

Brands need to reposition as customers form new, more digital habits



By [Grant Lapping](#)

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In his book, *The Power of Habit*, Charles Duhigg argues that one of the best groups to market to is pregnant women and new parents. Not only are they less price-sensitive, but they are also more likely to try new brands and products than most other groups. There is nothing quite like a lifechanging event to break the habits that someone has built up over years and decades.



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And right now, we're collectively going through a profoundly lifechanging event in the form of the Covid-19 pandemic. The virus has shaken up our assumptions and forced us to work, shop, consume media and interact with others in new ways. Whether brands like it or not, that means customers are re-evaluating many of their entrenched purchasing preferences.

These changes are mostly to do with people looking towards digital channels for convenience and safety during a time of physical distancing. Because we're encouraged to stay home for the sake of our own health, growing numbers of South Africans are shopping online rather than going to the shops.

Some retailers are reporting increases in online demand in the order of several hundred percent and commentators say the coronavirus has helped to push mass e-commerce adoption forward several years. This caught some incumbents wrong-footed – some large supermarket chains, for example, battled to accommodate a surge in demand for home delivery slots.

We are seeing similar effects across other markets. For example, when the pandemic is over, many people could stick with their home fitness routines rather than going back to gym. Some may have learnt to cut and dye their own hair at home via online tutorials. More than a few will have realised how much money they were spending on takeaways or eating out.



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Victor Koaho 25 May 2020



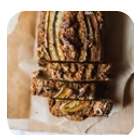
Digital-born companies adapt more easily

Digital-born companies have been better able to adjust to the new world, and some of them have undoubtedly already hit their revenue targets for three or five years into the future. UCook, for example, was positioning itself for a world where people are moving away from dining at restaurants to eating at home.

Its dinner kits were in massive demand once the lockdown started, and it needed to limit orders to existing customers because it couldn't keep up with new signups. It has since adapted with simpler recipes and fewer suppliers, which will create efficiencies that will benefit the business long past the lockdown.

HomeChoice, a homeware omnichannel retailer, meanwhile, managed to rapidly get its call centre agents ready for work-from-home. It could only ship limited essential products during the level 5 shutdown, yet continued to advertise and market aggressively. It built up its funnel by taking advantage of lower advertising costs and higher traffic on major platforms with less competition for quality audiences.

During the period when HomeChoice was not able to deliver, they built large custom audiences to which it could remarket products based on people's browsing behaviour. The result is that the company started to benefit as soon as they received permission during lockdown to deliver winter blankets under essential services; now with e-commerce allowed, it is in a good position to drive sales.



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New habits are forming

As people try out digital channels more from need than choice, they become familiar with digital brands and experiences. They'll often find them to be simpler and more convenient than the old ways of doing things. It will start as something they do to get through the lockdown, but eventually, it will be what they do by default.

In this environment, the pressure is on the challenger brands to provide a delightful, no-regrets experience, so that customers will stick with them after the lockdown is over. For incumbents, the question is what they can do to bring customers back before a digital competitor becomes their first choice.

For many brands, this will start with the acceptance that consumer behaviour is likely to change permanently, as it tends to do after every major societal disruption. Those that have lagged in digital adoption will need to invest in enhancing their digital experience – from the front-end touchpoints to the logistics in the backend.



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The transition won't be an easy one, but there are benefits for traditional brands that take digital change seriously. For example, retail chains might be able to downsize their stores in upmarket suburbs in favour of home delivery. They can shave their rent costs, potentially boost basket sizes and use the customer data they collect to offer a stickier customer experience.

Depending on which politicians and scientists you believe, Covid-19 will be with us for a year to two years more. When we emerge from the crisis, the world of the consumer will have changed. Having shopped online for two years, for example, many people will be in no rush to do big monthly shops at the mall.

Companies that adapt at speed and scale during the lockdown will be best positioned for the next normal, whenever it emerges. Brands that do not reinvent themselves during this time to be digitally-led may struggle to remain relevant. Consumers are embracing digital – which means half-hearted digital strategies are no longer enough for brands that want to thrive in the future.

ABOUT GRANT LAPPING

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