

# HOW BRANDS WILL REACT AS BUSINESSES REOPEN



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## **ACCORDING TO ADROLL, THE CORONAVIRUS PANDEMIC AND ITS IMPACT ON THE WORLD IS LIKELY TO BE ONE OF THE MOST SIGNIFICANT EVENTS IN THE PAST 100 YEARS.**

In an article published in early April, Time Magazine painted a picture of the [world as businesses reopen](#). Colleagues are meeting face-to-face again, but only after going through contagion contamination procedures to meet indoors. Robes are the popular fashion – not by choice or affiliation, but by ease of use from having to remove the outermost layer when entering a new environment. Dr. Fauci is People Magazine’s sexiest man alive. Protocols are cumbersome, but the reminder of 2020 ensures everyone continues to stay safe.

During the pandemic, we’ve seen brand and consumer sentiment similar to that of the Great Recession of 2008 – income insecurity has led to financial uncertainty, leading to fewer nonessential purchases.

Additionally, job losses are predicted to be [higher than the 2008 recession](#).

With brick-and-mortar businesses beginning to reopen their doors to consumers, that doesn’t mean we will return to “business as usual.” There have been

significant changes to businesses during the coronavirus pandemic. Companies have had to furlough or lay off otherwise great employees. In the most unfortunate cases, some doors have closed completely.



**WHILE CONSUMER BEHAVIOR WILL BE UNPREDICTABLE AND MOSTLY BASED ON EMOTIONAL COMFORT AS STATES REOPEN, THERE ARE A FEW TRENDS WE CAN EXPECT FROM THE WORLD AS BUSINESSES REOPEN:**



## **THERE IS NO “NORMAL.”**

During a Zoom call with my team, we were drawing parallels between the coronavirus pandemic and 9/11 or the 2008 recession. After those events, eventually, life returned to “normal.”

But we realized, life didn’t return to normal – rather, it returned to a new normal. Now we’re used to increased security at airports and metal detectors at the entrance of buildings. Now we have guidelines to warn employees if a mass layoff is coming. The same will happen with the coronavirus. For a while, it will be normal to see someone wearing a face mask into a store.

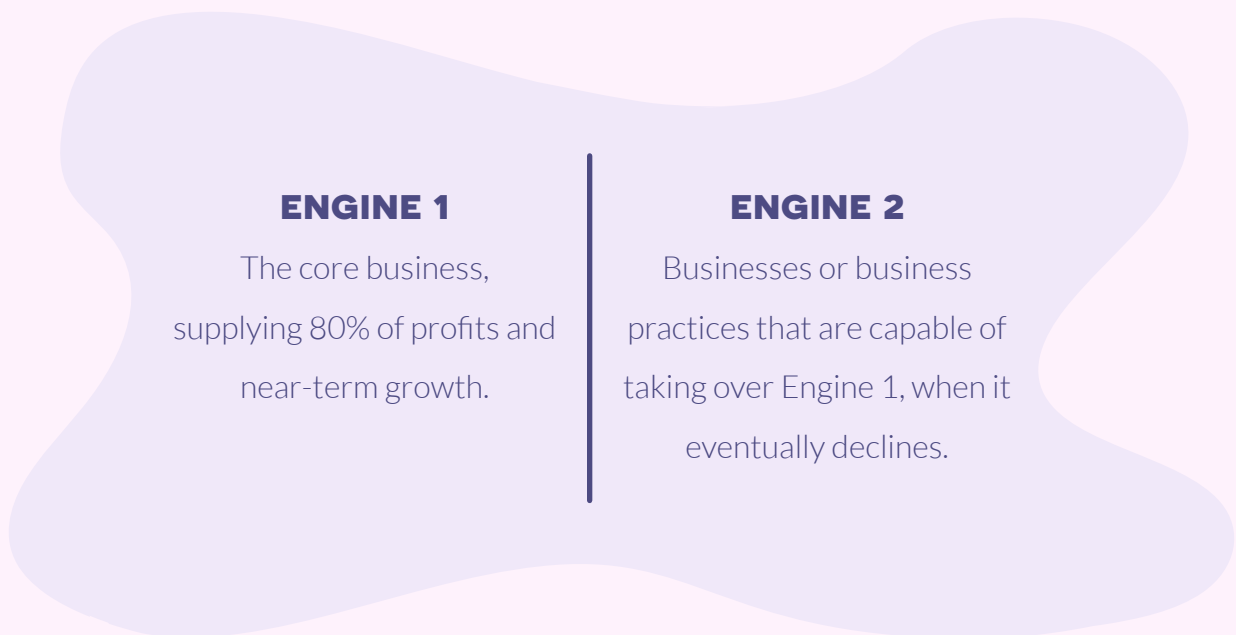
The “average consumer” notion for 2020 is gone. Consumers will return to their “normal” lives with this experience in their rearview mirror. They will see their former routines through that lens.



