

COVID-19's impact  
on shopping and  
implications for the  
path to purchase

## IAB SA / Kantar Insights in Action: COVID-19's impact on shopping, implications for path to purchase

**There's no denying that mid-2020 is proving to be a tough time for everyone as we long to return to life pre-COVID-19. While the majority of South Africans remain close to loved ones via social media, we need to retain that physical distance to stay safe offline – a concept proving especially difficult when shopping. Enter the omni-shopper...**

Dramatic channel shifts have taken place as a result of lockdown and quick adjustments are crucial for brands to reduce friction of the different shopping environments, rules and experiences in this moment, as what happens today may happen in a drastically different way tomorrow. That said, ecommerce growth has been driven to new heights and digital touchpoints are likely to remain relevant even after the crisis lifts. So, retailers must deliver experiences that align with shopper expectations and priorities both online and offline, to drive loyalty now and post-crisis.

There are three considerations as shoppers change their path to purchase due to varying lockdown restrictions – acknowledge that there has been a retail shakeup, balance your touchpoints and look beyond promotions and discounts to keep shoppers loyal, especially as digital innovation means we are now conducting most of our lives online, from home.

### 1. Capitalise on the retail shakeup

The growth we're seen in digital channels is dynamic. Many consumers have conducted more purchases online in the past four months of lockdown than in the past ten years. South Africa-specific insights from [Kantar's COVID-19 Barometer study](#) of connected consumers show that as many as 50% of shoppers have used ecommerce for the first time this April as a result of COVID-19, especially in categories of food and beverages, OTC pharmaceuticals, cosmetics, personal care and clothing, but 31% say they will go back to shopping in physical stores once the danger passes. They're responding to challenges in the moment and yearning to return to life as normal.

This presents a real opportunity to online retailers when trying to get this change in shopping behaviour to stick. The answer lies in delivering positive shopping experiences whatever the channel, so that you keep that consumer base once normality returns. But remember that one positive experience does not a preference make, as online shopping satisfaction levels differ by market, suggesting a gap between expectation and actual experience.

When your brand's performance is low, preference will also dip. As markets reopen and offline channels adapt to meet the needs of the post-COVID-19 shopper, we're seeing offline innovation in the form of in-store physical distancing methods, with online ordering for curbside pickup on the rise. Think about staying in touch with your customers' complaints and queries – where's the friction? How do you capitalise on the retail shakeup? Retailers and brands alike can learn from Amazon founder Jeff Bezos' thinking in terms of what it takes to be a winning brand in times of crisis:

**Winning brands deliver a better experience**

How you show up online, as well as where, when and why, is an integral part of how consumers experience brands today

Deliver ever-evolving experiences

- ✓ 77% Over-performers
- ✗ 22% Under-performers

Overperformers serve the 'always beautifully dis-satisfied customer'

amazon

## 2. Balance the touchpoint activation

Online media consumption has increased dramatically and will play an increasingly influential role on purchase decisions along the path to purchase. Almost everyone, irrespective of socioeconomic differences, looks to the internet first to source information in the digital age. In the absence of physical contact, social networks also serve as our next best platform for interaction. However, non-digital touchpoints will remain influential, particularly as physical retail opens again. So, it's not a case of one or the other when it comes to enhancing physical and digital experience, as shoppers now live in a blended world as omni-shoppers.

This shows how the purchase journey for both ecommerce and physical retail has evolved to include both digital and non-digital touchpoints, with online reviews, as well as word-of-mouth and in-store experience playing a role from pre-purchase onwards, so brands need to factor in all touchpoints to strike a balance and harness the opportunity of driving the synergistic effects for this new omnichannel mindset.

## 3. Look beyond promotions

Brands are facing increasing pressure to offer promotions or discounts from retailers wanting to make up for lost sales and from shoppers as they become increasingly price sensitive. Promotions are certainly a valid way to appeal to consumers, especially as the majority of South African households feel the negative financial effects of lockdown and worry the crisis will return in a few months, proven in each wave of [Kantar's COVID-19 Barometer study](#) of connected consumers' media habits, behaviours and general sentiment in South Africa since March 2020.

