

7 Ways Covid-19 Will Shape the Future of Brands

Building Brand Resilience in a Changing World



Guardian (Lillian Suwanrumpha/AFP via Getty Images), May 5, 2020

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Guardian (Josh Edelson/AFP/Getty Images), May 22, 2020

Without wishing to detract from the immense suffering that Covid-19 is causing, as professional researchers and consultants, we felt compelled to research and document the human and societal impact that the pandemic is having. During our lifetimes, we have never witnessed an event that has had such potential to shake up the very fabric of our society. Despite many people and businesses suffering, we also witnessed huge potential for positive change.

This has proven an ambitious goal, not just because of the huge curation effort involved, but because of the difficult task of writing something that would have any kind of shelf-life, given the new research and information we were receiving daily. We feel that the themes presented here will continue to be relevant, although our understanding of each theme will be deeper and more nuanced as time progresses. Our research continues after the launch of this book, with new content planned and existing content being reviewed and updated as needed.

What does it all mean?

Our focus for this book is understanding the mid to long-term strategic implications and opportunities for brands in a changing world. Over the past three months we have written a series of articles looking beyond tactical responses to think about the issues

that will shape longer-term strategies for brands. We have focused on Thailand, but many of our themes and talking points are relevant across the world.

This whole project was inspired by a collaboration between insight consultancies across 17 countries. The effort was led by Beyond Research, based in Milan, and covered North and South America, Europe, Middle East and Asia-Pacific. Those findings were based on desk research covering multiple data sources including local country case studies, Google search trends, newspaper articles, and social media along with country-level cultural analysis.

Covid-19 has forced us to break many old habits and create new ones. With many people having more time on their hands, we are increasingly reflecting on what is really important to us and how we should live our lives. There are many implications for brands, sometimes obvious and sometimes more subtle, impacting brands in terms of product and service innovation, brand communication, and customer experience.

The fundamentals of branding

Much has been written about brand purpose, both positively in helping businesses focus on a core mission, and negatively as a communication tactic rather than a meaningful strategy. The global pandemic

exposed the shallowness of many brands and their professed purpose. At the same time, other brands demonstrated their underlying values through their actions to support their stakeholders and important communities. We discuss how Covid-19 may have changed customer expectations of transparency, authenticity and practical actions to help.

Among the actions that customers increasingly expect from brands is to help them and their communities live a more sustainable life. Covid-19 has highlighted existing environmental issues and brought them to a wider audience. As we have been in lockdown, we have seen how quickly nature can heal herself when humans' regular activities are disrupted. But our foremost need for safety has often trumped our environmental concerns and led to an increase in disposable plastics and other materials that protect us.

These changes have forced people and brands to re-evaluate what is truly important to them and their family and friends. Many now have much greater appreciation of the here and now and the small pleasures of life. The pandemic has helped us reconnect with the core values that define our humanity. Brands need to focus less on aspirational lifestyles and spend more time helping us play, laugh, and enjoy time with each other.

The emergence of new need states

The greatest impact of the virus has been to create an intense focus on keeping ourselves safe. We argue that every brand is now a health care brand in one way or another, and this change will surely last. The virus will be with us for many years, and it is clear that the highest risks are for those with pre-existing health conditions. People are not just looking at their short-term safety but also at longer-term solutions that provide greater protection, more sustainable lifestyles, and address impacts on mental health.

Trust and human connection are important for mental health. One of the less anticipated outcomes of lockdown has been a focus on local communities, while global trade and supply chains have been disrupted. What is local, close, and familiar gives us a greater sense of control and purpose, creating huge opportunities for the localisation of branding. Like many of the trends we discuss, this change was already happening and has been accelerated by recent events.

How customer experience is changing

The shift towards digital lifestyles has accelerated in a 'contactless' world, driving a leap forward to e-commerce solutions and virtual lifestyles. However, consumer needs are many and varied, and physical experience is intrinsic to humans. Brands need to consider carefully the different need states of customers and the ways in which a mix of physical and digital touch-points can best address the full range of needs.

Digital interactions raise the spectre of increased surveillance of people during the pandemic. While many people accepted the trade-off between safety and privacy when they felt threatened by the virus, will acceptance of the trade-off lessen as the threat diminishes over time? Most importantly for brands, the collection of personal data, and its misuse and abuse, has a huge impact on trust for businesses and should be handled with care and transparency.

Read, enjoy, share, debate and plan

We hope you enjoy reading some or all of these seven articles. Start with those that are most relevant for the questions you are being asked by your business, but we hope you will read all of them eventually. All seven themes reflect significant short-term and long-term impacts on business that we all need to reflect on. Hopefully, these short articles will inspire ideas and help your brand emerge more resilient than ever.

Part **1**

BRAND FUNDAMENTALS



Unsplash

RETHINKING CORPORATE RESPONSIBILITY AND BRAND PURPOSE

Warren Buffett once remarked that, “Only when the tide goes out do you discover who’s been swimming naked”. Without naming and shaming, the tide of Covid-19 has uncovered the true values of many brands. Have you treated customers fairly? Have you protected employees? What do you contribute to local communities?

Trust takes time to build and can be destroyed in seconds

In Thailand and around the world, people have reacted strongly to brands that are perceived to have behaved poorly or to have been opportunistic. When Grab were accused of price gouging and poor treatment of delivery riders, they had to react quickly to reassure customers.

The most recent Edelman Trust Barometer claims that people do care about this and will change their buying behaviour accordingly. Times of crisis are when people are most likely to form new habits. Edelman reports that one-third of people have convinced someone else to stop using a brand that was not acting appropriately during these times.

Solve, don’t sell

We don’t dispute that a core purpose of brands is to make money, but the way successful brands do that is by helping their customers solve a problem in their lives (doing a ‘job’). Covid-19 has created many more jobs to be done, and brands have been nimble in helping customers solve some of these new jobs, including those relating to safety and hygiene.

The post-Covid-19 world will reset values and redefine priorities in profound ways. Brands will need to do the same. There is already evidence that values are changing. Thailand is already socially minded, but family and community are becoming even more of a focus relative to personal priorities. Having dealt with some of the immediate challenges of the pandemic, people are also shifting to a ‘longer-term’ mind set.

The brand village

One of us worked for Cadbury for many years and was proud to be associated with the company. The origins of the business go back to selling coffee, tea and drinking chocolate. The Cadbury brothers built

the Bournville estate as a model village to improve the living conditions of workers. They didn’t do this because it would help them sell more chocolate, but rather it reflected their underlying Quaker values (as did the lack of pubs in Bournville).

