state of acute flux.

At the same time people's normal perceptions of the same brand – depending on their perspective, personal experience and attitudes, experience of the product and understanding of the promise – are being dislocated.

There are two key reasons for this:

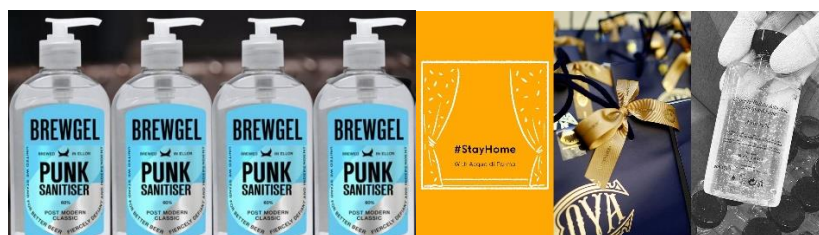
1. **Brands are disappearing from view** (due to a lack of physical availability) or they are **being pivoted and transformed** in front of people's eyes (food wholesalers such as The Sausage Man becoming branded D2C offers ; BrewDog and LVMH brands including Bulgari switching into hand sanitiser products)

THE SAUSAGE MAN ONLINE SHOP



We are a wholesaler, selling only to businesses. But we are opening our store to the public! As shopping for quality meat becomes increasingly difficult with stockpiling and online retailers are being overwhelmed, we have decided to open up our online shop to everybody. **No minimum order value and free delivery on orders over £65. In DA postcode areas free delivery on orders over £40.**

The VW bundle can be bought without a minimum order value.
Please read our [delivery information!](#)



2. **Trust** is hard won and easy to lose. Certainty has been replaced by doubt, confusion and contradictions. People are unsure about what they can expect, what is right, who is doing the right thing and whether things will return to normality. This raises conscious questioning of businesses, brands and claims which will typically be addressed directly and indirectly through ongoing dialogues between brand owners and consumers but which has largely been halted by communication expenditure freezes and disrupted buying patterns. Authentic brand purpose is likely to be a prerequisite of post crisis trust.



The concern for brand owners is that, for as long as the hiatus lasts, continuity is being lost. This is because the key components of brand success, Fame and Force, require momentum and consistency to have the effect of embedding memories that drive buying behaviour by creating the condition for *people to think of a particular brand and feel positive about it when they want to buy something similar.*

The decay in mental availability and memorability is a result of brands disappearing from view, of seeing less or no advertising or fame building communications buzz and reduced presence. The diminution of distinctiveness is inevitable as brands fade, lose their salience or relevance and possibly reliability and trustworthiness.

Brand buying is a habit. Breaking the habit (or having it broken by events) is likely to reduce market penetration – fewer buyers means a smaller brand. The harsh reality of the current crisis is that brands, however habitually purchased in the past, however regular their so called loyal buyers were, will have to rekindle their relationships before competitors step in to fill the gap.

Some brands will have acquired buyers during the crisis – being substituted whilst competitors are out of supply or being settled on as a compromise. This new trial opportunity is a potential ongoing gain assuming the product or service has delivered well – keeping these new brand buyers is the alternative to being on the losing side of the penetration equation.

THE MARKETING TASK EMERGING FROM THE CRISIS

The key marketing task coming out of the crisis is the same as it ever was, to rekindle old embedded memories and generate newly established and positive experiences of the brand.

Time and timing is of the essence. Waiting is not an option; if brand owners spend money sooner rather than later, and whilst others sit on their hands, they may find activity is cheaper to buy. The result is those brand owners will be closer to realising a return on investment as competitors are trying to catch up.

It is well document (by Les Binet and Peter Field amongst others) that brands respond to advertising in both the **short term** and **long term**.

Short term Activation campaigns drive awareness and rational consideration and have a short term one off effect. These effects can normally be seen within the campaign period and disappear within the same timeframe. They can show efficient short term ROI in normal times and in a post crisis situation they may be the fastest route to regaining buyers, to achieving short term trial and squeezing out competitors.

Long term Brand Building campaigns drive brand attitude shifts and are baked into memories for ongoing decision making. They build Fame for brand's Force characteristics and can result in future behaviour change and ultimately higher prices and greater profitability. These campaigns work in their own right (usually in a minimum of a 6 months timeframe, and decay slowly) and also have the added bonus effect of making activation campaigns work harder. These campaigns represent an immediate investment opportunity for ambitious brand owners.

