

HOW BRANDS CAN FIND THEIR MEANINGFUL ROLES IN A WORLD TURNED UPSIDE DOWN

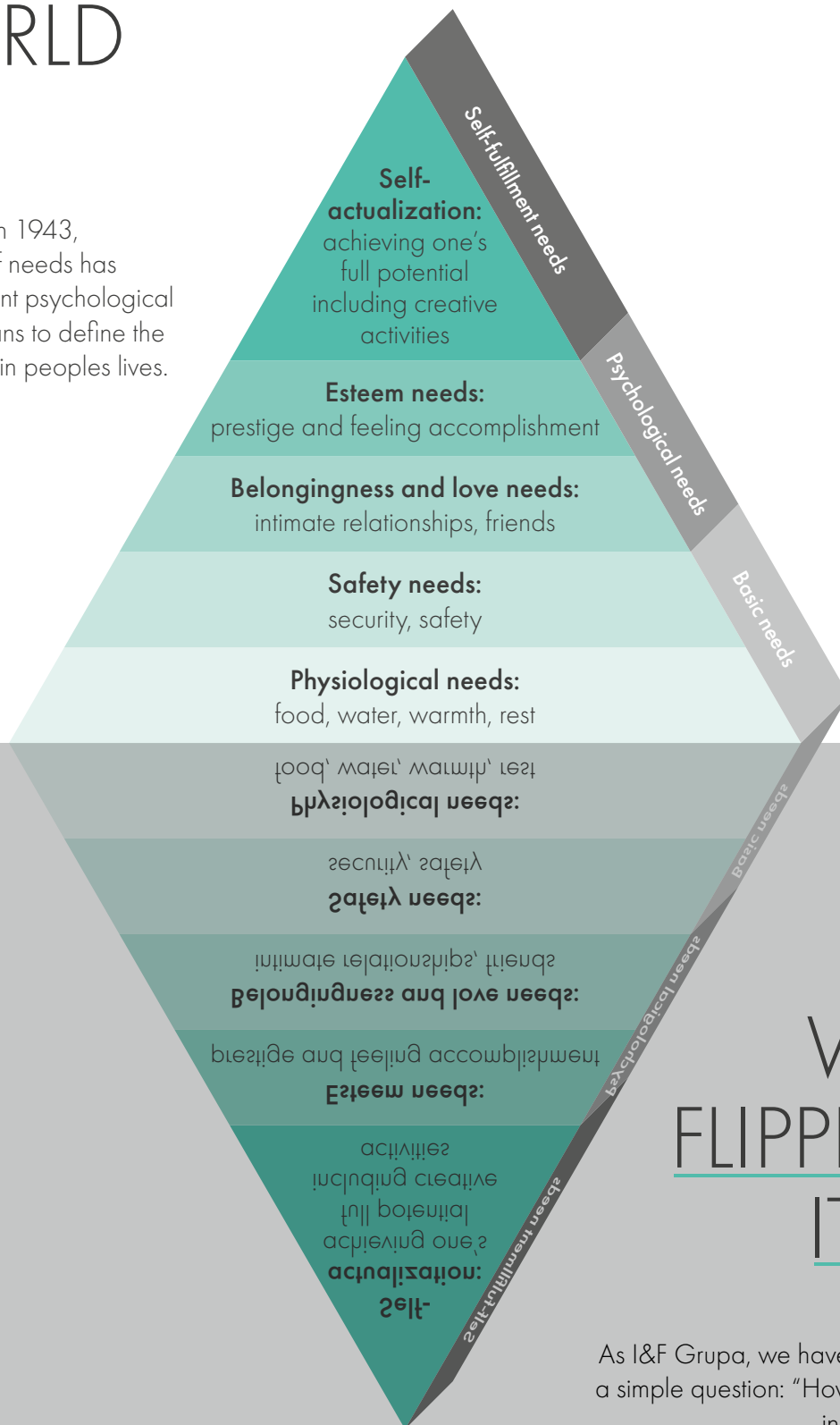
I&F Grupa

THE POWER OF PEOPLE

April 2020

A WORLD VIEW

Since its introduction in 1943, Maslow's hierarchy of needs has become the preeminent psychological tool for brand guardians to define the role their brand plays in peoples lives.



A WORLD FLIPPED ON ITS AXIS

As I&F Grupa, we have been asking ourselves a simple question: "How will the world change in a post-Covid society?"

We believe fundamentally.