In 2018, Cadbury (now owned by Mondelez) launched a new brand purpose to “shine a light on the kindness and generosity that we see in society”, relaunching the brand as a “family brand founded on generous principles”. At the time, they had paid no UK corporation tax for seven years. So much for generous principles.

A community of stakeholders

Cadbury had created a community as well as a chocolate business. The pandemic and lockdown have revealed the importance of community and connection in our lives. And it is communities, sometimes more than governments and global businesses, that have rallied round to help each other. In local communities, we pay attention to who behaves well and who behaves badly, a topic we will return to in a later article.

As the Bournville village grew, Cadbury pioneered pension schemes, joint works committees and a full staff medical service for their employees. More than

100 years on, many employees don’t have such luxuries. Many companies have laid off staff or put them on unpaid leave and have provided no healthcare insurance, essentially abandoning their employees.

Actions speak louder than words

In complete contrast, other companies have committed their support, provided healthcare cover and paid leave if necessary, even in difficult circumstances. Having a brand purpose alone is insufficient. Having values and acting on those values is what matters to people. Bill Bernbach once famously said, “A principle isn’t a principle until it costs you money”. People will be more sensitive to inauthentic brand values in future.

The reality is that what people really need is empathy, understanding and, above all, practical help. What are you doing to solve the new jobs your customers have? What concrete actions have you taken to help them and their communities cope with the huge challenges we all face? Whatever you say, what have you actually done?

Are brands fit for purpose?

Some brands have been nimble in responding to the situation and supporting stakeholders, but there will be longer-term implications. As the situation evolves, brands need to reflect on their core values and whether they continue to be relevant. If not, they may need to change. Even if they do, this is a good time to rethink how you can best deliver on them in a changing world

We are not arguing that we need to go back to an older way of doing things. Rather, we believe that values are shifting in profound ways. Brand purpose is not about lofty ideals, but about consistently acting on your core values (and your customer value proposition). Now is the right time to focus on what those values are and be authentic to them.

BUILDING BRAND RESILIENCE

What are your core values and are you acting on them?



The Star, Malaysia, 19th April 2020

BUILDING SUSTAINABLE BUSINESSES POST COVID-19

As we began 2020, climate change and the reduction in single-use plastics were a key focus for the public sector, private sector and the general public, albeit with a lot of work still to do to achieve climate targets. How will Covid-19 impact the progress and momentum of these movements? Will governments, companies and citizens prioritise short term safety considerations and economic rebound over longer term sustainability?

Seeing with new eyes

Previous pandemics, wars and terrorist attacks taught us that crises shape history. Whatever is broken in society is revealed and new possibilities emerge. Facing long periods in lockdown, we are able to see with clearer eyes what kind of world we live in. In a world which has taught us that we can control our environment, we are now confronting the reality of our own fragility and interdependence on each other and mother earth. Indeed, scientists have claimed that future pandemics could be more frequent and deadly unless we stop the widespread destruction of our environment.

We are seeing what can happen when humans stop. When we produce and travel less, CO₂ and NO₂ emissions drop massively, as do pollution levels. Delhi, Mumbai, Seoul & Wuhan all experienced record-breaking clear skies earlier this year. As pollution levels drop, we consider the link between the environment and our health. We learn that Covid-19 deaths are linked to existing respiratory illnesses which are in turn linked to air pollution.

Pulling back the veil on society

Covid-19 has also highlighting existing inequalities. Social distancing is fairly hard when you live in refugee camps or tightly packed migrant accommodation camps. Lower income groups – the tuk tuk drivers and street vendors – are usually living ‘hand to mouth’ and are the hardest hit following the shutdown of tourism. Indeed 27 million Thai people, well over half of the working age population, recently applied for a government cash hand-out of 5,000 baht for those working in the informal economy. It is hardly surprising that the idea of a national living wage is re-gaining popularity worldwide.

As governments begin to evaluate their interventions based on all-cause mortality, Thailand, with relatively few Covid-19 deaths, may see lower overall death rates in 2020, due to a huge decline in road deaths due to travel restrictions. Pollution alone contributes an estimated 49,000 deaths in Thailand a year (according to a 2013 study by the World Bank and the University of Washington).

A return to nature?

When we don't occupy as much space and cause as much damage, there is more room for wildlife, as we've seen from the increased sightings of wildlife around the world, including in town centres. In Thailand, with travel curbs and many beaches still closed, marine ecosystems are being rejuvenated and endangered turtles are returning en masse to beaches to lay eggs. Faced with such tangible change in such a short period, even climate change sceptics are starting to reconsider their views.

More fundamentally, given that Covid-19 relies on large and dense populations to spread, is there a need to question the relentless trend towards urbanisation? Now people have learnt the practicalities and benefits of working remotely, will they even want or need to live in cities?

Do we really want to go back to the way things were? New possibilities are emerging, and once lockdown restrictions are eased further, should it be business as usual?

Never Let a Good Crisis go to Waste

As businesses (and whole industries) seek hand-outs to keep them going, governments around the world are facing tough decisions about which industries they want to support and maintain and which they are happy to let die. The travel industry is an obvious example, and Thai Airways have asked for a bridge loan of 54 billion baht. The Thai government are reportedly growing increasingly concerned about the long-term viability of the airline and want to see a major restructuring of the business to reduce costs.

The French government, facing a similar request from Air France, have decided to use this as an opportunity to change direction, agreeing a loan on a key condition that some domestic flights are scrapped. Bruno Le Maire, the country's economy minister, said that the Covid-19 crisis provided an opportunity to “reinvent our model of economic development to ensure it is more respectful of the environment”. German chancellor Angela Merkel has called for governments to focus on climate protection when considering fis-

cal stimulus packages, including proposals for higher cash incentives for buying electric cars.

Rethinking how we travel and work

City mayors worldwide have formed a taskforce looking at re-designing their city spaces to ensure public safety and support a low-carbon, sustainable recovery. This includes plans for new bike lanes in Milan, Paris and Mexico City and widening pavements and pedestrianizing neighbourhoods in New York and Seattle. Faced by a possible shunning of public transport for safety reasons, city leaders see this as an opportunity to lock in the reduction in air pollution by offering viable alternatives to car travel.

Brands around the world have been re-purposing or pivoting their business, both as a stop-gap solution to generate revenue or as a way to show they care. Is this a short-term survival instinct or does it represent the birth of a new level of conscience in the way that brands operate?

What does this mean for brands?