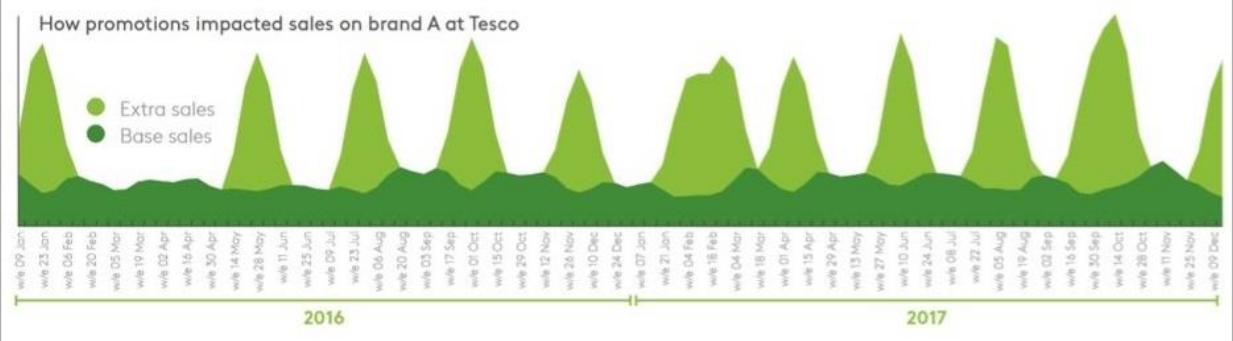
But sales uplifts as a result of promotions are short-lived and consumers are making tough choices beyond just finding the cheapest option to include how brands are offering value and relevance, so there's pressure to change your offering accordingly. As protecting brand and category value in the long term remains essential, brands need to look beyond motivating sales via promotions and instead show leadership and demonstrate purpose, brand salience and meaningful differences. Implement far-sighted strategies such as price-tiering, medium-term pricing changes and innovations.

## Brands must avoid being over-reliant on promotions and eroding brand value during this time

Sales uplifts as a result of promotions are short-lived



Manufacturers and retailers are likely to see a significant spike in sales. But, once the promotion has ended, things go back to normal—reaching the same level as before, for both penetration and volume per buyer.”



To get this right, you need to be clear on how your brand is helpful in the new everyday life, informing consumers about your efforts to face the situation and offer convenience to communities under significant pressure. Your communication needs to be clear on your brand values and use a reassuring tone, emphasising the local aspect of product provenance as it's seen as the safer option, aside from imported products that have faced stringent hygiene protocols.

You have to offer a better experience to customers who want more and are looking for a sense of security in these times.

Implications for brands to optimise the path to purchase:

- Adapt your channel strategy to capitalise on emergent opportunities.
- Work to optimise shopping experiences to encourage new buyers to return
- Strike a balance to drive synergistic effects between digital and non-digital touchpoints when activating the path to purchase – as ever, an omnichannel mindset is needed
- How you help people cope is more important than the deepest discount
- More than ever, brands must maximise conversion whilst building rather than eroding brand value – avoid over-reliance on promotions

### Brand innovation in times of crisis

Louise Burgers, cofounder and editor of [Retailing Africa](#), says having launched the B2B portal just 6 weeks before lockdown, she's found that working through a crisis is the best way to unpack brand innovation. It's about a mindset of rebuilding, because in the absence of celebrity and influencers, brands have taken on the role of inspiring purchase decisions.

Many have pivoted overnight as it's about identifying a need and acting on it, fast. Much of the South African population lives far from a market and doesn't want to get into a crowded taxi to do their shopping. It's time to bring the shopping to the consumer and invest in the likes of WhatsApp and other informal ordering systems to cater to the market that doesn't have internet access at home for easy ecommerce.

