

RICCI'S ROUND UP

Only the most relevant, insightful COVID reports, opinions & case studies of the week



WHAT WILL CONSUMERS DO FIRST AS RESTRICTIONS LIFT?

It's going to be very interesting to watch how consumer behaviour starts changing as state governments begin lifting restrictions this weekend and kids start heading back to school this month. As our confidence rises, how quickly will we return to a sense of normalcy? Which isolation behaviours will we retain as they now define our life & priorities and which pre-existing behaviours will we revert to with gusto?

Personally, I am surprised about how I am feeling with this weeks announcements. I am social creature and get bored easily so have found lock down hard. As soon as we were told we are allowed, I quickly and instinctively made plans to see my family. But as this week passes and our sliver of freedom gets closer, I am feeling cautious. Living a quieter, more simple life has become the silver-lining of this crisis for me and I'll be attempting to hold onto it. However, my life and livelihood hasn't been as severely impacted as others, who I am sure are yearning for a return to their pre-COVID life. I guess my point is **everyone will react differently, based on their current circumstances and their reset priorities. And what we may be saying we are going to do, may play out very differently in our actual actions once the time comes.**

In this weeks round up, I complete my wrap up of key post-COVID planning considerations by focusing on the other two key questions on competitive framework and brand strategy evolution. To complement last weeks topic of consumer behaviour here is a link to a [Kantar webinar](#) which reports on Australian qualitative findings in line with my considerations last week. Skip to 18 mins for the juicy stuff. If you are webinar-ed out, it really is worth the time (you'll need to register but they won't spam you).

And for those tackling the challenge on whether and how to advertise, some great reports are referenced on page 4!

THIS ISSUE:

Key Question 2: How is your competitive framework changing. pg2

Key Question 3: How should your brand positioning & strategy evolve pg 3

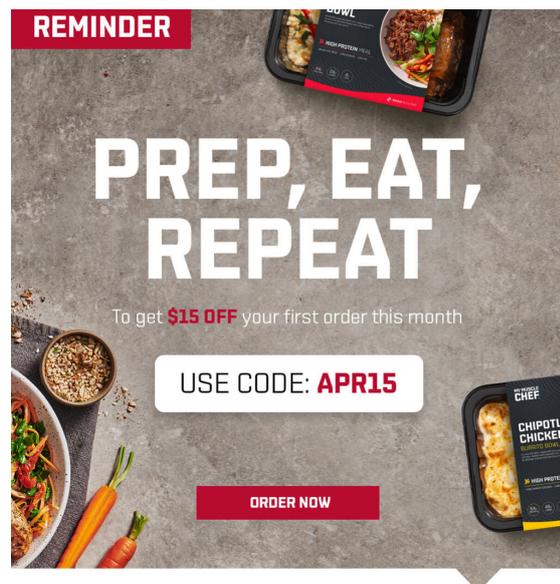
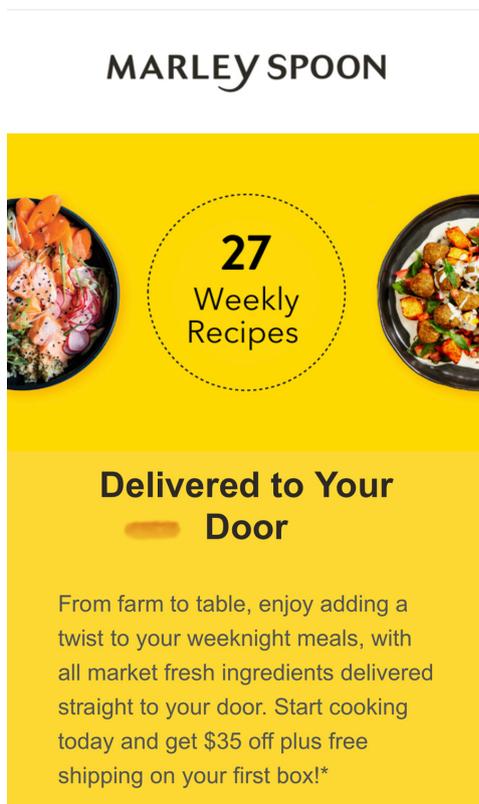
Should I and how do I advertise with empathy & effectiveness pg 4

In Issue 4, I introduced the three critical questions you should be considering as you plan your way out of the COVID Crisis based on my learnings and case study observations over the last five weeks. In the last issue, I went into some depth on question 1 on how consumers needs, occasions & behaviours are changing and what will stick. In this issue I'll cover questions 2 &3.