It's our view that we are currently experiencing a re-setting of values in society which has the potential to both accelerate the progress of the sustainability movement and redefine it. Getting brands to prioritise sustainable development has always been dependent on the push from government and the pull from consumers. Early signs are that Covid-19 is acting as a catalyst that is accelerating both.

Carbon offsetting and reducing single use plastics remain important. But perhaps in the future, people will increasingly judge businesses and brands in the same way as they judge people.

Did they treat their staff and suppliers fairly, did they leave the place as they found it (i.e., carbon offsetting), and did they do something that really helps people? Were their actions consistent with their words and are their intentions sincere, or are they just greenwashing? Can brands rise to the occasion and focus on more sustainable and long-term business models?

BUILDING BRAND RESILIENCE

Do you have a long-term business model that is based on sustainability principles?



The Observer, UK, 1st April 2020

HAS COVID-19 HELPED RECONNECT US TO OUR BASIC HUMANITY?

Every now and then, something unpredictable comes along and shakes up our foundations. This is usually in the form of a deeply personal crisis, but the pandemic is a shared event that touches all of us, prompting a more collective soul-searching. How will Covid-19 reshape our values, attitudes and outlooks?

Dark Night of the Soul

While in lockdown, with more time on our hands, and facing uncertain futures, we naturally become more reflective and find ourselves having to face those big questions we usually suppress. We start to see the world through a filter of 'essential' and 'non-essential' and as we reconsider what is essential, necessary and sufficient we remember what is really important to us. We may even start to question whether the work we do is essential and meaningful.

We may also use this time to reflect on the quality of our relationships. Lockdown for many of us has meant we spend more time at home with our families. This breakdown in compartmentalisation between work and home life has both put a strain on

family relationships and helped us bond in new ways. As all these feelings merge, we can become deeply introspective and may face a 'dark night of the soul'. We may ask "How do we want to live?" and "Who do we want to be?" as we come out of lockdown.

Enjoyment in Lockdown

We have been forced to find new ways to play, relax and socialise. We have found new ways to enjoy home life, through cooking, gardening or home crafts. We've dusted off and enjoyed old board games or spent more time on our game consoles. We have learnt to re-appreciate a nice walk in nature. We've even come up with innovative ways to socialise and connect with friends. One of us has re-connected with overseas friends by creating a 'listening party', where we co-create a playlist from our youth and join together at the same time to listen and chat. Being in lockdown has revealed our innate human spirit, adaptability, and creativity. It has also brought us back to simpler pleasures and a slower pace of life, reminiscent of a bygone era.

In Thailand, the slow living movement has been around for many years and has been reinvigorated by the current trend on 'sustainable living'. At a time when many of us experience concerns about our finances and future spending power, it is no coincidence that we come back to enjoy and appreciate the simple pleasures in life. As goals and aspirations take a back seat, we are forced to find joy in the moment, from the everyday and the mundane.

Joining in with the Fun

A big question that brands have faced is whether to communicate or not, and, if so, how? The advertising industry, self-serving perhaps, advises that brands need to be communicating at this time and that "actions speak louder than words". Brands have naturally had to think carefully about what to say and how, and we see so many campaigns that look and feel almost identical (and consequently will be quickly forgotten). But do all brand communications need to be so sombre and serious? Is there any scope for fun, lightness and even humour?

Every brand can do something to improve our wellbeing, in line with brand values, that help people establish new healthy routines, rituals and mental spaces, celebrate simple pleasures, or just lift our mood. Humour, perhaps considered high-risk in a crisis, has largely been avoided by brands. However, humour has therapeutic qualities and, used properly, can create rapport, empathy and connection.

The Thailand creative industry intuitively knows this, as evidenced by the frequency and exceptional quality of advertising that uses humour. Humour leaves an emotional imprint that aids recall – ask any Thai to recall one of their favourite ads and we bet it will be a humorous one. By taking on human qualities of self-awareness, humility, and even vulnerability, brands become more approachable and likeable.

Redefining Success & Progress

Perhaps the bigger, more strategic, questions for brands are changing ideas around success and progress. Whatever we face in life, feeling a sense of progress is part of our DNA. Our past visions of progress – three day working weeks with more time to enjoy leisure activities – never came to fruition.

We now face more complexity and busier lives, striving towards bigger goals and more refined and complex identities. Restrictions reduce the amount of options we have to distract ourselves and force us to

find pleasure in the everyday and the mundane. And in those moments where we do find joy in the simple pleasures, we may start to question the ideals we were striving for.

Back to Basics

Much branding and other communication addresses our aspirational selves. But as we reflect on what is essential and what is superfluous or peripheral, have our aspirations changed? When the heroes are the nurses and the supermarket workers, and the celebrities in lockdown are often revealed to be quite ordinary, who do we look up to? What was considered 'premium' pre-Covid may now be viewed with distaste. If nothing else, the pandemic has stripped back many superficial identities, and uncovered our underlying humanity.

Brands need to understand these changing attitudes and contexts and adjust their communications accordingly. However, aspiration is based on idealised notions of a future self. Where brands can perhaps most help us is to appreciate the now, by re-connecting us with our core, eternal values. At a time when our futures are uncertain, those brands that can help us play, laugh, and enjoy time with one another will thrive.

BUILDING BRAND RESILIENCE

How can you humanise your brand?

Part **2** EMERGING NEEDSTATES



Harmonic Music Phuket / Facebook, 11 May 2020

WHAT A GLOBAL PANDEMIC CAN TEACH BRANDS ABOUT LOCAL COMMUNITIES

The pandemic and lockdown have revealed the importance of community and connection. Staying at home has made us appreciate what is local, close and personal. And it is communities, sometimes more than governments and global businesses, that have rallied round to help each other.

There are many examples of this in Thailand, such as “The Pantry of Sharing” project. The project invites donations of non-perishable food items and basic hygiene supplies to central pantries where those suffering are free to take what they need.

Global crisis, local interventions

Many local brands have been playing a role in the community too. Tops supermarket is working with the Ministry of Commerce and Thai farmers to help them sell seasonal fruits with guaranteed prices. Thai people have also been supporting local farmers and producers by buying from them directly. Facebook and other social media are being used to build awareness of local businesses in need of help.

Although the pandemic is global, the most effective counter-measures have been taken at the local level, be they from national or local government, businesses or communities themselves. Arguably this reflects practical realities on the ground, but it happens at a time when global institutions such as UN, EU, and WHO appear to be in decline. Even where global efforts could potentially have a huge impact, such as supplies of medical equipment or the search for a

vaccine, there has been much less coordination between countries than in previous crises.