Whereas cutting spend is inevitable if cash is in short supply it must be recognised that this also has an impact beyond the saving – it is not a zero sum game. On the assumption that the spend was

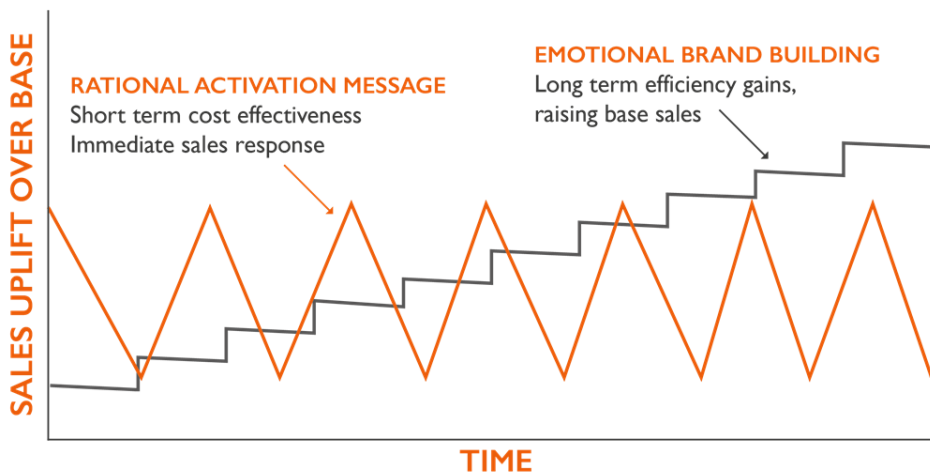


believed to be effective when it was originally earmarked, removing it must have a negative impact. If it doesn't what is the point of marketing?

If competitors are cutting their activity the effect of any spend is likely to be multiplied as share of mind is more easily accessed. Timing is of course important and getting the tone of voice right is critical – but being out there when others are not is a rare opportunity and is not to be missed.

Byron Sharp (author of *How Brands Grow*) has another view – if you don't have the luxury of unlimited funding and assuming you are not able to demonstrate that your advertising works (and according to historical research most media spend is probably ineffective), rather than focus on increasing budgets you could concentrate on increasing effectiveness. In other words, spend more time testing and proving that copy and media plans work as they are intended and increase your pound for pound rate of return.

BRAND BUILDING AND ACTIVATION ARE DIFFERENT THINGS



Adapted from IPA/Binet&Field



THE NEW LANDSCAPE IN 25 IDEAS

We don't know when a new landscape will emerge or how it will be characterised. We can however use our judgement and experience to outline potential shifts and their implications for brand owners. What follows is therefore not so much a set of predictions as a long list of ideas for consideration, to think constructively about the future and look for growth opportunities rather than just deal with present dangers. These ideas and thoughts are interrelated, overlapping and sometimes contradictory. We have not themed them, nor do we suggest they are equally profound.

Our tip for using trends and scenarios like these is to work through them, use them to stimulate the creation of more, and then ask 3 questions:

1. Is this **relevant** to our business – do we need to acknowledge it as a factor?
 2. Should we **embrace** it immediately, **observe** it for now, or can we afford to **ignore** it?
 3. If we are embracing it how, what and when are we going to **do something** to tackle it?
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1. What if there is a post lockdown **Leisure Boom**? Assuming this is an event and not a gradual process, eating and drinking out, neighbourhood BBQs and outdoor events : impromptu gatherings and hastily arranged shows (possibly wrapped up in a tribute to virus victims and key workers) are likely to create short term spikes in behaviour, but may live long in the memory.
 2. Might we see **more Cooking at Home**? Perhaps some of this enforced behaviour will stick. It's a reasonable bet that some people will have found new skills and enjoyed the art of home cooking and will continue to spend some of their time expressing themselves in the kitchen (albeit slightly less often than during the lockdown). Whilst others may be hungry for a return to prepared food and the lure of fast casual restaurants some will inevitably stick with lower cost home cooking, not least because of economic factors or a hangover of social distancing.
 3. Does the shift to online shopping mark a further step towards a **diminishing Big Retail sector**. Will out of town superstores, standalones and department stores become even less frequent a destination, continuing to be replaced by experiential malls and a resurgent leisure based high street? Will more household names go to the wall leaving the gap to be filled by new concepts, convenience and collection focused, across all sectors?
 4. Is **Value for money** likely to be the step changing attitudinal shift that endures. Whilst discount shopping is already embedded, there is a new reality – not just smart shopping for its own sense of satisfaction but also out of economic necessity.



