

Covid-19 crisis – Impacts for Insights & Analytics teams

The Insights Hub community (France) & Union des Marques with Emmanuel Huet, Insights Hub member, former leader of BCG's Center for Customer Insight and founder of Viktahu met – virtually - with about 40 leaders of Insights & Analytics teams at companies to discuss implications of the covid-19 for their role and function at companies.

Ahead of this session, a questionnaire was sent out to the group to identify priority themes, implications to date and going forward for Insights teams in relation with the Covid 19 crisis. The questionnaire covered 3 topics for discussion: what are the key business questions triggered by this unique pandemic and how insights teams contribute to answer them; how to manage insights research activities in this context; what lasting changes on consumers' behaviors, attitudes and values to anticipate from this crisis.

Below are selected highlights from the rich and engaged discussion based on the results of the questionnaire. One should point the great differences in impact of the crisis between sectors from those at times partially boosted to those halted by lock-down measures. Also, the session was held on March 27th, so still early after the lock down imposed in France.

The role of Insight & Analytic on priority business questions in the context of Covid 19

Forecasting sales post-crisis and adapting marketing plans and actions during and after the crisis came out as the most cited critical business questions to tackle for Insights teams.

Estimating lost versus reported sales, anticipating timing and speed of recovery, forecasting full year sales are burning questions for businesses to manage supply chain or simply budgets. For Insights & Analytics teams, these questions in general and particularly in such a unique context are complex. They call to **integrate multiple sources of data and expertise**, combining analyses of past sales or panels data with monitoring and anticipating actual consumers purchase patterns during the crisis.

If post-crisis sales forecasts are seen as most critical, at the time of this session, Insights & Analytics teams had been most working on initiatives reprioritization decisions (see point 2) and secondly on the other priority theme around adapting marketing plans and actions short term and post crisis.

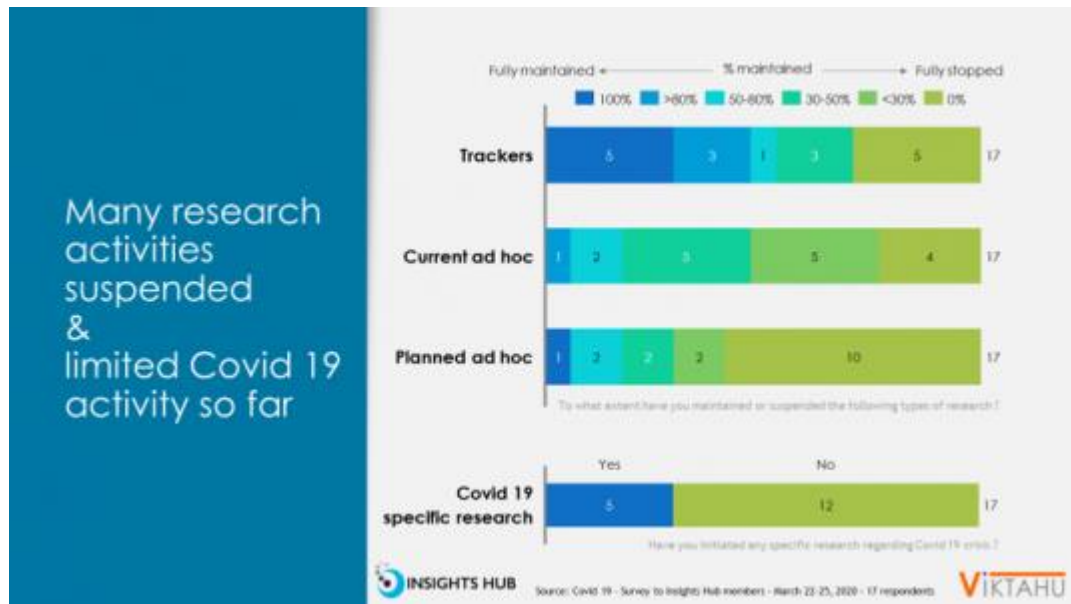
Other topics that the Covid-19 crisis is putting on the agenda for businesses and their Insights & Analytics function include **monitoring the evolution of sales channels mix** – e.g. the expected boost of online retail – and its persistence after the crisis and also the identification of **possible profound and lasting changes** in people's attitudes and behaviors and their implications for businesses – see section 3.