Global resilience

Global businesses have been impacted by these dynamics and even more by the disruption to global supply chains. Many businesses are rethinking at least some aspects of globalization. One of the long-term impacts of Covid-19 may be a return to more local supply chains and self-sustaining economic models.

Governments are certainly thinking along these lines, although their approaches will depend on the natural resources and economy that they have available to them. Singapore and Thailand provide an interesting comparison, between a resource-poor, densely populated and urbanised small island, and a resource-rich kingdom with a huge agricultural industry and rural population.

Resilience from Diversity

Singapore is known for its planned economy and food security has been a long-term focus, developing a strategy following a food crisis in 2007-8 with the Singapore Food Agency (SFA) formed last year. With only 1% of land devoted to agriculture and 90% of food imported, Singapore have been looking for alternative ways to grow, stockpile and secure food supplies from outside.

They have implemented vertical farming, using urban spaces, rooftops and specially designed buildings to increase production. They have also been developing technological innovations such as hydroponics, alternative plant-based proteins, and digitalizing supply chains. Singapore currently imports food from 170 countries and has a philosophy of ‘resilience’. Their resilience comes from diversity.

Local self-sufficiency

By contrast, Thailand is a huge exporter of food. Like Indonesia and the Philippines, it is able to produce its own food and stand on its own feet, making it largely self-sufficient (e.g., for rice). Indeed, the philosophy of ‘self-sufficiency’ has strong roots in Thailand and may become a greater focus in the future (as seen in the Tops initiative).

On a different topic, Singapore and especially Thailand benefit from global travel and tourism. For the immediate future, the economic impact of reduced

travel will continue to hit both countries. As countries begin to re-open, how much will people want to return to old travel patterns? And will countries like Thailand want to become less reliant on global travel and more reliant on local tourism?

The economies of small-scale

Well before the current crisis, there was a noticeable trend toward stronger local brands. The economies of scale are no longer such a huge competitive advantage. Local companies can acquire the technology and know-how to produce products that are just as good as those made by global companies. Global companies such as Unilever and P&G have been losing market share in many Asian markets.

Local brands have stronger local community roots and also a deeper understanding of their local culture. The beauty category is a great example of this. Global beauty brands often reflect a very ‘Western’ view of beauty values, which is less relevant in Asia. In Indonesia, Wardah has grown to be the number one beauty brand across multiple beauty categories. The number one beauty brand in most Asian markets is a local brand (Thailand is one of the exceptions, but this is likely to change).

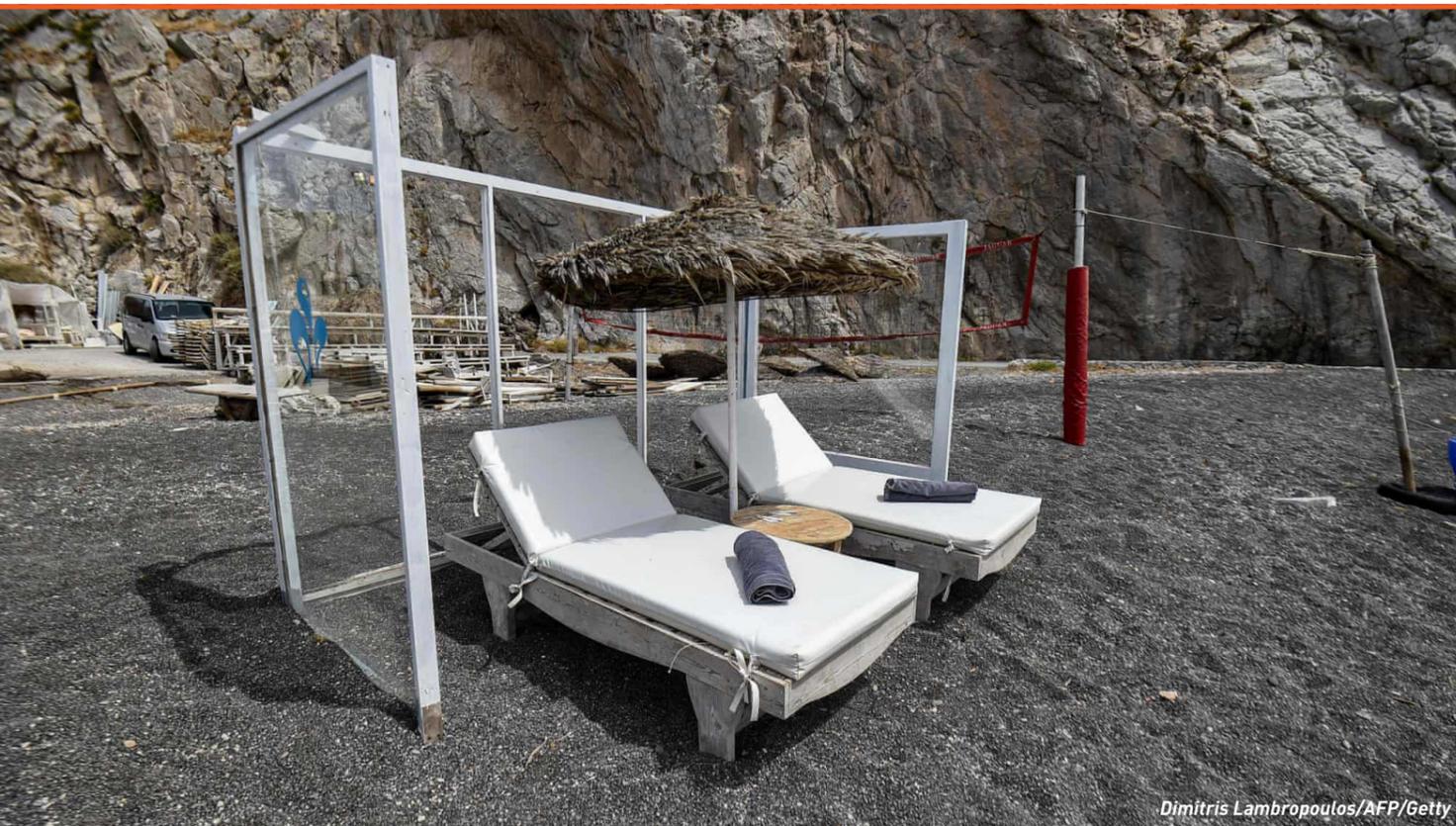
The power of local connection

Mass marketing was historically another competitive advantage for global brands. While it remains a powerful tool, online platforms give consumers the ability to reach niche products and Covid-19 has highlighted the ability of small businesses to sell directly to individual customers.