Brands need to be slow to snap back into “business as usual.” Companies that hurry back to old ways of working will not only be ignoring their consumers, but risk stumbling again in the next 10 years as technology continues to advance and consumer habits continue to change.

In the early stages of quarantining, consumers saw brands retool their business practices in mere days because of highly adaptable teams and skilled agencies. Just as quickly as brands adapted to quarantine, they need to adapt to consumer’s needs as businesses reopen.

Bain & Company coined the term “[Engine 1 vs. Engine 2 problem](#).” The digital consultation company argues now more than ever, brands must have both in order to sustain significant changes in business.



## 2

# ADAPTING.

Brands will live or die based on the speed they can adapt to new technology and new mindsets.

We unfortunately had to see this during this pandemic. Stores that were able to adapt to showing their products or services nontraditionally were more likely to remain open than those that were not able to adapt.

Some nontraditional forms of business that grew:

- Utilizing Instagram Stories or Facebook posts to show off products.
- Allowing no-contact deliveries or pickups.
- E-commerce or U-commerce options.
- Utilizing AR or VR to show off products or services.
- Utilizing influencers to promote a new product while studio shots are unavailable.



Through being forced to adapt as consumers were working from home and in-store visits were banned, brands have realized their opportunities and areas where they were not engaging with employees. As business doors open again, they want to be sure they're engaging correctly.

Bain & Company recommended a few [questions brands could ask themselves](#) as they pivoted for in-store closures, as well as post-pandemic preparations:

- How can we redefine our priority to digital?
- How can we reach our consumers more efficiently?
- How do we ensure we never again leave our customers without the products they need?





## 3 ONLINE SHOPPING IS HERE TO STAY.

In February 2019, CNBC reported consumers spent more money shopping online than shopping offline in physical stores. As consumers have been limiting their contact to the outside world, this trend that started before quarantine is likely to continue.

Where we might start to see a change: Products people feel more comfortable picking out themselves such as groceries, personal hygiene products, etc.





## LUXURY MARKETS.

High-end luxury brands were among the markets hit the hardest during quarantine. But many economists predict it will be the quickest market to return.

In a Forbes article, market researcher and author Pamela Danziger writes that “spending that comes [after hard times](#) is more about identity and security.”

Danziger predicts consumers to come back ready to spend serious dollars in a “backlash” against all the worry and anxiety – which also happened after the 2008 recession and 9/11.

This speaks again to moving away from the “average consumer” of 2020. Buying from luxury brands, as Danziger says, speaks more to identity-buying. As financially-insecure consumers shied away from large purchases during quarantine – despite stimulus checks – buying from luxury brands is the consumer saying, “I am OK. I can afford this.”