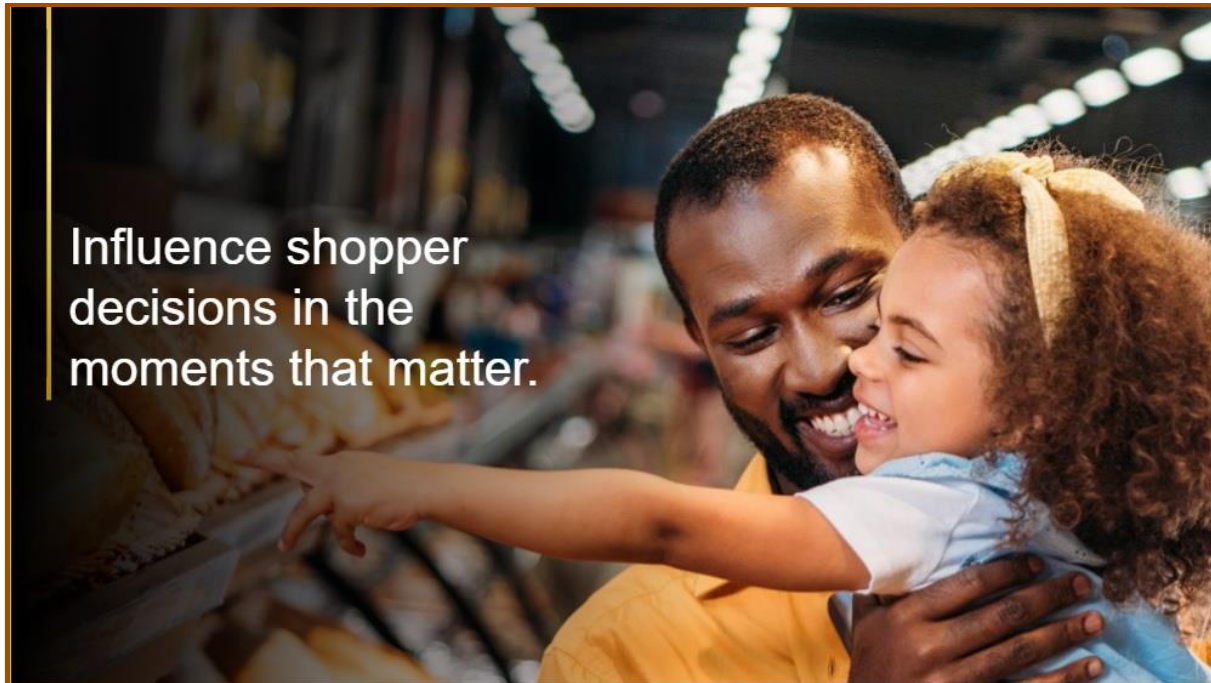
Similarly, retailers have realised that they need to come to the party for their communities. For many, lockdown living has meant that our world shrunk to just our street, and others returning to their office don't have the luxury of staying home all day to wait on a delivery. With this in mind, the V&A Waterfront has partnered with Pango to trial a [click-and-collect container](#) across a mixed bag of brands for office workers in the area.

That's just one example of innovation in times of crisis – entrepreneurs in Africa can do business at the sniff of an oil rag. It's the *ubuntu* principle, and profit comes second. Consumers will most likely continue buying local as the opportunity for recovery is high if we build on the community-minded ethos of supporting local.

With parents having taken on the role of not only remote worker but also teacher, it's time for brands to support families, putting issues of mental health and safety first. Timelines on the return to normal are vague, but consumers want hope. Brands need to position signals of safety with their brand purpose. Lifebuoy did this well by saying the best thing you can do to protect against the coronavirus is to wash your hands – with [any soap](#), not just Lifebuoy soap.

It's time to think smarter about partnerships and the support your brand can offer right now, to navigate this new reality. Consistency, continuity, support, reassurance, tone, hope and inspiration are crucial. We've all had to step outside our comfort zone, but how do we manage these changes for the long-term?

Look at why consumers buy from you and be sure to deliver on your basic promise, then build on the experience over time. To innovate, you need to look at consumers' frequency of purchase and what they're purchasing, offering deals on associated items – socks for shoes, milk with bread – to improve their basket. Then, reduce friction. Keep in contact so you understand your dissatisfied customers' frustrations in terms of what's missing from the overall experience.



As we're at the tail-end of Youth Month, it would be remiss not to mention that South African youth have been at the forefront of COVID-19 innovation, particularly in informal communities. We need to harness the power of their positivity and listen to their voices to become a better functioning society in the long-run. Remember that Gen Z has the power to break or make your brand. This generation wants action. What happened last year isn't relevant now and what happens today may not be relevant next month – now is the time to innovate.

[Register here](#) to download all decks shared in the #InsightsinAction series!