In summary, local brands and small businesses can build on the goodwill they have generated during the crisis to create more sustainable businesses. Global brands need to carefully reconsider the benefits of global networks and messaging and customize their products and messaging to local markets. Size, scale and centralization are not what they used to be, and the future of brands lies in the strength of their local connections.

BUILDING BRAND RESILIENCE

How strong are your ties to local communities and how can you strengthen them?



Dimitris Lambropoulos/AFP/Getty

IS EVERY BRAND NOW A HEALTH CARE BRAND?

There are many examples around the world of companies who have re-purposed their production lines to produce medical devices and PPE (personal protective equipment) to join the global fight against Covid-19. But not every company is able or wants to pivot in such a way. However, if we take a more holistic view of health, there are clear opportunities for most brands to offer support.

Actions speak louder than words. People are tired of the same old rhetoric of “we are here for you” and want brands to show they care in very tangible and authentic ways. Finding the right path for your brand starts with an understanding of how Covid-19 is causing people to re-imagine health.

The First Line of Defense

The pandemic has made us all focus on personal health and hygiene as a first priority. Thailand has perhaps found it easier to adapt than Western countries, with previous experience of a pandemic, a strong sense of social responsibility, and well-established habits of mask-wearing when ill (and to protect against pollution).

The retailers and food services that have been able to stay open have needed to allay fears of food contamination and enforce social distancing wherever possible. There is widespread use of temperature checks, hand gels and social distancing measures to reassure customers that the retailer’s desire to continue trading is balanced equally with a commitment to customer and staff safety. The focus on short-term safety, and its reliance on billions of pieces of PPE (personal protective equipment) and additional packaging is further highlighting the ‘disposable’ culture we live in.

As other businesses slowly re-open, there will be a clear need to reassure people that appropriate sanitary practices are in place - ranging from virus-killing protocols, providing protected environments and safe (contactless) payment and delivery methods. Air Asia and other airlines are implementing a number of measures to ensure safety, leading to requests to arrive much earlier at the airport. It remains to be seen whether such measures reassure or alienate people.

The Last Line of Defense

With a vaccine unlikely to be in place until 2021, lockdown measures being eased in Thailand, and the importance of global tourism to the local economy, the public are starting to see that completely avoiding possible exposure to the virus is not practical.

There is increasing evidence that most Covid-19 deaths are linked to one or more underlying health conditions and to the importance of having a properly functioning immune system so the body can naturally fight the virus. It is this last line of defense, the immune system, that people will look to strengthen in the future, in the knowledge that it could make the difference between life and death. As this realisation sinks in, people will develop new strategies and ways to manage their fears.

We expect this to lead to increased demand for health products (and services) that can help shield and protect against the virus, by improving the functioning of the immune system. Indeed, as people look to take back control of their health, recent retail hypermarket data shows an increase in the purchase of fresh foods and a decline in frozen foods. Products with minerals and vitamins that have proven benefits to the immune system are likely to be in high demand. As experts and scientists are seen fronting government responses to Covid-19, consumers are likely to pay more attention to the science of food functionality. This may well lead to more scientific and expert oriented category codes emerging.

The Silent Pandemic

Locked up in our homes, with many of us isolated and facing economic hardship, the negative impact on mental health is increasingly clear. Steven Taylor, in his book *The Psychology of Pandemics* suggests that the psychological impact of any pandemic is usually larger than the medical impact, reinforcing the need to address mental health issues caused by the isolation, fear and anxiety of coping with a lockdown. Indeed, our own research in South East Asia suggests more concern about mental than physical confinement.

Avoiding the daily commute and being able to spend more time with family or in the garden is a welcome side-effect of being in lockdown for some. However, Covid-19 doesn’t impact all socio-economic groups equally. In Thailand, many people live with extended families with little private space or outdoor area. With nowhere to escape to, this can lead to an increase in

mental stress. For those city dwellers living alone, often in small studios, social isolation and boredom pose threats to mental health.

The increase in popularity of mindfulness and meditation apps and online meditation groups highlight the demand for products that center and calm people. Thailand has traditionally looked to Buddhism to address matters of the mind and spirit. If we consider the broader aspects of mental wellbeing, brands that can successfully tap into people’s need for hope, reassurance, escape, comfort and connection can strengthen their bond with people. And of course, sometimes something silly and fun, as demonstrated by Bangkok Skytrain staff videos, can lift the spirits and bring some light relief.

A Window of Opportunity?

