

# Innovating during the #Covid-19 pandemic

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In times of uncertainty and change, how can organisations ensure they have the resilience to innovate and adapt successfully?



The global outbreak of Covid-19 has sparked consumer behaviour changes that are forcing manufacturers to rethink their business strategies. In these uncertain times, resilient organisations are those that don't stop innovating. They make understanding changing consumer behaviour an imperative and adopt a more entrepreneurial mindset to innovation. This allows them to not only adapt their propositions for short term survival but also keep their eyes on long-term innovation strategy and focus on shifts in behaviour change to ensure recovery and sustainable growth.

Manufacturers should be careful about the approach they take. In the short term, this is an opportunity for some to ride the current wave by being top of mind as consumers continue to deal with uncertainties surrounding the outbreak of Covid-19. P&G's recent launch of Microban 24, its new line of antibacterial product, is a good example of addressing short term behaviour change to ensure survival.

## **Some categories will actually experience unexpected growth**

In these cases, manufacturers must quickly figure out how to manage their supply chain and resources, in both the short and long term. The unprecedented demand for toilet paper across the globe is a case in point. Whatever manufacturers choose to do in the short, medium and longer-term, they need to be clear on their intent and expected outcome.

It has been demonstrated that after extreme exogenous shocks, a lot of behaviour change has reverted to normal and people are only more willing to change because they know they can do so. So, how do you unlock behaviour change that stands the test of time? The key is in knowing which behaviour change will become the new normal and design your innovation to reflect this new consumer dynamic.

## **Ultimately you must stay close to changing consumer behaviours – some may actually persist**

Behaviour that helps keep people safe and secure is more likely to continue. This may inform your innovation ambitions. For example, infusing anti-bacteria and germ protection into skincare or haircare, in addition to the existing value-add benefits, may play a part in the next generation of products. Or specialist nutrition from food and beverage brands ('vaccine food' that offers prevention and protection).

### **1. Understand how changing consumer behaviour will influence future purchase intent**

This is critical. For example, will they downtrade? Will they face situations where the products they usually buy aren't available, and make different choices? Will they experience new products that will leave an even stronger memory and thus drive future consumption (as they are tried under stressful conditions)? You might need to mitigate against the risk of losing consumers to new brands.

## **2. Social influences are also driving a lot of the choices your consumers are making**

Staying close to the touchpoints driving group reaction is critical to understanding new purchase dynamics that might affect your products and services. For example, riding on the global trend, sales of hand sanitisers tripled in India in the three days leading to stock-out situations in most stores. The penetration of the category is quite low in the country and therefore capacity to produce hand sanitisers in bulk is quite limited for most manufacturers.

## **3. New lifestyle shifts will impact certain industries, so keep an eye on that influence**

Consumers are exploring and discovering new ways of working, connecting, playing. In China, 89% of the population have tried something they normally wouldn't have. Digital entertainment, medical consultancy and online education are some of the new experiences consumers are experimenting with which could dictate new future opportunities.

## **4. Don't lose your focus on innovation – now is imperative to re-commit to your central purpose**

No matter how tempting it may be, do not lose sight of your central purpose. You should be asking yourself – “What business am I in?” A disrupted market and changing consumer forces means re-evaluating abundant markets. While digital services gain traction, those worst affected in the retail, hospitality and travel sector will need to examine how their products and services speak more broadly to consumer needs in leisure, relaxation, connection and fun, and pivot accordingly.

### **Remember that innovation doesn't have to mean drastic changes**

In turbulent times, smaller additional features, benefits and adaptations can make a difference to the bottom line. Deliveroo has transformed adversity into opportunity and capitalised on self-isolation policies, offering a 'no-contact drop off service' and using their existing infrastructure to expand their offer to include kitchen and household products. This agility and test-and-learn mindset will help ensure you are useful, relevant and in high demand.

### **Focus on sustainability as it will become even more of a business necessity**

For example, consider the reduction in convenience products and the proliferation of reusable nappies and cleaning cloths. There will be more emphasis on thinking locally, being self-sustaining and consuming products that are good for you and the environment. Accelerate the development of more sustainable products during this period of uncertainty. Research shows some 'green' behaviours are more likely to stick after these types of exogenous crises.

### **This is the time to use human understanding, intelligence and future trend prediction to remain resilient**

Businesses must use their research and insights in these uncertain times. Whilst they can continue to test and shift their traditional contact approaches to no-contact (online) alternatives, there are concerns about the impact the outbreak will have on consumer evaluation of their innovation assets. We know from experience and extensive work carried out by renowned psychologist and economist Daniel Kahneman that consumer behaviour can be more goal-focused than normal during a crisis. Their behaviour can, therefore, be less representative in certain categories, especially those tied to the crisis at hand.

Work with your insights colleagues and stakeholders for advice on these instances and alternatives that minimise the risk of any biases. Also, encourage a focus on understanding behaviour and the wave you should be riding – innovating in a time of crisis commands a specific plan.

Focus your innovation into 'micro-battle' teams. The first should focus on pivoting your innovation assets in the short term

using a test-and-learn mindset. Another, longer-term 'micro-battle' team should focus on looking at future scenarios and prediction and developing a longer-term innovation strategy with a focus on sustainable innovations. And stay close to the consumer – there are plenty of alternative testing solutions available from crowdfunding platforms to virtual reality environments and non-contact product testing.

*Stock up on updates and insights to help your brand manage the effects of Covid-19 and prepare for the future on our [Covid-19 page](#). Follow us on Kantar [LinkedIn](#) and [Twitter](#) to keep up to date with our comms, and stay safe!*

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