

Embracing The Un-normal

Webinar 3:

“Understanding Whether a New Behaviour Will Stick in the Post-Pandemic Era”

4 June 2020



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Strategic Insights Consultancy

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The global pandemic has affected how people think and behave in their daily lives - within a short period of time, a lot of things have changed

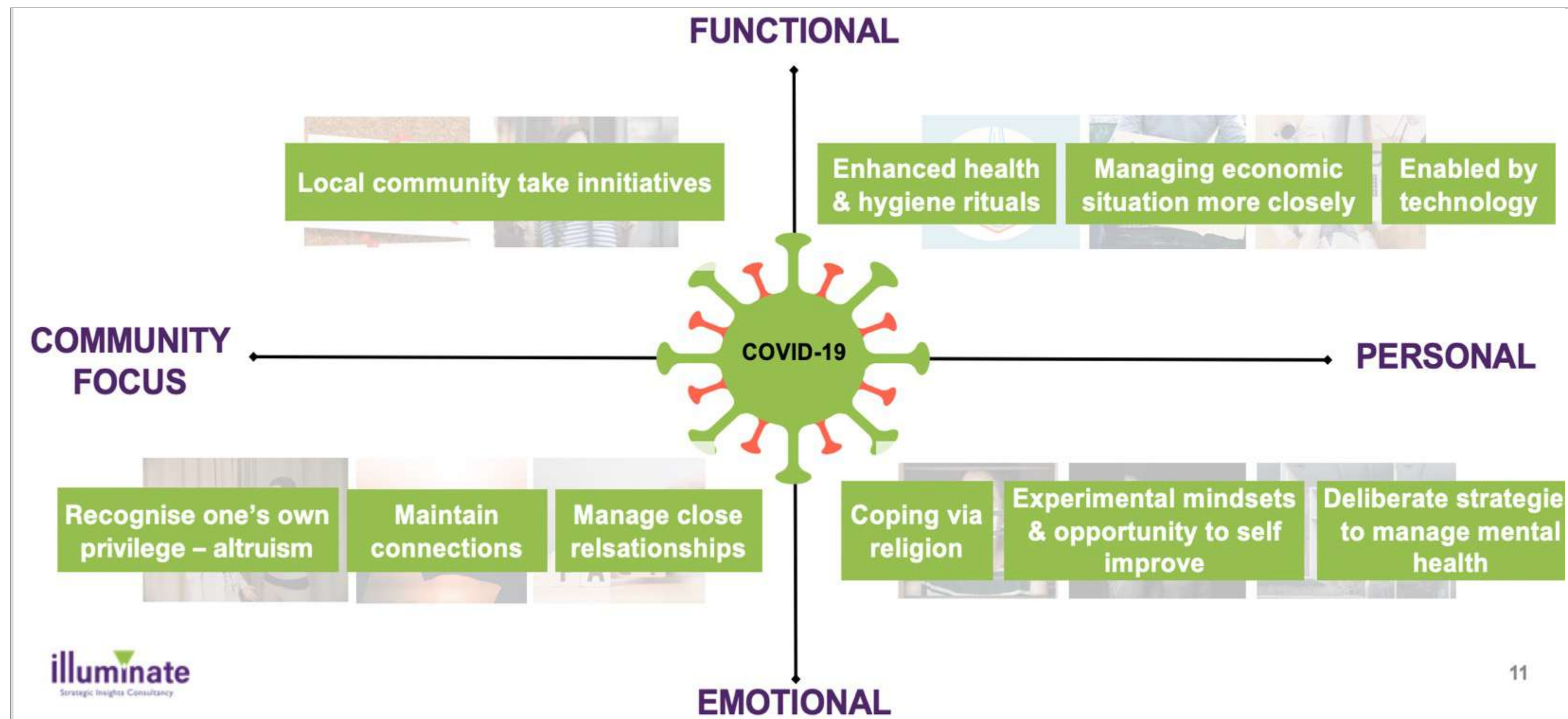
At Illuminate Asia, we wanted to understand how people are coping and adapting ..
...and we wanted to help our clients make sense of it all

We've presented several other webinars looking at how consumer behaviours and the broader culture are changing as a result of the pandemic crisis and the social restriction.