To the extent we believe the Hierarchy of Needs will, in effect, be flipped on its axis

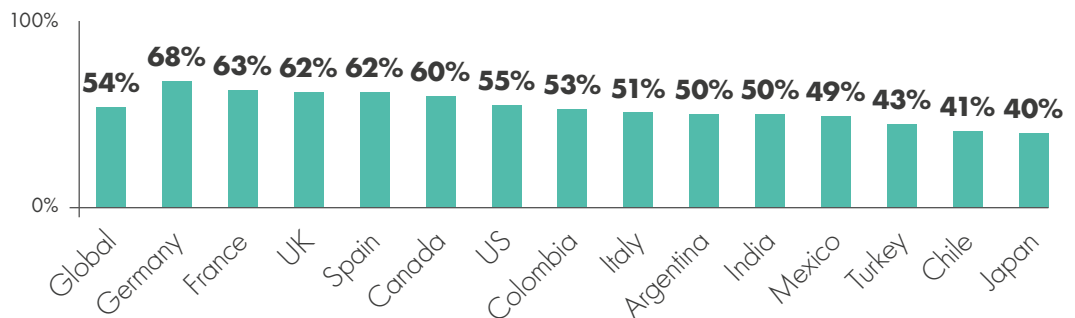
A REFOCUS ON WHAT MATTERS

We believe we will see rapid change, across society, that will be driven by three key drivers:

1. A focus on the basic needs of individuals and family units
2. Heightened concern over wellbeing
3. Rapid change in the speed of digital transformation across all industries

Do you consider any of the following to be potential upsides or benefits to the coronavirus/COVID-19 outbreak?

We will consider what really matters in life



Source: McCann Truth Central

WHAT MATTERS

We will emerge from self-imposed isolation with a changed view on family connections, working & learning from home and an appreciation for the great outdoors.

When it comes to brands and their purpose, there will be a collective reassessment of our public, professional, and personal lives.

Brands, businesses, and organizations, across all categories, will need to reframe their value to their customers.

Globally, most people are trying to do their part by taking a range of precautions in response to virus fears



76%

of people globally say they're washing their hands regularly and using hand sanitizer.



59%

of people globally are staying away from public places.



32%

of people globally say they're tried to boost their immune system.



30%

of people globally are calling family members to inform and update them.

Source: McCann Truth Central

BASIC NEEDS

Concerns over basic health and sanitation will be heightened after the pandemic.

Brand that protect personal health and sanitization will be in high demand.

Brands that can innovate or highlight the benefits of their products in this area will see great opportunities. Personal care, cosmetics and pharma brands, as well as household products that keep the home clean (from surface cleaners to white goods).

Concerns over the air we breathe and the ability to secure basic food supplies, will continue post-pandemic.

Brands involved in the supply of food will see newfound respect and the opportunity to connect with their customers in new ways

- Healthfood brands will flourish, as well as traditional brands that can incorporate added health benefits and ingredients (or perhaps reduce unhealthier elements)
- Grocery brands that rapidly accelerate their customers ability to access them remotely, through home delivery as, consumers have become both reliant upon, and familiar with new purchasing methods

Global top five possible benefits of Covid-19

Source: McCann Truth Central



54%

we will consider what really matters in life



39%

we will spend more time with our families



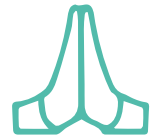
37%

carbon emissions will go down



17%

there will be lots of good memes

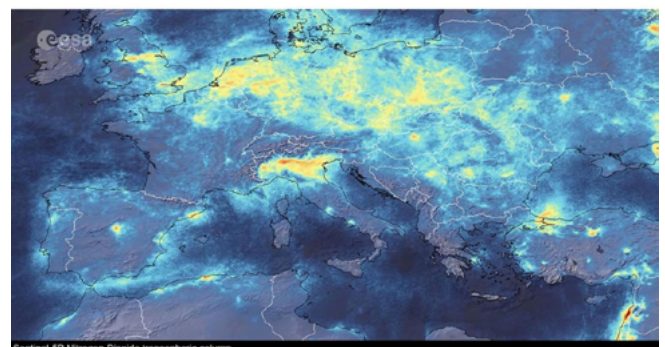
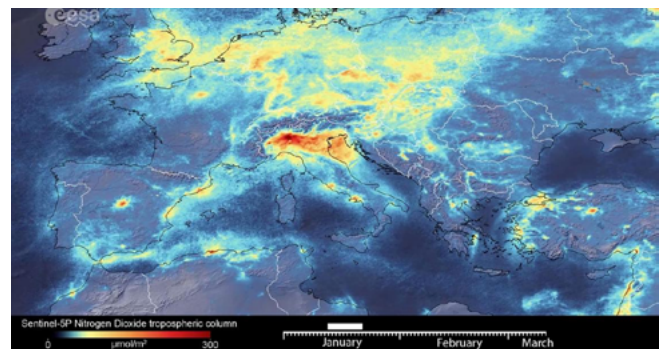


14%

people will focus on their faith

This focus on health will extend to the planet, and the brands will be forced to accelerate their CSR plans to mitigate their impact on the climate.

Individual newfound love for the great outdoors, and a simple walk in the countryside, will create huge societal pressure on industries to adopt rapid innovations and adoption of sustainable energy, including how they adapt the packaging and delivery of their brands to consumers



Source: NASA

SAFETY NEEDS

A focus on an individuals' security will come to the fore.