Managing Insights research activities under the Covid 19 crisis

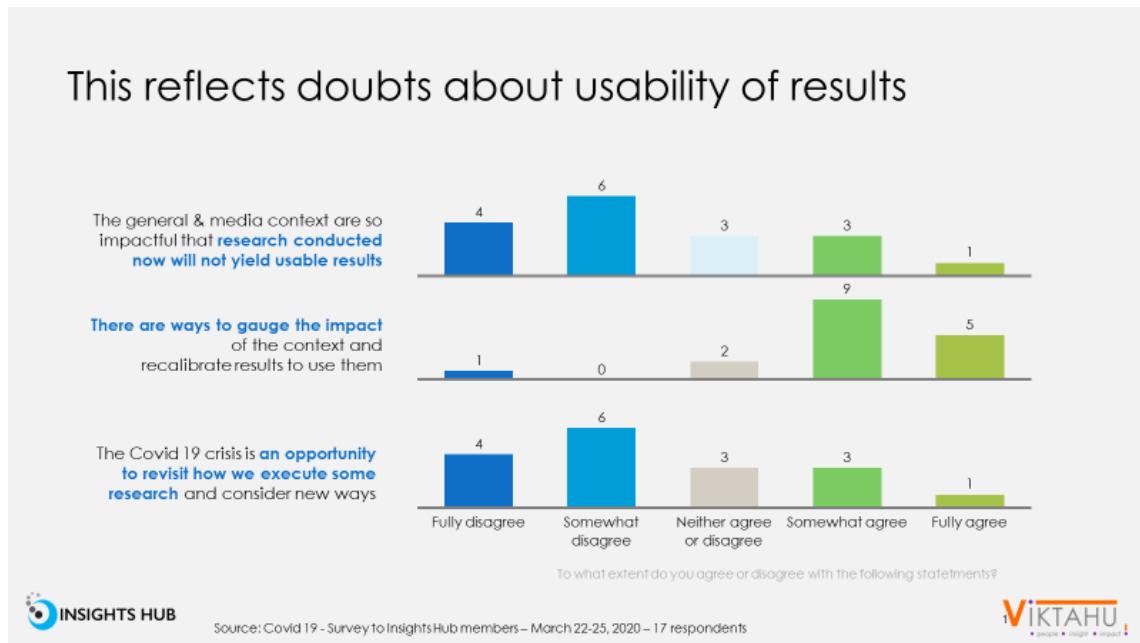
The shortest-term challenge that Insights & Analytics leaders had to tackle in this crisis was to **decide to keep, stop or adapt undergoing or planned research activities** as well as to possibly divert resources to undertake specific research around Covid-19 implications.

Underpinning these decisions: the difficulty or possibility to maintain some tracking studies (e.g. in-store satisfaction), the imperative to reduce spend in this context, the feasibility of certain research activities such as in person qualitative research or product tests.

Most respondents to the survey indicated **maintaining their tracking studies** at times partially to monitor evolutions during and post the crisis. **Undergoing ad hoc research were more frequently put on hold** whenever possible or adapted, while most leaders have put **all planned or in development projects on hold**.



The difficulty to interpret results of research conducted in this unique context was also discussed. A practice shared by some consists of **adding some specific questions in their research to gauge attitudes and reactions to the crisis** from respondents: the resulting profiling can be used to analyze and recalibrate results. Comparative research such as concept tests was seen as still doable preventing that tested concepts are not too directly affected by the context (e.g. health, hygiene, safety,...).



While still in early stage of thinking and consideration for many participants, conducting research to tackle Covid-19 triggered questions is on the agenda with as mentioned above the topic of adapting marketing communications to this unique context a dominant theme.

To inform this question, considering the need for short term decisions – some brands experienced negative reactions to pre-crisis developed and planned communication – and the difficulty to conduct traditional research, **social media listening proves a particularly useful tool** to identify themes that are specifically relevant to consumers in this specific context.

Online communities that some brands developed for research purpose also prove particularly relevant here enabling to quickly explore themes or test reactions to messages or actions.