- But we are also pondering on ***what's next?***
 - Will behavioural changes last after the pandemic ends?
 - How can we try to predict which changes will last?
 - What do we need to watch out for when considering and planning for longer term timeframe



From our consumer studies that we shared in our earlier webinar, we learned a lot about Indonesians' fears and anxieties and how they are coping





**BUT WHAT WILL HAPPEN IN THE NEXT
PHASE: AFTER SOCIAL RESTRICTION ENDS?**

What can we learn from looking back at history?

The 1918-1919 Spanish flu infected one in 3 people on the planet and killed 50 million



Prevention measures were similar to now – social distancing, isolation, quarantine, personal hygiene, masks etc

Long term changes did happen...

- It transformed public health in many worlds – development of more stringent health systems
- It contributed to a baby boom of the 1920s
- “The lost generation” – many middle aged people died leaving children to be raised by elderly

But less evidence that other habits & behaviours survived post the pandemic:

- Compliance waned after the fear and government restrictions stopped – people were less stringent about personal hygiene and social distancing

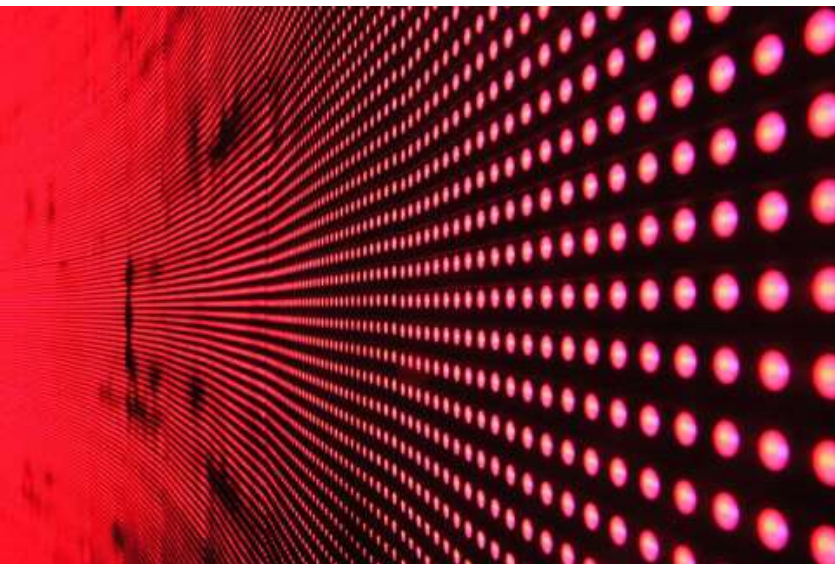
There has been a lot of hype from experts about a “New Normal” and how the world will forever be changed due to Covid19



We agree there will be change, but we are still questioning the extent to the change and how long it will last

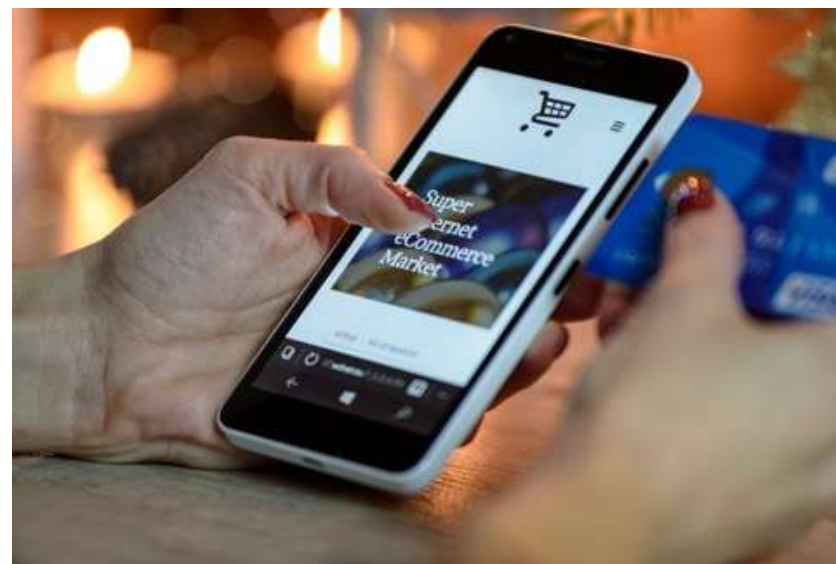
Many predictions about how consumer will change