5. Is **Efficiency** the new indulgence? It is possible that many people will shift their shopping behaviour to an “as and when necessary” approach. The big shop was a very pre 2020 behaviour for many – it may not return for some time as convenience is replaced by efficiency: reduced outlays , reduced stockholding at home, a sense of make do and don't over do it. Put it another way, are we heading back to an age of self-inflicted frugality?
6. Can **Growing Your Own, DIY, Make Do and Mend** be a positive choice? Getting by is different to taking back control; enjoying simple pleasures is not the same as being able to afford little; fixing and creating might be a sign of status not insecurity. Parts of the economy will be squeezed in any after crisis scenario run by analysts and cutting back is the assumed response. However, positive choices are possible and if the post 2008/9 World Financial Crisis inspired return to tradition exemplified by the Bake Off boom is anything to go by there could be much more of that to come.
7. Will **Premium Treats** prove recession proof again? The likelihood is those that want them will still buy into premium and indulgence based offerings – providing of course that they deliver on the “worth it” equation. Pricing research suggests that the biggest issue here is relative pricing rather than absolute prices – the risk of opening up a price gap and leaving a lower or mid-market entry point ready for exploitation. If the product or service can be replicated or closely matched, the new economic reality will mean switching behaviour is likely to be endemic.
8. Will big national, international and global corporates come under pressure from **Local Sourcing**? We can assume safely that local, human interest stories around producers will have great and growing traction. The impact of poor supply, concerns about security and sustainability and a desire to keep things close to home are natural responses to the trauma of the rationing crisis. “Keep it local, support local businesses” will never have been more visible rallying cries especially as we approach another Brexit deal deadline.
9. Why shop at all? The enforced convenience during lockdown of ordering **online, subscription services, click and collect or delivery on demand** is likely to be something that people will miss. Now that more people have the app, the online account and the confidence that delivery and return works, the ceiling for this channel is likely to be well and truly smashed – for just about everything possible.
There is an ultimate risk in this that brands could be diminished or even disappear – delivered food and takeaways in particular have become dish led with the app being a portal brand. Keeping visible in front of consumers, being badged and having a distinctive product will be necessary to avoid the commoditisation of whole sectors.
10. Who needs a middle man when we've had **D2C**? Whilst aggregators and the mega market places may do a job for those driven by the ultimate one stop shop, others may have learned the joy of cutting out the middle man. As people have had to get creative and compromise or solve their own supply problems, a new Direct To Consumer opportunity has arisen cutting out the role of intermediaries and retailers and going direct to source.



Some of this may be a throw back to the old days of local deliveries from the baker, the butcher and the greengrocer. But expect a new wave of restaurants as shops, distilleries as personal bar tenders, farmers as greengrocers, makers as made to order suppliers.

11. **Working from Home** as the norm not the exception? There is likely to be a split jury on this – those for whom being confined to four walls has been as agonising as it has been liberating to others. New home based consumption is likely to be on the up at least in the short term but with the provision of effectively enabling technology, a desire for business owners to manage overheads there is likely to be an ongoing phenomenon of the video call accompanied by a slice of toast and daytime TV.
12. **A shift in working style?** Whilst people will perhaps call a halt to entrepreneurial dreams of self employment in the uncertain short term, there is a possibility of a boom in the online gig economy for professionals. Once limited to reverse auction sites for design services and content writing, it is quite feasible for people to have more side hustles than when they are under office supervision – and a greater desire to offset the risk of being beholden to one corporate employer.
13. **A Dash for the Suburbs?** Uncool or unaffordable whilst the growth of city centre apartment dwelling expanded during the last decade, anyone trapped in a small flat during lockdown will more than once have expressed a longing for open spaces, a spare room and somewhere to take the air.
14. Now wash your hands – have we bred a new sense of **Trust and Distrust** of each other? A new intensity of hygiene but also physical distancing, swerving people in the street, pulling away from others in store could become habitual. Implicitly this will lead to a greater sense of self preservation, of inward focus. However, individualism is contrary to heightened perceptions of care and consciousness of the vulnerable: we should expect more communities, groups, associations to provide a sense of belonging – and these will be the province of brand owners wanting to stay connected and be good corporate citizens in equal measure.
15. Will we see a further explosion of **Health & Wellness** concepts? Already the hottest or trends the next stage is perhaps a move on from a “looking good” version of health into “stronger and fitter” for its own sake not the Instagram feed. The fight not flight mechanism has kicked in like never before during the crisis – even a vaccine is unlikely to make people feel invincible.
16. Will we **Connect over Food** in bigger numbers? Restaurants were full of couples – tables of 2 dating, catching up, celebrating and just being. Once the log jam breaks can the sense of community embodied in social media, zoom pub nights and extended online House Party events be brought to life by large groups of friends eating together? Will the new restaurant environments that come back from furlough break through from the quick drink, a bite and a turned table to be viable as a sharing place, meeting points and truly social spaces built around a 2 hour meal?