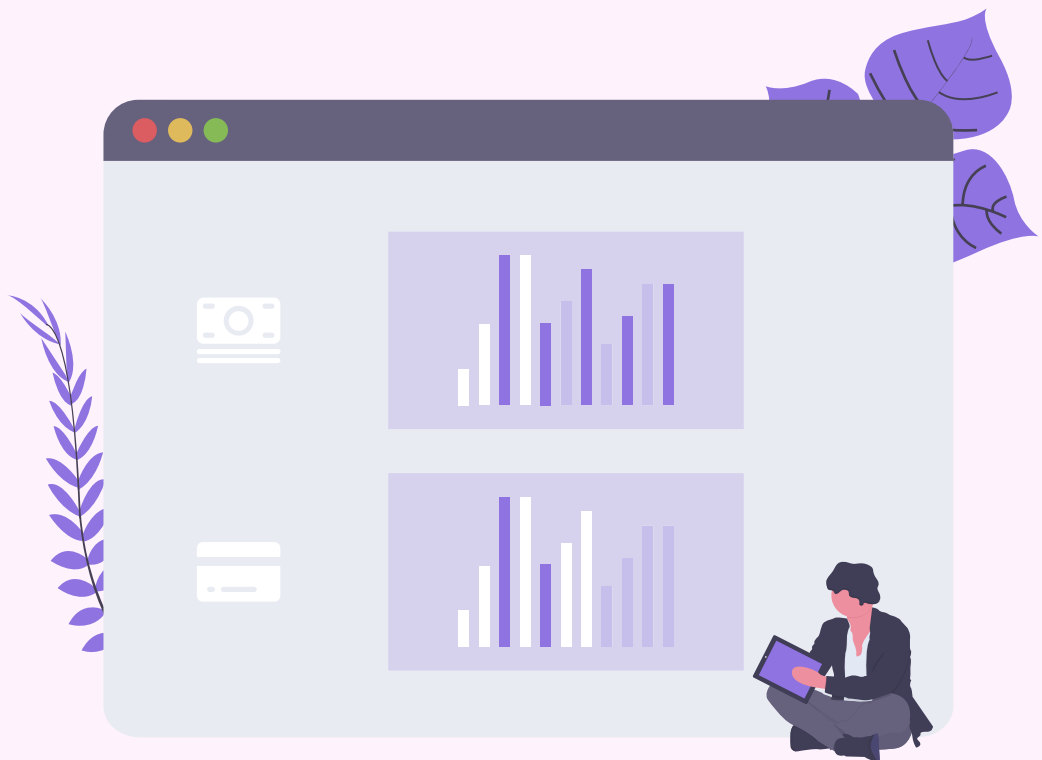
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During quarantine, however, consumers saw brands shifting to experiences rather than focusing on the products they create. Dr. Martina Olbertova, founder of Meaning.Global, believes if luxury brands move past products and onto the experiences their products could create, it could allow them to be “future-proof” for the long-term and help them survive another global pandemic or similar situation more easily.

But, again, Olbertova states this doesn't mean luxury brands should expect to go back to business as usual.

This also begs the question: Could non-luxury brands create luxury products? Ultimately, yes, they could. But we would recommend brands stay true to their core point of view and mission.





## ENTERTAINMENT.

It's no surprise screen consumption increased significantly during quarantine. Ad Age reports that web browsing has increased 70%, TV viewing has increased 63% and social media engagement has increased 61% over normal usage.

People are using their devices to stay connected to friends and family while being socially distanced from them. Naturally, consumers are seeing more sponsored posts, hearing more from brands and influencers they follow and subconsciously giving their loyalty to brands they see active on the channels they're spending their time.

Those streaming services people subscribed to during the pandemic will still be around post-pandemic. Those new social media influencers followed during quarantine will still appear on the feed after the world opens back up.

While time on devices may decrease as businesses start to reopen and social gatherings are OK'd by local governors, Business Insider reports screen time likely won't decrease significantly for a number of reasons:

- Businesses are finding employees can work from home just as effectively, if not more, than working in an office.
- The entertainment industry may not return to normal premier dollars, and streaming services may take their place.
- Digital consumers are already forming new habits of how they view content, including how they can view it with friends and family.

## **WHEN THE CORONAVIRUS PANDEMIC IS IN OUR COLLECTIVE REAR-VIEW MIRROR, CONSUMERS AND BRANDS WILL HAVE CATCHING UP TO DO.**

While we don't know how brands or consumers will react to another global pandemic, we know they need to be prepared to adapt again — if and when needed.

Bain & Company laid out a few [action steps](#) for brands to consider in order to prepare for the next pandemic-type event:

- **Talk directly** to your most valuable consumers.
- **Predict scenarios** and assign responsibilities.
- **Adapt quickly** and provide checkpoints to ensure the adaptations are working with consumers.
- **Resilience** — make sure your brand's responses are resilient to unanticipated shocks.
- **Having a technology backbone** will matter more than ever.
- **Pivoting and adapting quickly** is a trend that's here to stay.

As Danziger said, "Behaviors happen for a reason. If you can get to the why, you understand [consumer behavior](#)."

As we move forward, understanding consumer behavior will be key to understanding how brands can pivot correctly. We can't always know what's coming, but we can at least prepare to expect the unexpected.