Here are a few of the main ones – from both local and global perspective



Tech dependents

- Remote learning, working & telehealth
- Digital entertainment & gaming, video chats & socialisation
- Online support, wellness & fitness
- More digital media



More E-Commerce

- Dependence on online shopping & home delivery to continue
- Will effect smaller face to face merchants



Localisation

- Enhanced patriotism
- Buying, supporting local
- More sustainable
- More sense of community, less individualism



Changing lifestyles

- More time at home – sharing home duties, more home based leisure e.g. cooking
- Less travel or local only
- Revival of public spaces
- Less traffic, less need for formal clothing etc



Health & Hygiene

- More spend on preventive products
- Focus on personal hygiene & cleanliness
- Home cooking & focus on nutrition
- Increase use of vitamins & jamu



More trust in experts

- A return to faith in experts & a return to a new seriousness
- New respect for science

We're here not to throw in more predictions, but to help marketers to analyse which behaviour will last and which one won't

Why can't we be too confident with these predictions...

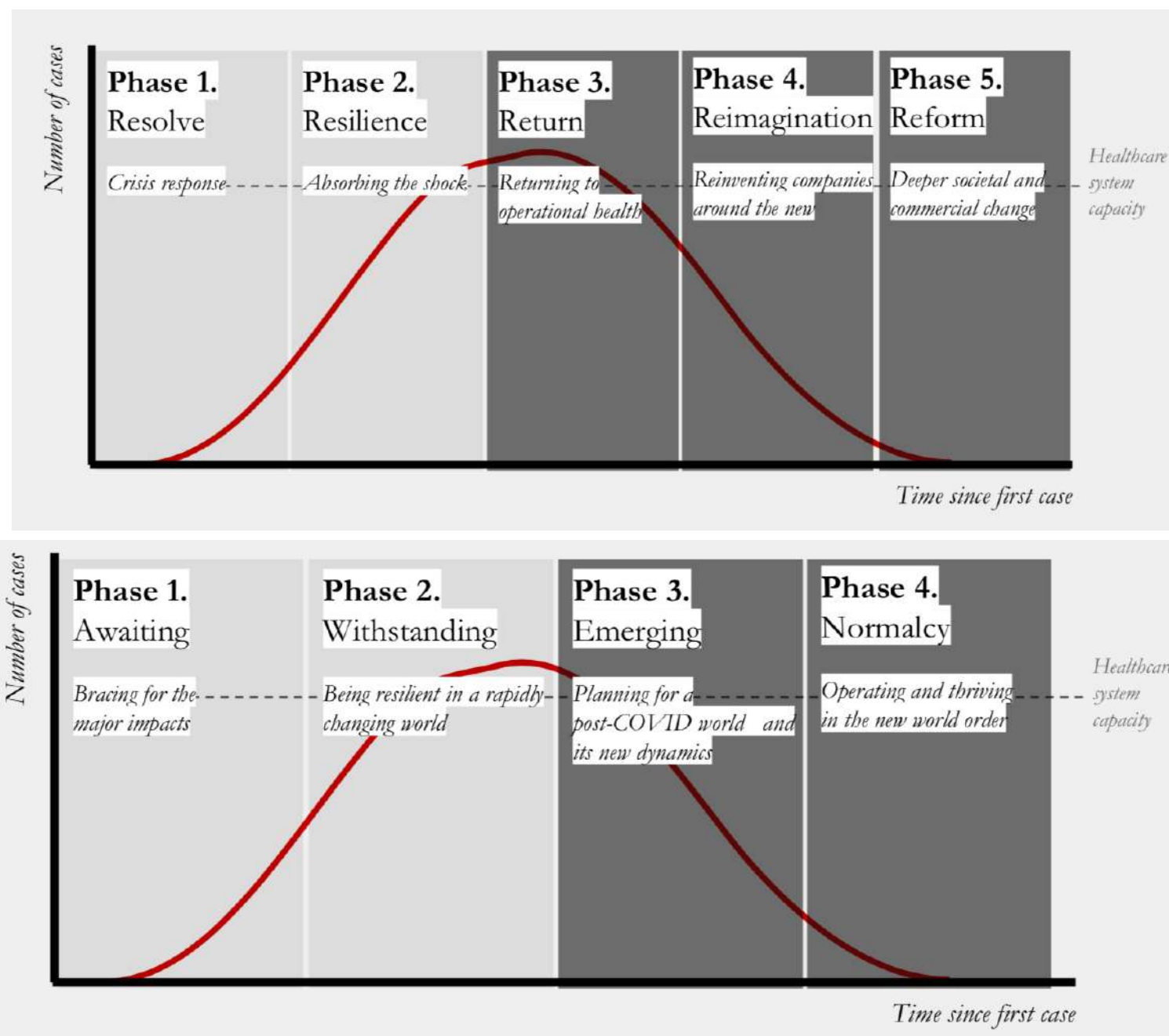
1. We can't be sure how the Covid 19 recovery will progress – it may not be linear
2. We can't trust consumer's claimed intentions for future behavior
3. Need to take context and situational factors more into account