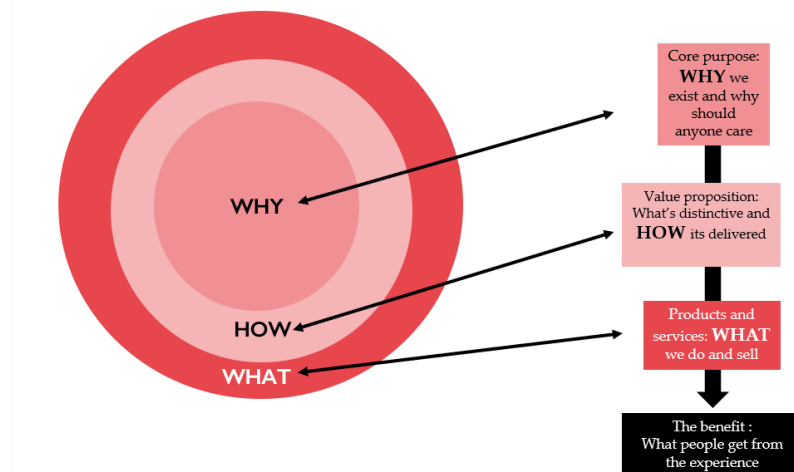
17. Are we heading for a **Reduction in Big Ticket** investments? Property was already a stretch for the under 30s, possessions such as cars (via finance schemes) and even big holidays (including of course cruises) may be out of reach, difficult to finance or just off the agenda. At least for the next year or so.
18. Has isolation created an even greater desire to **Be Together**, by any means? Humans are by nature sociable, at any age. The boom in events, festivals, gatherings and communal happenings was well established pre 2020. The absence of these from the calendar could lead to three outcomes: return to the original plan; new, bigger, better and more exclusive; more, smaller and open to all. Standing out from the crowd is harder when the crowd is bigger so brand owners will need to find ways to join in or reinvent the event, so they are not left out.
19. Is **Virtual Experience** becoming real? Technology has become an enabler of experience and connectivity beyond the confines of click to order and the gaming community. We should expect more live streaming of everything, with or without augmented reality, as a way of giving direct access and involvement with all aspects of life, work and leisure including makers, retailers, healthcare, events and tutorials. Brand owners can assume a variety of roles within this – host, content provider, sponsor – and bridging the gap between the tangible and intangible aspects of brand experience will be facilitated more rapidly as a result of whole new cohorts of people adopting the screen for more than search and social media.
20. Can consciousness about wellness extend to seeking out more **Healthy Environments**? The climate crisis has been starved of oxygen in the short term, but concerns about pollution and air quality, restricted access to wildlife and nature, and frustration about the sustainability of eco systems is closely related to a sense of a sick planet vulnerable to viral transmission as unintended consequences of the benefits of mobility and urbanisation. Brands that **connect** with this need by supporting or championing this agenda will be on message, but those that **deliver** it through practical initiatives like living walls, cleaner and more sustainable manufacturing, and radical supply chain solutions are likely to be the winners in every sense
21. Is this a tipping point for **Data Sharing** ? The benefits of data driven insights can not have been more central to the crisis discussion. Concerns over privacy (both in terms of freedom and hacking risk) will not go away, but the power of monitoring, mapping and modelling for the greater good has inspired awe. The deal here always has been and will be the deal itself: when people understand the benefits of sharing they can weigh up merits of participating. If brand owners can now get beyond owning the mechanism and shift the equation in favour of the owners of the data – the customers themselves - there is a new prospect that they may see what's in it for them and open up.