2. HOW IS YOUR COMPETITIVE FRAMEWORK CHANGING, AS BUSINESS'S HAVE QUICKLY PIVOTED JUST TO SURVIVE

AND HOW MIGHT YOU NEED TO REACT TO PROTECT YOUR POSITION OR PIVOT TO STAY DISTINCTIVE.

For example, restaurants in a bid to survive became a new competitor for the established ready meals and meal kit brands. These restaurants have positioned themselves to play off a very relevant and motivating benefit right now – support small local business and jobs. As a result, the established brands have found they need to reassert their original role and point of difference in these categories and tighten their message to solve evolved consumer tensions eg Marley Spoon promoting their variety of 27 meals using market fresh ingredients or My Muscle Chef who are here to help us keep on track with our health and fitness goals as we are tempted by treats in the pantry and we don't have gym class commitments to keep us honest.



We're here to help you stay on track, ANNE!

Save a trip to the grocery store and stay on track with your routine with nutritionally-balanced meal prep delivered to you.

Fuel your week with our menu of 50+ meals, sides and snacks offering high protein, low carb and vegan options. Our healthy, portion-controlled meals are prepared by chefs and made with macros in mind to help you stick to your fitness goals.

Order by midnight tonight and get fresh meals delivered to your door!

Many business's in all categories have quickly pivoted so you really should:

1. Take a closer look at who your new competitive set will be in the next 12-18 months. Don't just look at your direct competitors. Look at those indirect competitors who are now also going after the same needs, occasions and tensions as you or sit in the same spend prioritisation you identified in question 1
2. Once you have defined this new set, review your point of difference and superiority with in that. Do you need to protect and strengthen your turf against new arrivals or is this an opportunity to pivot to better meet consumer's needs and take some white space?

3. HOW SHOULD YOUR BRAND POSITIONING & STRATEGY EVOLVE TO RESPOND TO THE ABOVE TWO ANSWERS?

1. How should you **brand promise** evolve to meet these changing needs, occasions, behaviours & competitive actions?
2. What are your key **communication** messages and promises to consumers?
3. How might your **product, pack or service** range adapt?
4. What does your **pricing & distribution strategy** look like within a reset category dynamic?
5. And finally, how is your business placed **commercially and structurally** to support these plans

Most of the current conversations & insights are focused on brand and communication responses but I urge you to take a more holistic view of your marketing mix response as you write your strategy. I predict the not-so-sexy Price & Distribution will likely represent some of the bigger opportunities post-COVID, as consumers priorities remain at the base of Maslow's Hierarchy of needs.

Here are some potential thought starters for you:

Brand – Any changes should be evolutionary as consumers are more likely to lean on established & trusted brands in times of uncertainty and downturn. Rapid and sharp pivots will be seen as opportunistic to the situation and met with skepticism. For the same reason, brand purpose will remain important but it will come with an even higher expectation of authentication.

Comms – As I outlined in Issues 1 & 3 the majority of literature and historic case studies agree that brands should continue to communicate during downturns to build long term brand equity and ensure a speedier recovery. But as we are seeing an influx of brands telling us “they are here for us in times of uncertainty” my strong advice is not to talk, for talking sake. You could end up looking and sounding disingenuous and ubiquitous like [this](#). Instead, you should focus your communications either on demonstrating how you can tangibly help within a new need, occasion or behaviour or provide some entertainment or escapism from reality. See page 4 for more insights.