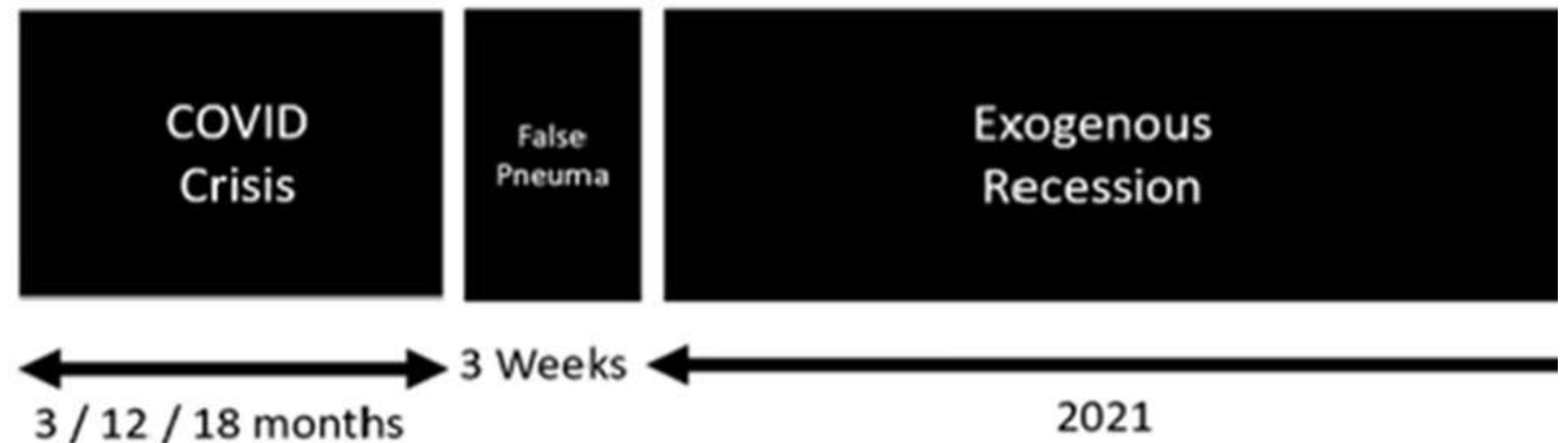
1. We can't be sure how the Covid 19 societal recovery will progress

Its pretty clear that it won't progress just from social restriction stage to a back to normal phase directly

There are many predictions on how the post-pandemic period might progress



One of the models that we prefer is by Professor Mark Ritson



He predicts that we are likely to see 2nd stage after the Crisis stage ends:

- “False Pneuma” stage – a period of elation when everyone talks about how much the world has changed or been transformed because of the covid19 pandemic
 - e.g. everyone will become more health conscious and everyone will continue to connect & live more digitally
- But it won't last long - the large global recession will arrive and old habits return

We are not sure how the stages will look or how they will be different.. And it might be that we switch back and forth through various stages along the way. So we need to be agile and look at the at cultural changes that are happening and the consumer behaviour

2. Consumers are not a good predictor of their own future behaviour

People tend to believe that they are more likely to engage in intended future behaviours than is actually the case

Many past studies of people's lack of predictive ability:

