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CONSUMER PREFERENCES AND BEHAVIOUR IN A (POST) COVID WORLD

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AGENDA

- Emerging habits and routines
- The evolving consumer
- Implications of change
    - Macro (*consumption*), meso (*consumer*), and micro levels (*shopper*)
        - Experiential marketing and branding
        - Omni-channel retailing and business alignment

EMERGING HABITS AND ROUTINES

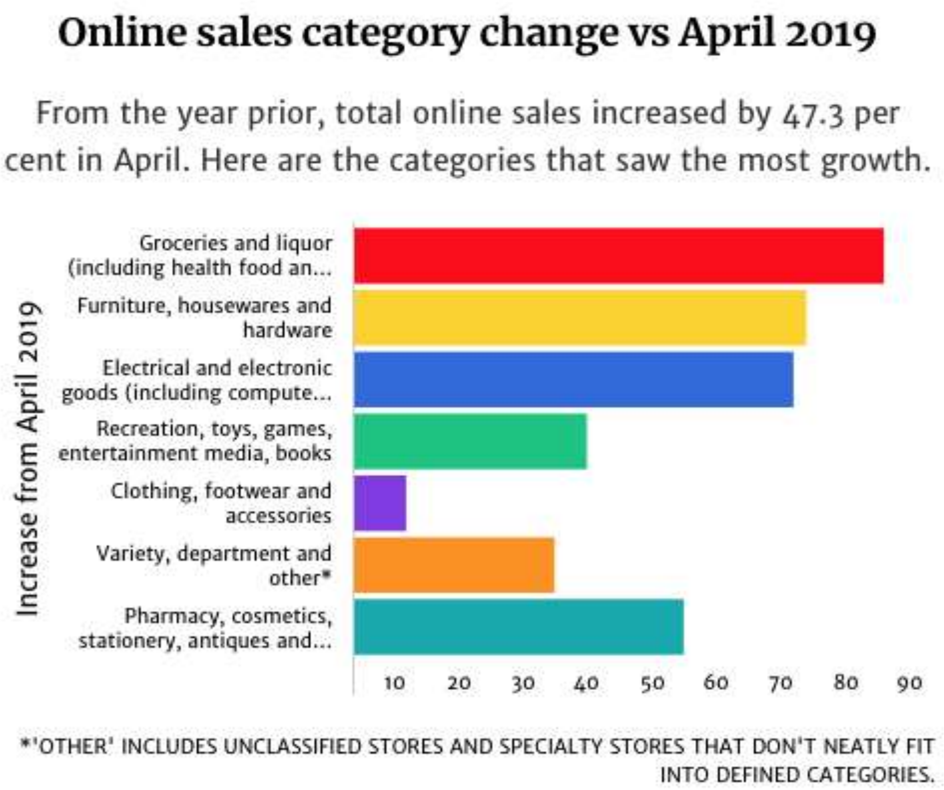
- **Working from home**
- **Fear of public spaces**
- **Rationed shopping expeditions alters shopping lists**
- **Deferred gratification**
- **Discovering DIY**
- **The joys of home cooking**
- **Reversal of throw away culture**
- **Boredom and decreased attention spans**
- **Significant shift in activities and practices online – *and associated preferences and behaviours***

THE EVOLVING CONSUMER

70	50	84	80
Checking smartphone 150 times a day	In-store experience needs most improvement	Sales including in-store	Sales influenced by digital shopping

McKinsey UK Mobile Shopping Survey, 2019; 2020
Accenture, 2018

THE EVOLVING CONSUMER



SOURCE: MARKETVIEW – NEW ZEALAND ONLINE RETAIL SALES REPORT

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THE EVOLVING CONSUMER

Higher expectations of brands & services

Interacts with brands in many different ways

Want to be a part of something

Fatigued by untargeted discounts and adverts

Technology empowered

Convenience

New for 2021: 'Safety'

Content is the key to engagement

Adapted from Marks & Spencer, 2020; 2021`

IMPLICATIONS OF CHANGE – MACRO LEVEL

- **Changing consumption patterns:**
  - **Change in general structure of demand and volume of goods sold:**
    - ***Localised concentrations of demand***
    - ***Service versus goods consumption***
    - ***New product markets reflecting new values:***
      - ***e.g., time saving; health and well-being; environment; back to basics***

IMPLICATIONS OF CHANGE – MESO LEVEL

- **Changes in consumer behaviour:**
  - **Change in what "wishes" will be satisfied, and how, when and where:**
    - ***Changing role of decision maker(s)***
    - ***Changing time and locational requirements – "convenience" in all forms***
    - ***Consumer expectations of individualism, quality, information etc***
    - ***SAFETY AND HYGIENE!***

IMPLICATIONS OF CHANGE – MICRO LEVEL

- **Changes in shopping behaviour:**
  - **Changes in the consumer process of "shopping":**
    - ***Segmentation of behaviour and marketing response***
    - ***New retail formats and store environments***
    - ***Management of in-store environments – emphasis on ambience, service, safety etc***