Job security, the state of one's personal finances will impact how banks and investment advisors engage with their customers and a newfound interest in insurance will see a resurgence of interest in bigger, stable companies and fintech / startups will most likely be avoided.



Brands in the healthcare and wellness space will flourish and opportunities abound for these brands to connect with their customers in new ways

Trusting information will have a new- found focus and a shift back to traditionally trusted mainstream media will continue.

The New York Times

Surge of Virus Misinformation Stumps Facebook and Twitter

Secret labs. Magic cures. Government plots. Despite efforts by social media companies to stop it, false information about the coronavirus is proliferating around the world.

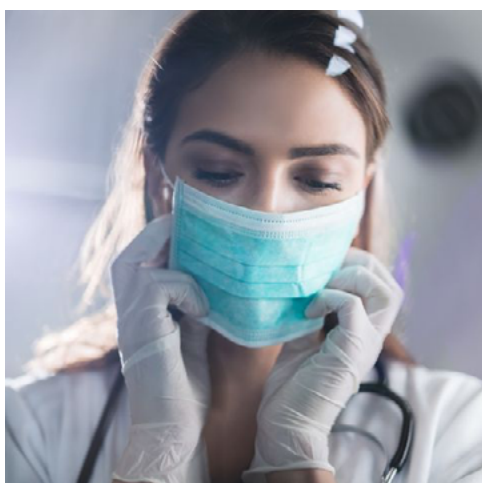
News organizations most-relied on information source

Percent who are getting most of their information about the virus from each source

	Japan	S. Korea	S. Africa	U.K.	Canada	Germany	U.S.	Brasil	Italy	France
Major news organizations	64	73	73	67	67	66	65	63	59	52
National government sources	40	41	50	36	34	31	32	25	40	63
Social media	38	44	35	72	22	33	26	26	64	32
Global health organizations like the WHO	34	22	18	43	26	45	30	27	46	46
National health authorities like the CDC	29	15	25	28	37	41	18	45	25	36
My friends and family	27	36	34	44	20	22	25	22	30	20
Local government sources	26	27	29	28	15	27	27	20	31	33

SOCIAL NEEDS / BELONGING

Post Corona, we will all be survivors,
in the same way past generations
survived war.



Doctors & scientists will be the new
heroes, and knowledge and expertise,
the new cool

There will be a collective reappraisal
of social and economic life and it
will impact the role that brands and
businesses can play in people's lives.

We believe the role of the celebrity will
diminish, but collective activity (sports
teams, clubs, etc) will flourish.

**IF YOU EVER DREAMED OF PLAYING
FOR MILLIONS AROUND THE WORLD,
NOW IS YOUR CHANCE.**

Play inside, play for the world.



ESTEEM

In the post-Covid world, consumers will be wary of being seen to be too flash, or even too individualistic.

A designer handbag, or bigger apartment, will feel less important than the wellbeing of the family.

Brands will have to navigate their way through this and re-evaluate the role they play in their customers' life. Companies like LVMH have been given great credit for converting their perfume manufacturing to sanitisers. We will see if this shows long-term brand benefit (we would guess yes).



INDEPENDENT

Louis Vuitton owner to make hand sanitiser at perfume factories amid risk of France shortages

The importance of a meaningful role

81%

of people worldwide believe global brands have the power to make the world better.

#1

thing a brand should do: "Help me stay happy, healthy and physically active."

72%

of people worldwide are open to brands playing a broader role in society.

Source: McCann Truth Central

According to Ruder Finn, "82% of Chinese consumers are planning to cut back on spending in the jewellery, handbag, and beauty sectors but showed more willingness to spend on travel, fine dining, and high-end leather accessories".

Source: Jing Daily, March 30

The good news for brands is that consumers look to them for guidance, advice and comfort.

Brands that embrace the change, help their customers through technology adaptation, use of e-and a-commerce and improving their sense of wellness will thrive

BRAND PROVOCATION

We believe that it is time to be proactive and get ready for your customers as they emerge from physical and emotional hibernation. A systematic plan that answers the following questions should help you get ready for what comes next.



1. What have you heard and read about your customer and your industry?
Rapidly develop a view of your changed customer, their needs and their attitudes towards your industry and brand
2. Outline the implications for your brand or service in these changing times.
Does your brands role in consumers lives need to change? Is it a meaningful role? How can your brand help your consumers in this "new normal"?
3. Does your marketing and communications help in this new normal?
Are you helping and guiding? Or are you simply trying to sell?
4. Does your plan reflect the changes in media habits and channels?
5. Leave room for manoeuvre. Give yourself and your team the space and chance to adapt as things change.
Move in iterative delivery cycles and be agile.

Contact: wecann@ifmccann.com

THANK YOU

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