- Individuals hoping to finish a future task promptly underestimate the time it will require (Buehler, Griffin, & Peetz, 2010)
- Those seeking to improve their personal finances underestimate their future spending (Peetz & Buehler, 2009) and overestimate future savings (Koehler, White, & John, 2011)
- People also overestimate the likelihood that:
 - They will have long and happy relationships (MacDonald & Ross, 1999)
 - Land high paying jobs (Hoch, 1985)
 - Perform well on tests and exams (Gilovich, Kerr, & Medvec, 1993; Shepperd, Ouellette, & Fernandez., 1996; Helzer & Dunning, 2012)
 - Give generously to charity (Epley & Dunning, 2000)
 - Donate blood (Koehler & Poon, 2006; Tanner & Carlson, 2009)
 - Vote in upcoming elections (Epley & Dunning, 2006)
 - Engage in healthy behaviors (Lipkus & Shepperd, 2009).



2. Consumers are not a good predictor of their own future behaviour



During the Mad Cow disease epidemic in UK (in 1992), which saw sales drop by 40%. Research showed that 60% of consumers claimed to never want to eat British beef again.

But within 6 months after the end of the crisis, British beef sales return to normal levels – eating beef is a strong part of the British culture



Prior to the launch of the first iPhone, consumers claimed they were not interested in a phone that converges multiple devices (phone, music, camera) – especially in affluent or more developed countries.

But this was not the case... Upon its launch, thousands of people waited outside stores and stock shortages were reported within hours

3. Why do we often misjudge the cause of behaviour of others?

Why do you think this person violated the social distancing rule?

PSBB Violations Lead to Hike in Covid-19 Cases: Jakarta Agency

Translator: Dewi Elvia Muthiariny
Editor: Laila Afifa

19 May 2020 16:51 WIB



Maybe because he is ignorant, careless, or selfish?

Character / Personality

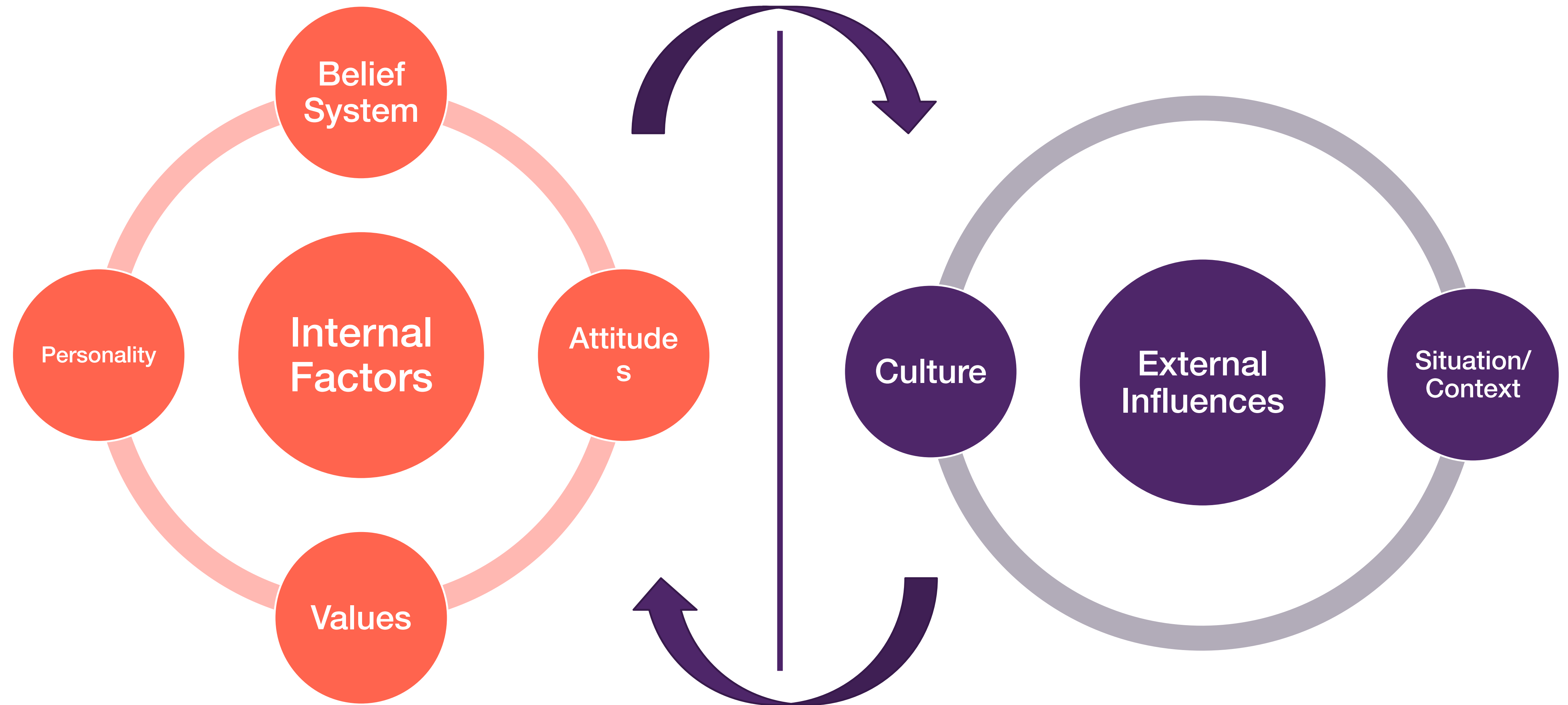
Maybe because he needs to go outside to work to make a living?