KEY ISSUES TO CONSIDER…

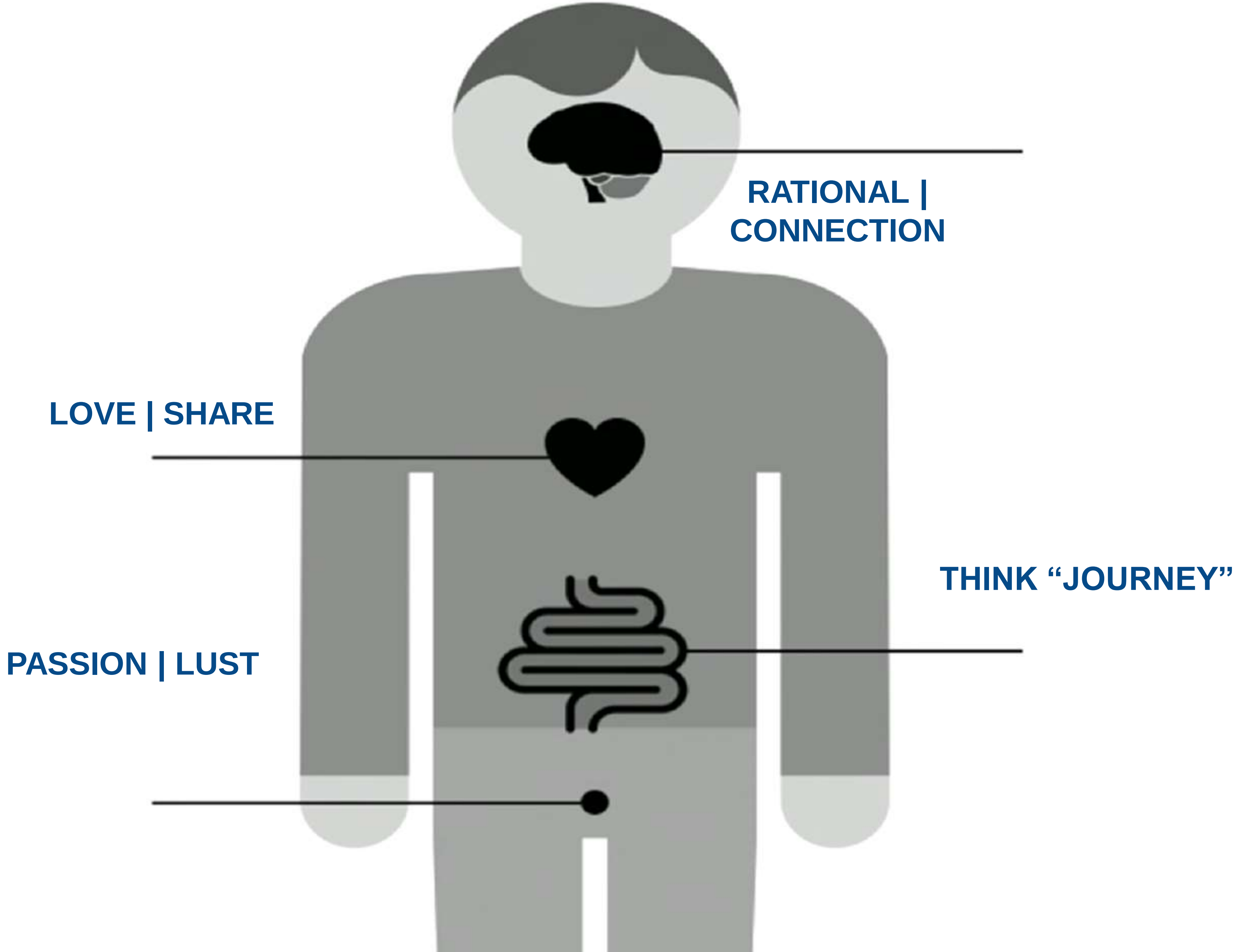
- **The rules of the game have changed**
- **Technology**
  - **Online is a must**
  - **Flexibility and adaptability**
- **Delivery of promises; and consumers becoming more demanding**
- **Consumer engagement becoming more difficult**
- **Manufacturer/retailer co-marketing support**
- ***Brands also need to keep marketing their products and services but must innovate their way through changes in the consumer market – emphasis on experience***

EXPERIENTIAL MARKETING AND BRANDING

- **Premise is to create a closer bond between the consumer and the brand by immersing the consumer in a fun and memorable experience**

- **Stir powerful emotions and connections**

- ***Online?!?***


RATIONAL | CONNECTION
LOVE | SHARE
THINK "JOURNEY"
PASSION | LUST

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Rational connection

John Lewis “The Residence”

Love/share

Museum of Ice Cream

Think ‘journey’

Hama Supermarkets

Hama Supermarkets ‘think’ in terms of possible journeys:

1. ***Order + deliver home***
2. ***Order + prepared in store + delivered home***
3. ***Buy + cook in store + take home***
4. ***Buy + cook in-store + eat in-store***
5. ***Traditional in-store grocery***

Passion/lust

FICO Italy World

OMNI-CHANNEL (=ALL) RETAILING

73

Customers not having 'one brand' experience

60

Not progressing fast enough towards omni-channel

40

Lack of internal coordination is biggest threat

Periscope, WRC Omnichannel Readiness Survey 2018/9; 2020

BUSINESS ALIGNMENT

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PATH TO DISCOVERY | PRODUCT PREFERENCES | PATH TO PURCHASE | PRICE SENSITIVITY | BASKET SIZE & SPEND | PATH TO FULFILMENT | RETURNS PROPENSITY | SOCIAL INFLUENCE

DIGITAL TOUCH POINTS

Online ads Viral email Digital billboard	Search Engines Landing Page Blogs 3rd party sites	Social media sites Blogs Websites	Websites Mobile M/chat	SC speed Social media offers Email/ mobile offers
trigger	**research**	**consideration**	**purchase**	**loyalty**
Call centre Word of Mouth Radio, TV PR	Direct mail Magazines/ newsletters	Display/ store visits Conversation	Stores Call Centre Catalogue/ mail order	Loyalty card/ points/ offers Promotion on purchase Newsletter

PHYSICAL TOUCH POINTS

Q&A

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