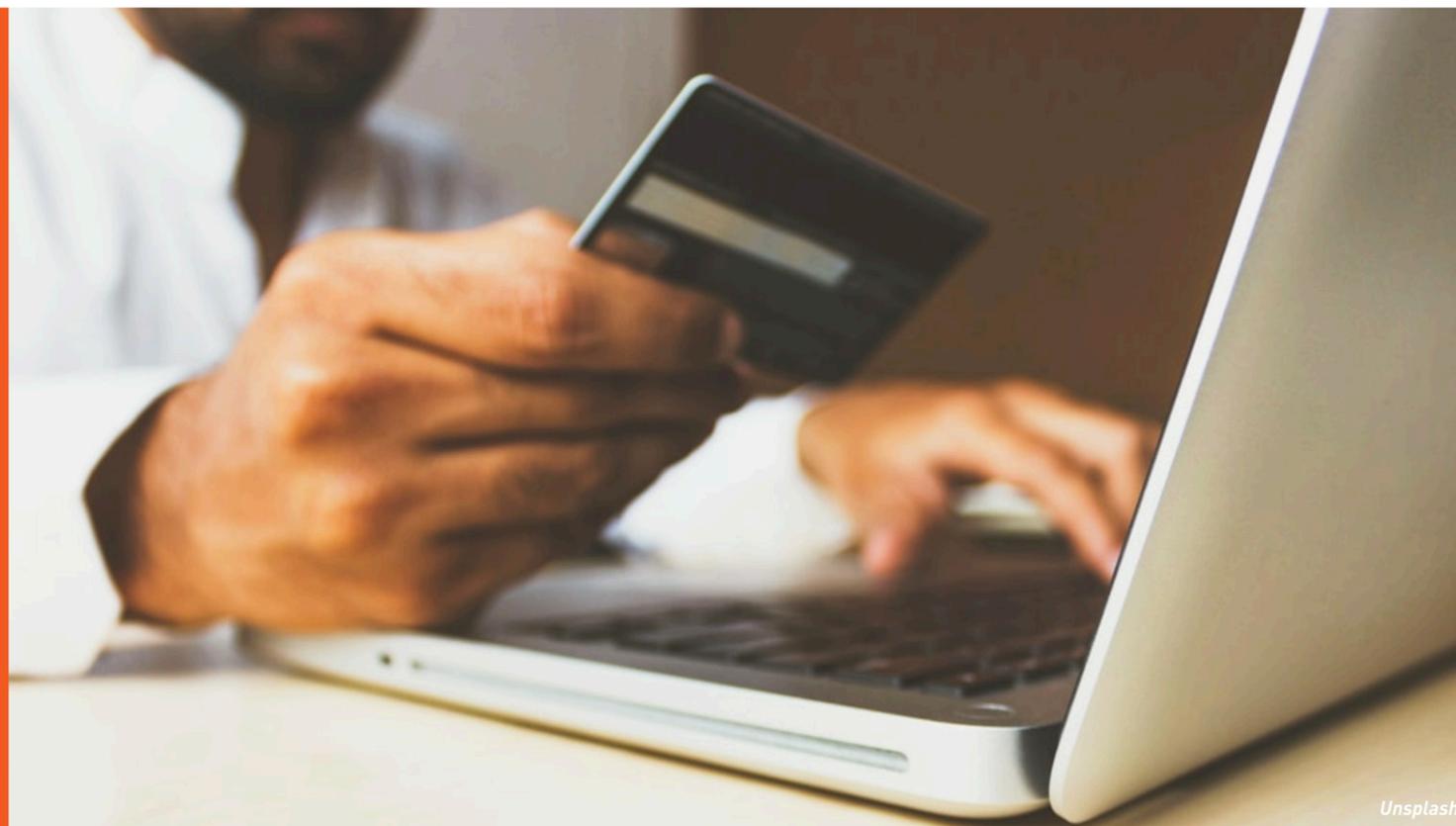
As many of us are forced to develop new habits, ‘normal’ behaviours are disrupted and there is a clear window of opportunity for brands to shape the marketplace. For some brands there will be new opportunities to explicitly address healthcare needs – for example to improve immune system health. However, there are opportunities for all brands to demonstrate empathy – either through a review of their supply chain and customer touchpoints, to ensure customer safety and provide reassurance, or through branding and communication that understands and addresses the complex emotional states and needs people have. If we accept a broader holistic view of health, then every brand is a healthcare brand.

BUILDING BRAND RESILIENCE

What are the roles of health, hygiene and immunity in your category?

Part **3**

CUSTOMER EXPERIENCE



IS COVID-19 ACCELERATING DIGITALISATION?

A huge digital transformation is taking place as a result of Covid-19, changing the way we work, study, play, keep fit and stay connected. Our innate adaptability has brought us home fitness, live DJ sets, e-sports and TV broadcasts from people's homes. Many commentators believe this represents an irreversible shift to all things digital. Most narratives are centred around users – disruption of old habits, forming of new ones, with conscious adoption once things return to normal and we realise the ease and convenience of doing everything online.

This focus on people's habits is one sided though. It ignores the changes that businesses are making, not just for short-term continuity, but for long-term sustainability, and how they will reinforce new behaviours. It also ignores the complex and multi-faceted needs that people fulfill through shopping, work, and eating out. We are social creatures and connection, excitement, fun and adventure are part of our DNA. We want and need experiences, but can emerging digital technologies re-create those experiences and meet our diverse needs?

No immediate return to normal

A central question in most discussions is "will people go back to their old habits when things go back to

normal?". Of course, there is no switch to be flipped where everything will return to a pre-Covid world. All governments are taking gradual steps to release people and businesses from lockdown, and all of these steps still prioritise social distancing.

In Thailand, we may be able to visit department stores and cinemas now, but those experiences are not the same, with constant reminders of the potential threat. Many people who have returned to work may wish to return to the relative safety and predictability of their home after work. The Economist argues that the impact of social distancing alone will shrink the economy by 10% as shopping and other leisure activities become less desirable.

Businesses innovate to survive

Businesses have been forced to innovate to ensure their survival. Those restaurants and retailers not already doing so have been forced to offer home delivery and contactless operations. Car dealers have developed virtual showrooms and medical practices have introduced remote healthcare. These are the obvious changes that we can see which appear to be driven by continuity, but behind the scenes businesses are planning possible future scenarios and re-calibrating business models, with an emphasis on resilience and flexibility.

Established ideas about fixed and variable costs are re-examined as many businesses question the high level of investment and limitations of real estate assets – the places where we work, study and shop. Businesses are rightly cautious about short-term revenue prospects and digitalisation initiatives for many are part of longer-term plans to drive down operating costs. Increasing business digitalization is also helping to reduce human contact to meet customers' safety concerns. McKinsey argue that, in terms of digital acceleration, we have vaulted five years forward and CBRE report that most APAC retailers plan to accelerate investment in online retailing and delivery apps. With new digital innovation radically changing customer experiences, will this be enough to create permanent behavioural change?

Example: Online Marketplaces

Online marketplaces such as Alibaba and Lazada have increased their market share in recent years and have benefitted greatly from Covid-19. With very low barriers to entry for small businesses, many new businesses are thinking 'digital first'. Facebook, already used by lots of small businesses in Thailand as their primary marketing and sales channel, is further developing its capabilities under its new Facebook Shops offering, which will now handle transactions. Such platforms also enable producers to sell their goods directly. As Thais turn to support their local communities during Covid-19, these platforms allow Thais to support local people directly.

But do these platforms help us experience the joy of shopping or the chore of buying? Historically, online channels had advantages in terms of convenience, comparison, cost and later personalization (you could say the more functional aspects of shopping) but could not recreate well the traditional shopping experience. Online marketplaces have incorporated many gamification approaches to reimagine the online shopping experience as one of discovery, fun and adventure. Alibaba in China features live streaming from stores and creating virtual stores is more possible and affordable than ever.

But shopping is for many is a social occasion with family, as much about relaxation, entertainment, connection and escape (with great food and aircon). That is what Thailand's excellent modern department stores deliver. Equally popular are traditional outdoor markets, community malls, farmers markets and increasingly pop up stores. The diversity of retail formats in Thailand is a clear reflection of the varying need states and occasions that people have.