Situation / Context

Fundamental Attribution Error:
Ignoring influence of situation on behaviour and emphasizing personality traits to explain the behaviour

As Marketers, do we also suffer from fundamental attribution error in judging our consumers' behaviour?

Influences on behaviour: we are often too focused on the internal factors when analyzing behaviour



When predicting behaviour, we need to take into account the context/situation that enables the behaviour

Attitude alone has a weak relationship with the behaviour

INTERNAL

Attitude Towards Covid 19

"I am afraid that Covid 19 can be dangerous for me and my family"

Other Attitudes & Competing Motives

"Traditional remedy is good to fight Covid 19"
"Washing hands & wearing masks should be enough"

EXTERNAL

Situational Influence

"My job requires me to be on the road so I can make ends meet"

Cultural Influence

"In my belief, life and death are in the hands of God"
"There is no punishment anyway for going outside during quarantine"
"Mudik is a very important traditional ritual"

Behaviour

"I go outside during quarantine even though the government told us not to"

THE WAY FORWARD: What should marketers do?

Continually track the changes in context to predict the behaviour

1. Take predictions with a grain of salt

- For every prediction that impacts your category, make sure that you understand the attitudes and situations that come into play
- Create a checklist to map the attitudes & situations

2. Track down the phases

- Understand that consumers behave differently in each phase due to the situational changes
- Make a situational scenario for each phases

3. Continually track the situational/contextual changes to predict the behaviour

- Use the right methodology to understand the consumer context/situations
- Use the new information to update your situational scenario

1. Take predictions with a grain of salt

Understand the underlying (and opposing) attitudes and situations to assess whether the prediction of behaviour will last after the pandemic

What are the attitudes that might drive or oppose this behaviour?

- *The Covid 19 increased my concern towards my own health & my family*
- *I actually prefer to buy in market/tukang sayur, because I can choose the product myself*
- *The traditional market has the freshest products & complete assortments*

What are the situations that might drive or oppose this behaviour?

- *Government imposed social restrictions & some markets are closed*
- *Access to technology - smartphone & payments system*
- *Severity of Covid 19 pandemic*
- *Availability of other options - vegetable vendor in the neighbourhood, access to traditional markets etc*
- *Cultural: Buying groceries is part of a social ritual*

Degree of satisfaction towards current behaviour

- *Unsatisfied because: unable to control the quality of the fresh goods, more expensive, long delivery time, hard to find the right apps, it takes longer to order online than to go to nearby vegetable vendor*
- *Satisfied because: guaranteed safety*

What would the future situations be?

- *People will go out & about when the social restrictions are lifted*
- *Traditional markets will reopen & availability of offline groceries will return to normal*
- *Possibility of second wave of pandemic*