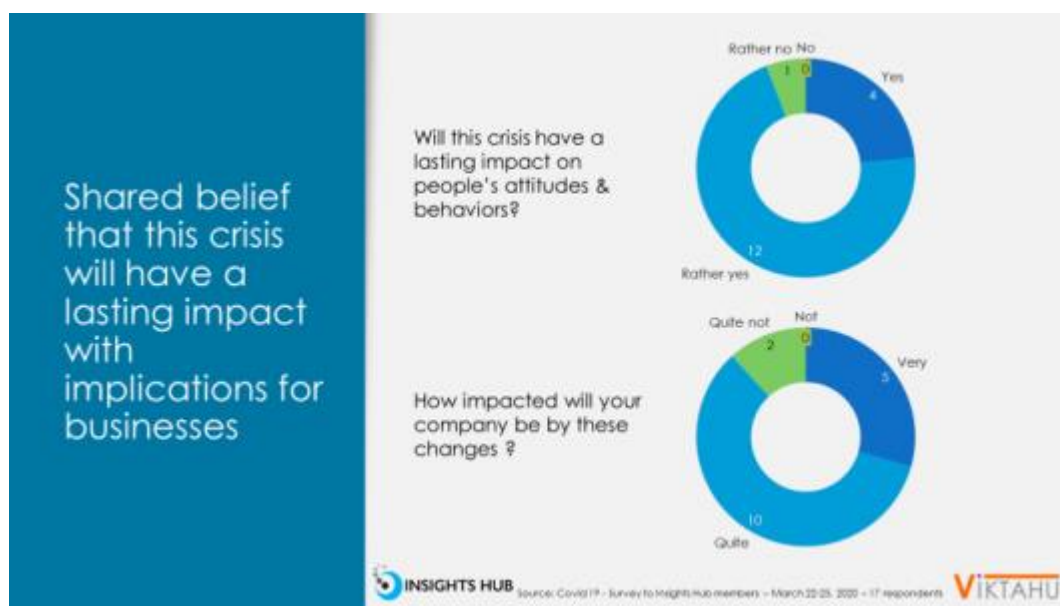
In an era of artificial intelligence and precision marketing, participants in the session also discussed **how personalization or sales projection algorithms will handle unusual and forced purchasing patterns**. Some participants shared that they stopped buying patterns driven personalization campaigns or how micro-targeted marketing was suspended to favor more general messages relevant to the crisis context.

Leaders of Insights & Analytics team also discussed the management of their teams in this context of crisis with shuttered workload and work organization. Among best practices shared, was **dedicating some team members to the screening and selection of most relevant publications and research on Covid-19**, when consultancies, research firms and other agencies produce an ever-increasing number of articles and reports.

Anticipating lasting changes in attitudes & behavior

Even if urgent crisis management decisions are not yet behind them, this is the question business leaders increasingly ask Insights & Analytics teams and leaders and the one on which they will be most expected to contribute.

Predicting future attitudes and behaviors is never easy and such a spectacular and unprecedented context does not make it any easier. A consensus emerged however from participants to this Insights Hub session: **the crisis will impact people’s attitudes, behaviors with implications for companies’ businesses** and marketing strategies.



Will new purchasing – buying more online – and consumption – doing it yourself – behaviors, that people tried under lock down measures remain? Will questions triggered by this pandemic permanently shift priorities, values and beliefs?

Insights & Analytics leaders projected the difficulty to research such profound topics with likely constrained resources and budgets in the months to come. They will seek and value general research conducted by research firms and other agencies.

Beyond general trends research, participants discussed the need for them to **define analytical approaches to gauge evolutions of sales and buying patterns** (switch of categories, brands, channels, willingness to pay,...), comparing rigorously pre and post crisis observations and whenever possible with past benchmarks that may exist (previous health crisis or shortages). Another best practice discussed is **learning quickly from countries ahead in the development and resolution phases of the crisis**. Despite the obvious cultural and consumption differences, some first observations from China offer hypotheses on post crisis behavior: out of the crisis, consumers seem to continue paying attention to social distancing, for example using more systematically contact less payment methods; in foodservice there is a trend towards group consumption at home, replacing individual consumption out of home with an increased use of delivery services;

and generally there is an increase in attention and requirements regarding safety standards and reassurance.

More generally, 2 scenarios were seen as possible hypotheses out of the crisis:

- **Hypothesis 1 - “Revenge consumption”** where individuals / consumers after having been confined and forced to consume only essential products develop a strong feeling of liberation and favor indulgence, pleasure or confidence boosting consumption like luxury products or entertainment. China seems to show early signals of this pattern. As a reminder and illustration, in 2013 after the SARS epidemic, the number of flights increased by 200% on the first post-crisis holiday.
- **Hypothesis 2 - “Sustained restricted and constrained consumption”**, a scenario where consumers post the crisis remained very tentative, precautious and constrained in their consumption and spending patterns. This could come from lost income and buying power, questions around the value of spending after focusing on “essentials”, accelerated trends towards more considerate and responsible consumption (e.g. locally sources products) or a more negative mood towards the future not favorable to frenzied buying.

With such contradictory hypotheses and trends interpretation, the discussion during the session stressed the **importance of observation of actual behavior** either using ethnographic type of research on the qualitative side or measured behaviors on the quantitative side to get a more fact based and tangible view on changes at play.

This engaged session with Insights & Analytics leaders more generally highlighted how their essential role becomes even more critical in these unique times of uncertainty. Their expertise to commission and interpret new research help companies make the best possible decisions with a human centricity approach in a context where people take an even greater control of their consumption decisions.