Product/Pack/Service – Life will return to normal and people are still going to need the same products & services they needed prior to COVID. However, there will be some new asks from consumers such as a heightened awareness of health benefits, reassurance about their security or hygiene concerns or feeling confident in the availability of essentials when they need it. We should also consider that sustainability will return to be an important purchase driver as peoples priorities settle back to normal.

Pricing & Distribution – Consumers will be more price sensitive as the economy recovers so looking at your price/value ladder will be critical. Is now the time to ensure you have a budget offer in you range? How do you better demonstrate the value within the product or service you are asking consumers to pay for?

In regards to distribution, how do you build a resilient supply chain that can quickly respond to changes in demand & how you will play in the more dominant digital or contactless commerce channels.

I hope these questions & considerations will act as thought starters for you as you move through the process of investigating and planning for a post COVID world. They are quite broad so if you'd like some help looking at your specific category & brand issues, I'd be very happy to chat further. The recovery is going to be a long one and it is a road that hasn't been travelled before, so there will be multiple iterations as you learn and reapply.

3. SHOULD I BE ADVERTISING RIGHT NOW & HOW SHOULD I APPROACH IT?

These questions are probably at the top of the charts when speaking with clients and colleagues right now. **Many brands are grappling with whether it is the right time to be communicating about their brand and if they do, what should they be saying and how should they be saying it?**

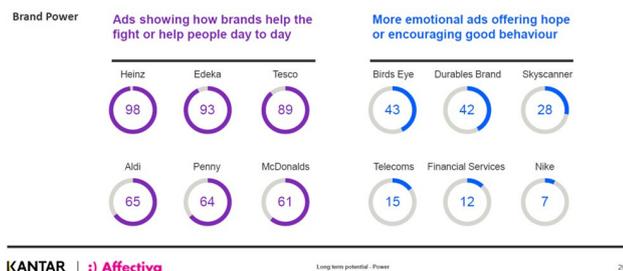
In Issue 3, I spoke about the need to continue to build brand presence and equity during economic downturns. The data and learnings from previous downturns prove this and all the experts agree (if you can afford it of course! Many business are in financial survival mode)

Once the decision has been made to keep the brand lights on, many marketers are grappling with the messages and tone of the communication they should be putting out there. Some brands have hit the mark, but many brands have spectacularly failed.....and its made even the best marketers nervous.

So I give you two reports that are chocked full of data, insights and most importantly pre & post COVID ad testing results to show you exactly where consumer sentiment and expectations sit across multiple categories and brand personalities. These reports will give you the ammo to confidently make your decisions and convince your leadership team and purse holders its the right thing to do.

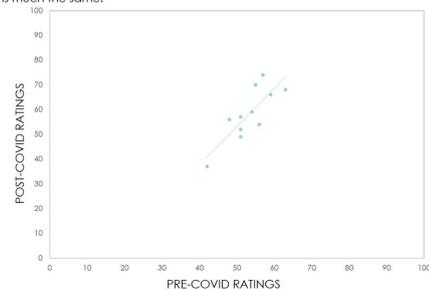
The first is (another) [Kantar webinar](#) that requires registration & 60 mins of your time but it is definitely worth the investment. Their findings put some solid data behind the hot debate between the effectiveness of communications that offer tangible help vs the sombre, emotional supportive comms that have been endlessly shoved in our face.

Ads that show clearly how your brand helps have greater potential to drive stronger long term equity gains for the brand



And you **don't need to start again with a new ad**

Luma has re-tested ads to see how they are performing during the pandemic and in most instances the response is much the same.



The second is from [Luma Research](#) an Aussie based, independent comms research agency who I highly recommend and value their insight. The report contains some really specific and incredibly helpful recommendations on key messages and moods/tones that are resonating & not with consumers. Of particularly good news is that in most cases, pre-Covid ads are just as effective now (& Kantar supports this). There is no need to completely throw out the bath water if your ads are still relevant and empathetic to the current situation

Unfortunately I had to strip the video's out due to file size, but its a good excuse to drop the fabulous [Georgia Phillips](#) an email and set up a time to review the findings with her. Her presentations are something else, even over Zoom! georgia.phillips@lumaresearch.com

Until next time.....

Cheers, Anne