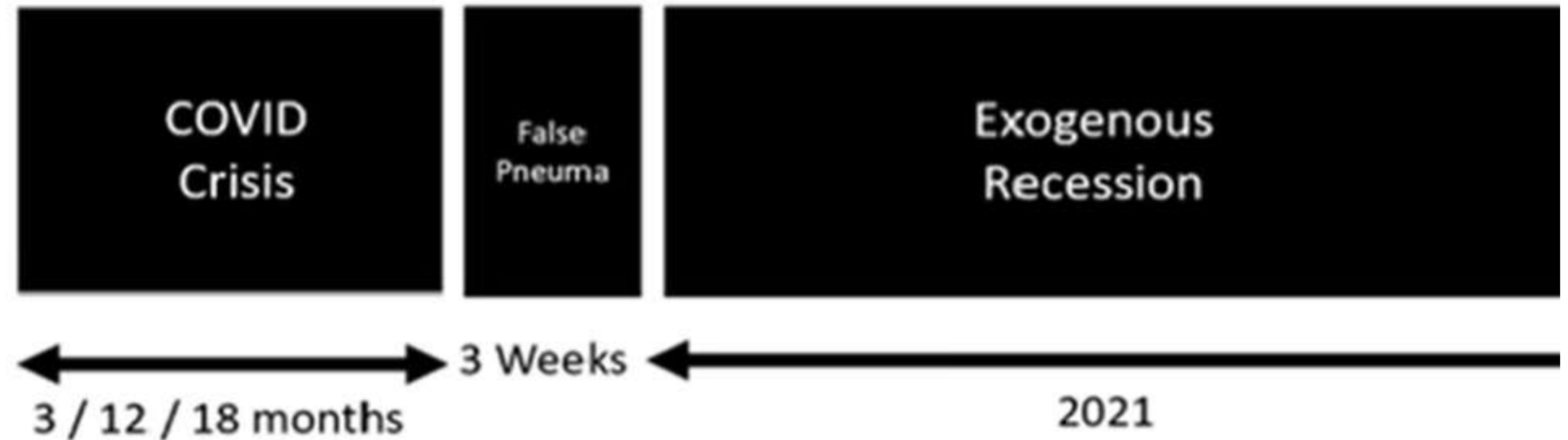
Case in Point:
Consumers shift to online grocery purchase & will continue to do so in the future



2. Track down the phases

Conduct workshop to develop scenarios specifically for your category consumers that could happen for each potential phases & situational scenarios that might happen

Toolkit for Consumer Behavioural Predictions



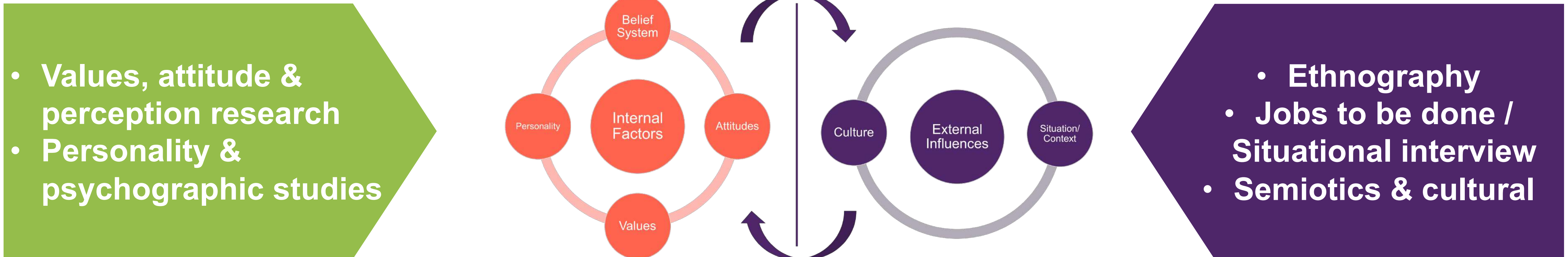
EXAMPLE SCENARIO 1: Short COVID Crisis (3 months), short recession period, no second wave

Situational scenario 1:

Behavioural scenario 1:

3. Continually track the situational and contextual changes to predict the behaviour

Focus on target context as much as you focus on target audiences



Recheck your assumptions and update your scenario by monitoring the external forces that influence the behaviour

To wrap it up...

In these changing & difficult times, predicting consumer behaviour is even challenging, but it is even more critical for business and marketers to get it right

- It is important not to just rely on what consumers themselves say that they will do or behave in the future
- As marketers, we should avoid the temptation to put too much weight on internal factors (personality, attitude) when making predictions
- We need to shift our mindset and utilise a range of tools and methods to ensure we accurately develop and test a range of scenarios



By doing so, we can be ready to adapt to the upcoming changes and ensure we are most prepared to navigate through these

THANK YOU!

See you in Webinar 4!

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