Differentiation is key

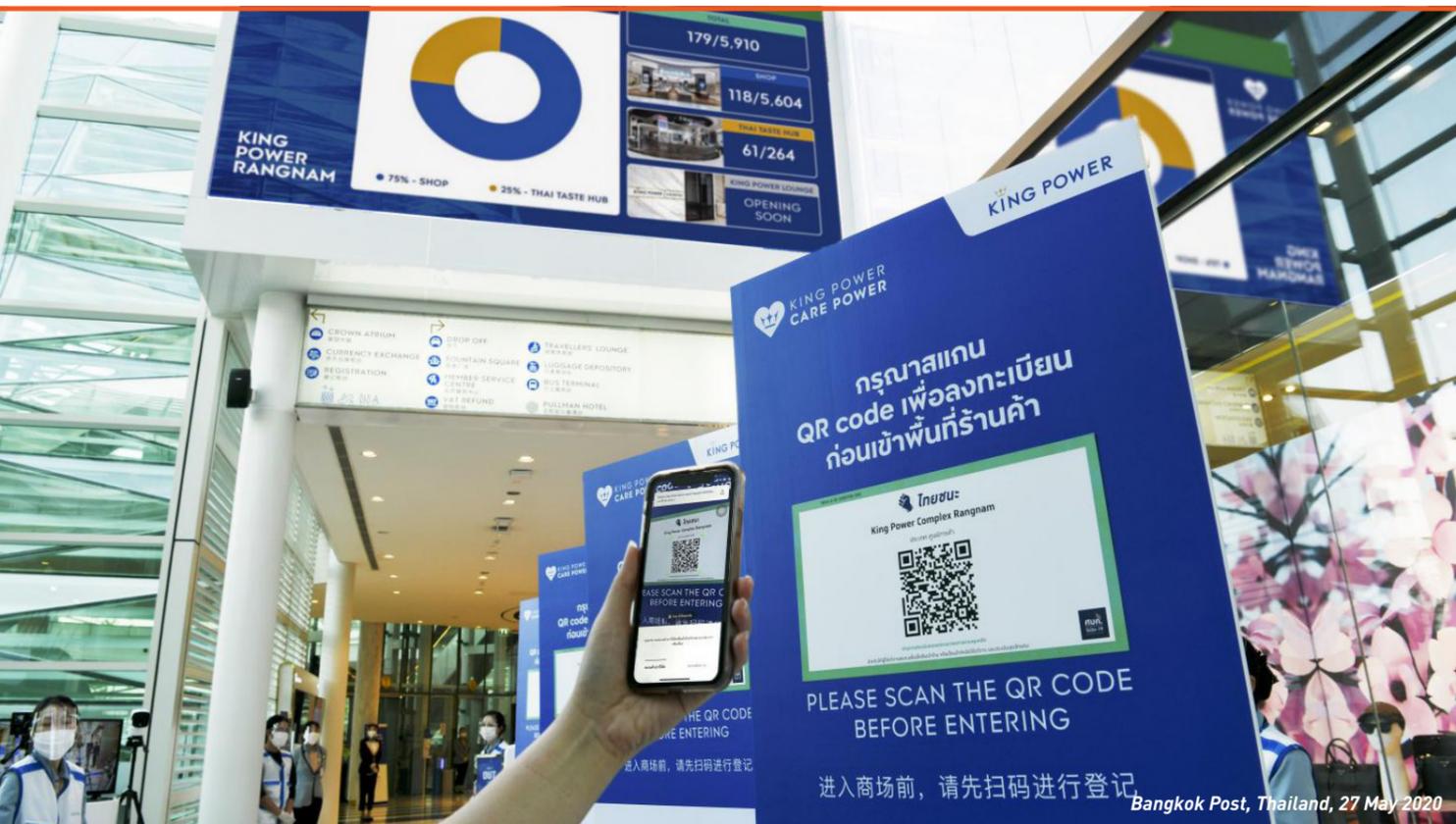
Online marketplaces are innovating to tap into more aspects of a traditional shopping experience. And traditional 'bricks and mortar' retailers are also learning from best practice digital experiences. In China, luxury stores forced to close were re-purposing sales assistants to work as brand ambassadors online. In many ways there is a blurring of lines and boundaries.

People will of course return to physical stores to seek the social and leisure experiences that online cannot provide. We expect that while safety needs remain paramount for some time, digital shopping occasions will increase, and rapid innovation will create better and more diverse experiences. Retail brands and real estate owners will need to think in very clear terms about the need states and occasions they are focused on and deliver best in class experiences.

Consumer brands need to understand that the way that people experience your brand is changing and keep abreast of new digital touchpoints and online customer journeys. However, it is equally important to understand the need states that digital touchpoints fulfil and those that they do not. There will also be a need for physical as well as digital experiences and brands need to develop their strategy accordingly. People still need to relax, have fun, connect and escape. The question is, how and where can brands meet those needs?

BUILDING BRAND RESILIENCE

As customer experiences evolve, how can you continue to meet needs across the whole customer journey?



Bangkok Post, Thailand, 27 May 2020

THE PERSONALISATION-PRIVACY PARADOX FOR BRANDS

The Bangkok Post's editorial on 16th May 2020 highlights the issues that many people face in the age of digitalization and the aftermath of Covid-19. Thais are being told to "accept a 'new normal' that may compromise their privacy through a mobile application known as Thai Chana (Thais win)". The platform and app are a venture between the government and Thai businesses that have to implement its use.

The government insists that this 'track and trace' is necessary and have dismissed concerns about data privacy and a new era of surveillance. They say the information will only be used for disease control and stress the simplicity of scanning a QR code to check in and out. However, they have avoided the question of whether it is mandatory, pushing the responsibility of collecting phone numbers to business operators. Fake websites and apps have fueled the controversy.

Too much tracking?

The situation is not unique to Thailand, as many countries have gone down the route of 'track and trace'

approaches to managing Covid-10. However, other countries have stronger data protection regulations. Concerns have been heightened because Thailand has delayed the implementation of the Personal Data Protection Act (PDPA) until next year. Should we be concerned that our personal data is being used and potentially mis-used?

And how will our concerns change in the future as the immediate threat of Covid-19 diminishes? The Chinese city of Hangzhou, home to Alibaba and other local technology companies, saw a backlash when it proposed broadening the use of the local 'track and trace' app. Their idea was to integrate the data from the tracking system with other health indicators and develop index rankings based on people's medical records and lifestyle. Drink a glass of wine, and your index score would drop by 1.5 points (out of 100). Hangzhou authorities called this a "firewall to enhance people's health and immunity".