22. Have we seen the end of any stigma around **Mental Wellbeing**? The scars from the crisis will be varied, deep and borne by many from all walks of life. This need not be about being seen to be doing the right thing, but simply just doing things right. Proactively dealing with this in a natural, unselfconscious and collaborative way will allow everyone to engage all of their emotions, vulnerabilities and contradiction when dealing with their wants and needs.
23. **Generosity** may be the new competitive opportunity. The trend has been in this direction since the last recession and has come to the fore with acts of personal bravery and corporate altruism – as people seek not only a sense of community but the positive reassurance of good news stories based on a human desire to give and receive with good grace. These experiences are more engaging, affirmative and memorable – all characteristics of successful brand relationships.
24. **Virtual Assistance** is no longer weird? If people have had to get used to displaced conversations, screen to screen sharing, and online everything perhaps there will be more – support, bots, personal services of all sorts. Assisted buying choices, service options and dynamic comparisons could be embraced sooner rather than later as people use the tech to enhance their lives through assisted convenience.
25. When we say we have purpose don't we just mean we are **Being Human**? Simon Sinek's Start With Why (adapted below) is all about the power of connecting with human stories. People buy people is a cliché for a reason and being straight about true beliefs and strongly felt motivations is why people do heroic things. A post crisis world will be looking for humanity in everything – and brand owners who have real stories and a **why?** that people can connect with is a fast route to engagement and admiration.

People engage with *personal* stories more than anything else.

Yes, even more than rational "facts".





HOW TO PLAN A WAY OUT OF THE CRISIS

Whilst we may not know what the future looks like we might be able to work out the situation we are in as a business. A simple **planning grid** like the one below and our **Reset Agenda** are the basis for establishing a sense of context and a way to build a phased schedule of activity: the goal being a route to a fundamental reset and to flourish in all conquering glory.

We can all hope, but a plan really helps.

COVID RESPONSE : CONSUMER STRATEGY STAGES

NOTE: STAGES OPERATE ON DIFFERENT TIMESCALES WITHIN AND BETWEEN EACH CONTEXTUAL FRAMEWORK AND WILL VARY BY MARKET, GEOGRAPHY AND CONSUMER GROUP

CONTEXT	STAGE 1	STAGE 2	STAGE 3	STAGE 4
COMMERCIAL	Comprehend Situation analysis, immediate implications, shifting perspectives	Cope Contingency plans, scenario scoping, initiative launches and learn by doing	Compete Work out what works, begin to prioritise winning routes and take stock of future potential and new scenarios	Conquer Moving beyond crisis into new normal defined by own ideas, new structures initiatives and actions
CONSUMER	Confusion What's happening, what does it mean for me	Concern Facing change, dealing with consequences, fearing problems	Compromise Adapting to change, finding alternatives, dealing with new circumstances	Consolidation Continuing with adapted behaviour or in case of attitude shift, returning to prior preferences. Evaluation of priorities leading to embedded behaviour change
COMMUNICATION	Announce Be present and engage with the issue – show determination to be part of it and alongside customers	Organise for Action Join forces, make alliances, create teams and movements to make things happen – however messy	Solve consumer problems focus on demonstrably resolving issues not cynically selling (although this does include solving how people can buy)	Create new appreciation Establish and consolidate new relationships based on experience of a reappraisal of the brand in its context
Engage with transparency, facts, empathy and increasing optimism across channels according to target group prioritisation				

THE TANGIBLE RESET AGENDA FOR HERE AND NOW

BE OPTIMISTIC: when have you ever had the opportunity to make a fresh start, to compete equally with other brands and businesses as they come out of the hiatus ?

GET BUSY: now is the time for action. Anything is possible but only if stuff gets done.

TEST AND PROVE EFFECTIVENESS: Aim high, invest for growth and embrace the challenge of proving the benefits of how much? and how fast?

GET CREATIVE: Don't expect the old ways to keep working- renewal happens through innovation.

GET NOISY: if you don't you will not be heard. If you are not heard, you are also invisible.

Be true to real values and, if you have it in you, be endearingly **HUMAN**