



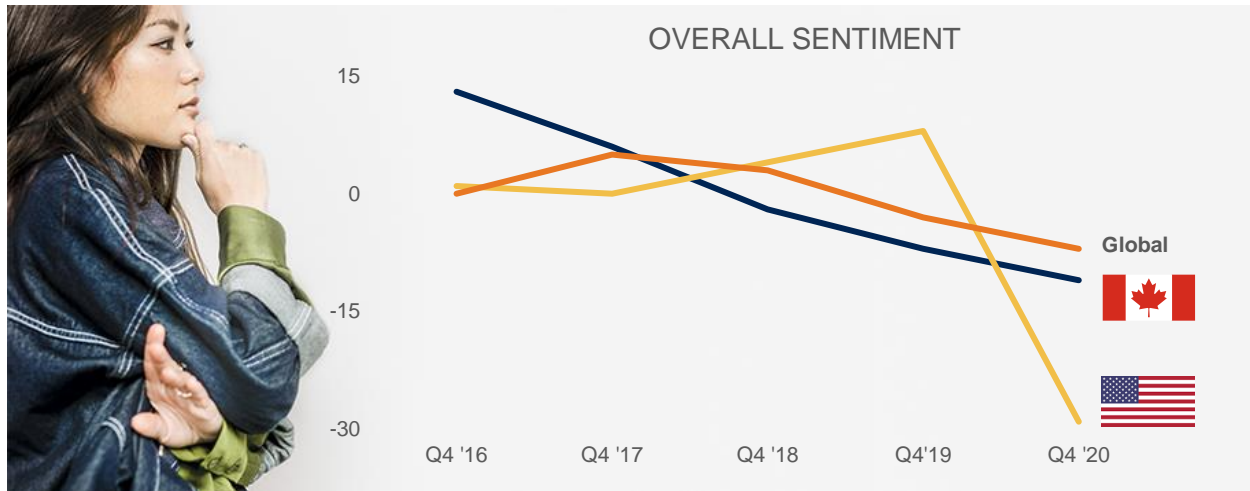
CONSUMER KEYS 2021

Four Things Marketers Should Keep in Mind
As We Navigate 2021

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Navigating 2021

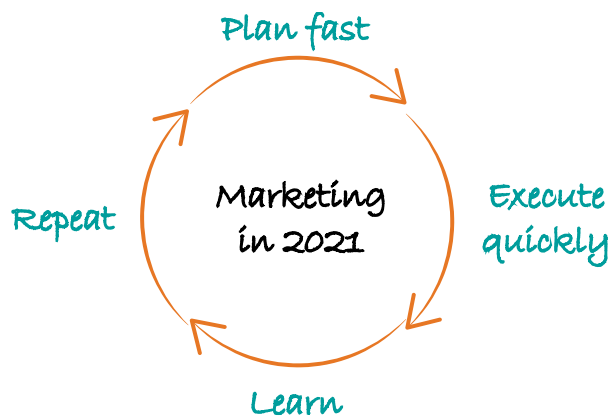
Cautiously optimistic was an apt description of Canadians as we approached the final months of 2020. Positive news of vaccine efficacy coupled with the start of actual vaccinations was providing many with a sense of hope that the worst was behind us. However, since these announcements, Canadians' sense of optimism has been tempered by renewed lockdowns and travel bans, discoveries of other, more virulent mutations, and supply chain issues, all of which are pushing out our return to normal timetable.



Source: Ipsos

The widely reported changes in core consumer behaviours and attitudes accelerated by Covid remain and have had more time to entrench themselves. Brands must continue to pivot. As we start navigating 2021, here are 4 things marketers need to keep top of mind.

1. Plan fast, execute quickly, learn, repeat ...



For the time being, both businesses and individuals will have shorter-than-usual planning horizons and consumers' behaviour will be heavily influenced by their place in the K-shaped recovery, as dictated by the impact COVID has had on them. For those on the downstroke of the K, being cash poor will limit their ability to fulfill stated intentions. Many on the upstroke are simply saving for another day.

Marketers need to be able to respond to volatile shifts in behaviour as consumers find their new equilibrium. You need to lean on real-time,

supportable and objective information. Do not assume that what was true last quarter will be true next quarter. Don't be ad hoc about it - execute quickly using deliberate and agile processes and be willing to learn and pivot as the market shifts.

2. ... See change through to the end ...

One constant throughout the pandemic has been change. As a result, consumers are more accepting of changes including big changes from companies and their brands. Moments are rare when you have ‘permission’ to make the tough choices you may have been contemplating for a while; this is one of them. Make changes and see them through to the end.

Some organizations are innovating laterally, creating ecosystem partnerships to distribute their products in new ways. Using a “tasks to be done” approach has uncovered new opportunities such as bundling post office, bank services and office supply services for small businesses. Or online retailers developing digital tools to help fit clothing during the shop-at-home experience. Or quick serve restaurants re-imagining the offerings at drive thru.