Even for a country where most people have accepted the need for tracking, despite the lack of trans-

parency about privacy, this suggestion went too far. Many Chinese people declared on social media that, "We have no privacy left whatsoever". There have also been fears that the information could be mis-used by insurance companies or to screen job applicants. Even the Chinese Communist Party stated in their recent national meeting, "the demand for data security has become increasingly urgent".

Brands need to be trusted

The fact that businesses are cooperating with government to implement the Thai Chana system, also implicates them in any fall out that may come from its use. There are already stories about junk messages that have been linked to the sharing of phone numbers. Any lapses of privacy may have huge repercussions for consumer trust in those businesses and brands.

Edelman's latest report highlights data privacy as an increasingly important driver of trust around the world, with 55% of people saying that they feel vulnerable to brands' use of personal data and customer tracking. As we noted in our article on brand trust, people do care how brands behave and will act on behaviours that are not appropriate. Edelman wrote that "trustwashing" (using social issues as a marketing ploy) is making consumers more skeptical, and that overall trust in brands is down. Only one-third of Edelman's global sample trust the brands that they use.

Trust requires transparency

Edelman also report that many people believe that, "technology is out of control". However, their data does show that Thais are more trusting than others, and also that Thais trust businesses more than they trust media and government. Another recent study from Kantar agrees, finding that only 20% of Thais have concerns about the amount of personal data brands have on them, compared with 40% globally.

The pandemic and lockdown have accelerated concerns about privacy. Governments and businesses are collecting more and more information about people, and at the same time we are all using digital services more and more and 'feeding the beast'. Ultimately, when PDPA comes into effect in Thailand, brands will have a new set of responsibilities for how they collect, store, and protect customer information.

One important lesson from Covid-19 is that trust is fragile. It takes a long time to build trust, but that trust can evaporate in seconds. The Bangkok Post

editorial concluded that if the government insists on tracking people it must be transparent about protecting their privacy, including assurances that data will be erased after a certain period of time. Brands need to follow this advice, and to build and retain trust they need to put their customers first. They also need to be transparent about how and when they collect personal data and, most importantly, how they use that data. Brands that fail in these obligations, will not be forgiven.

BUILDING BRAND RESILIENCE

Can you use customer data in a way that builds trust in your brand?

HOW CAN WE HELP YOUR BUSINESS?

From Insight to Action

We have written this book with the marketer in mind, who facing significant business disruption needs a way to cut through all the noise and plan how to manage the changes that will impact their brand.

Our key premise is that Covid-19 will accelerate some permanent shifts in the way people think, perceive, and behave. We've presented seven key themes that highlight the changes we see happening. In many cases, it is the interplay (or tensions) between themes that will provide true insight and inspiration for a brand.

The themes presented can be described as cultural forces that can determine whether brands deeply connect with people. For insight to take hold in an organisation it needs to be delivered in a way that sticks. With this in mind, we will be creating short videos covering each theme to help bring it to life. Please subscribe at www.culture.kitchen to receive the videos and new content that we will be developing.

Introducing Culture Kitchen

Of course, every business is different and what will be key to one brand will be irrelevant to another. We recognise the need to provide simple and flexible planning tools that recognise each unique context and can support different business stakeholders.

We created Culture Kitchen to help brands stay culturally relevant during a time of great change. Culture Kitchen combines cultural insight with marketing, branding and behavioural change know-how to help you move forward with confidence. We completely understand that budgets will have been cut for many brands during this time and we wanted to offer affordable solutions that help clients move forward with confidence. To create value, we have built tools and approaches that make the best use of internal resources, allowing your team to do the work, with guidance and support as needed.

If you would be interested to collaborate, please get in touch with us at the email addresses below.

Courses (Marketing Applications)

There are three core applications for our work:

Innovation

With new emerging need states comes new opportunities for innovation. This could be opportunities for entirely new products or services, new variants or tweaking existing variants to improve relevance. Our insights and tools will help you discover new opportunities.

Brand Communication

With people's needs, values and outlook shifting, now is a great time to review your brand (and brand communications) and adjust and optimise for the changes to come. We can help you with all aspects of branding, strategic and tactical, from redefining your brand purpose and positioning, to fine-tuning packaging to better tap into emerging category codes.

Customer Experience

We believe that recent events have accelerated e-commerce 5 years forward. E-commerce platforms are introducing elements of gamification that radically change the customer experience and increasingly compete with traditional retailing. In-store experiences are having to be adapted to address people's safety concerns. These dynamics are changing the way that brands are experienced and chosen. Let us help you identify the implications for your brand.

Menu (Planning Tools)

Our menu of tools is still in development, however for a flavour of what we offer:

Inspire & Incite

- Share our detailed insights on seven themes applied to your brand
- Tools to inspire ideas that support company brand growth or profitability

Deep Dive

- Explore a single theme as it applies to your business, region or brand
- Combine with stakeholder feedback and a workshop to develop detailed strategy

Brand Audit

- Determine if your brand is 'fit for purpose' for a changing world, using our checklists and analysis frameworks
- Re-evaluate the value that your brand offers, including pricing and promotional strategies

Category Planning

- Identify the evolving codes and meanings of your category using semiotics
- Develop new communication territories for brand communication

Scenario Planning

- Identify possible future scenarios for your category and brand
- Develop strategic plans for alternative future worlds

Innovation Workshop

- Define emerging customer need states and priorities
- Create new products and services that drive growth

Offerings are available face-to-face or remotely according to the situation and your preferences. Find out more with a FREE one-hour discovery conversation to brainstorm which themes most apply to your brand and its pathways to growth. For more details please email us.

Introducing our Head Chefs



Dr Neil Gains is the founder of TapestryWorks, a published author and an expert on human and cultural psychology. He is a Chartered Member of the UK Market Research Society (CMRS) and an Adjunct Lecturer at Thammasat University School of Global Studies. As well as many refereed publications, Neil writes regularly on psychology, design, culture and market research for the marketing and market research industries including Admap, WARC, Asia Research Magazine, ESOMAR and MRS.

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Craig Griffin has 20+ years global experience in market research & insight (15 years spent in Thailand) and is the founder of FUEL Research & Consulting. He is the Thailand Representative for ESOMAR (the global association for the data, research & insights community) and an Adjunct Lecturer at Thammasat University School of Global Studies. He frequently writes about market research & consumer behavior and is a regular speaker at Conferences. He was the co-editor of Thailand 2020: 10 Principles for Marketing Success.

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Guardian (Lillian Suwanrumpha/AFP/Getty)



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