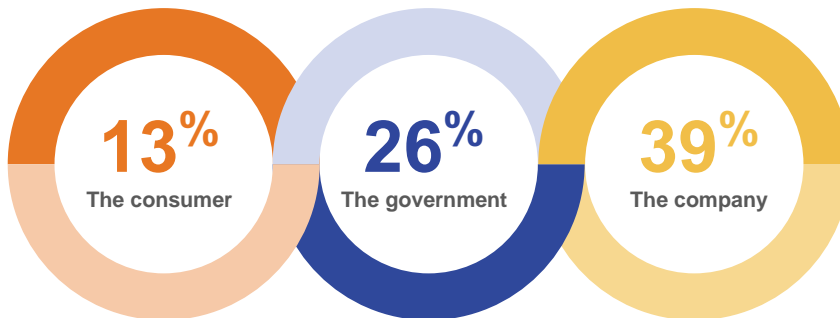


To capitalize on these opportunities, marketers need to formalize and institutionalize rapid and agile innovation processes so that bold, validated ideas can be quickly developed and to lessen the risk of implementing changes that will eventually succumb to inertia or incrementalism.

3. ... And create deeds before words...

WHOSE RESPONSIBILITY?

Who, if anyone, do you think is responsible for ensuring consumer products are environmentally and socially responsible?



Source: Ipsos

We will see continued overlap in the roles of people, business, brands and governments and a blurring of responsibilities. The more businesses engage in social issues, the more likely they are to be held accountable for them. Big societal challenges (inequality, racism/diversity, social cohesion, environmental damage) have been amplified and shifted since Covid but will not go away – the public will press harder on these issues post-Covid. Marketers, choosing to link themselves to a

noble cause need to be careful of ‘impact washing’ else run the risk of being called out for inconsistencies between words and deeds. Consumers are proving to have less patience for a lack of authenticity. Authenticity at the macro level for example, through advertising, sponsorships, or corporate programs, but also authenticity at the micro level through every interaction between consumers and the brand, or through intermediaries of the brand such as sales agents, stores, or digital interfaces. Many do a good job creating trust at the macro level however risk those gains by not closing the ‘say-do’ gaps in the tactical experience.

It takes a conscious and deliberate effort for organizations to close the say-do gaps as they are often created by unconscious biases present in every organization’s processes, communications and policies. Ipsos has developed proven approaches to effectively identify and close these gaps.

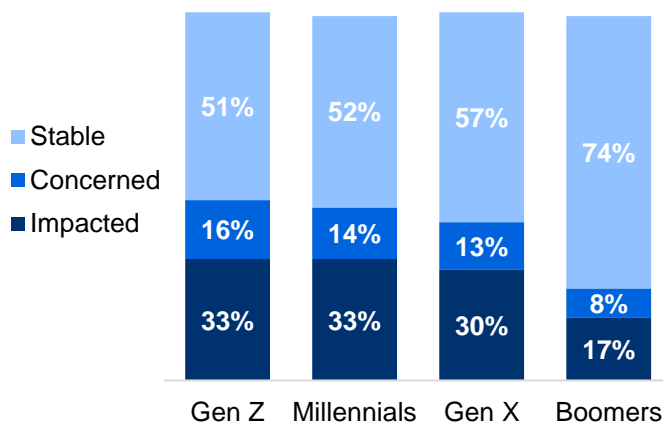
4. ... Recognizing that we're not all in this together.

As experiences and sentiment continue to diverge, social cohesion will continue to fall, leading to more conflict between have and have not groups. Both these groups will exist in your target markets, however defined, whether by generation, region, employment type, income, gender or other.

This means that your marketing activities need to be anchored in the current realities and attitudes of different customer groups and not by what they “used to be” or “have always been”. Needs and sentiment must be addressed consciously and specifically or run the risk of sounding tone-deaf to some. Proceed with caution if opting for “We’re all in this together” messaging. There are large parts of society that are being left behind and who most decidedly do NOT feel that we are all in this together.

Marketers need to understand how COVID has reframed value to their key segments, and then adapt their offering to meet it, whether positioning a small indulgence or a once-in-a-decade purchase.

FINANCIAL IMPACT OF COVID-19 PANDEMIC



“Income gap in Canada widening at ‘dramatic’ pace.” – CIBC

“The gaps in income between upper-income and middle- and lower-income households are rising, and the share held by middle-income households is falling.” – Pew Research Center

“Canada’s income gap is at a record high”. – OECD

Overall consumer orientation will start inside (physically as well as attitudinally) before moving outwards. In this time of low social cohesion, apply the “What’s in It for Me” lens of your target group first in design and communications.

Summary

The rapid shifts of the past year will continue. Agile processes fed by better, faster, more reliable information, produces deliberate action, and a learning loop that will help marketers steadily navigate the year ahead.

For more information or to debate these ideas, please contact Ray.Kong@Ipsos.com