

STRATEGIES AND NEW
DEVELOPMENTS ARISING FROM
COVID 19 AND POST COVID 19

RESEARCH DATA

Mintel

Online grocery sales expected to grow to 33% in 2020. The dramatic change in shopping habits is expected to last beyond the crisis with predicted growth over 41% over the next 5 years. 36% of Brits have increased shopping online. Emails represent the highest ROI for retailers – 4,300%.

IMRG

Online retail traffic up by 15% since Covid 19 took hold.

Kantar

19% growth in food retail sales (March 2020).

Report extract from Paul Hargreaves, CEO, Cotswold Fayre.

Farm shops, premium convenience and other independent food retail shops reporting sales of 30% to 40% up on normal times; convenience stores growth up 43% year on year. View is there will be a stronger local, small shop emphasis post covid (people avoiding busy supermarkets) and those shops that have started home deliveries will continue as customers will expect it.

CONSUMER BEHAVIOUR

New behaviours become permanent the longer they are in place – and currently one of the primary human emotions – fear – propels and engrains the behaviour changes. Consumers will remain sceptical of large gatherings and continue to be more careful with interactions with others, leading to the permanence of newly learnt shopping/purchase behaviours; people will also certainly have a higher sensitivity to germs and the risks of spreading infections as well as a greater awareness of products which can protect against infections/and/or have a beneficial effect.



ALTERNATIVE ROUTES TO MARKET - FOOD

Farms to Feed us

This new online database has been set up to connect growers, producers and fishers with their local communities. Farms to Feed Us allows shoppers to access fresh produce grown near them on a small or sustainable scale. This volunteer run resource was founded by a regenerative agriculture organiser, Cathy St Germans, and already comprises a list of over 200 businesses from the UK's food and farming network. The database is lo fi and easily accessible by the elderly and those who don't use social media. Your Local Delivered

Helps to connect local, independent restaurants and food outlets with people who are stuck at home. It has been launched to support businesses that were forced to close their doors following lock down; free to users and free to businesses, it features pubs, restaurants, grocers and more across the UK that are able to deliver to homes in their local towns and villages.

Foodens

In an effort to support smaller producers, a new online marketplace has been set up to connect shops and food suppliers with their local communities. By joining Foodens a variety of businesses – including farm shops, butchers, patisseries, fruit and veg wholesalers, ready meal companies and restaurants can all list food boxes for sale that can be collected or delivered across the country in a zero contact manner. Retailers can join and list their products for free, however there is a 10% transaction fee on orders taken to cover card payment fees and operational costs.

EXTRACT

THE NATIONAL AND ECONOMIC SCALE GLOBALLY AND NATIONALLY POST COVID 19 – report extract from Paul Hargreaves, CEO, Cotswold Fayre.

It may well transpire that its no longer 'business as usual' and this has become more blindingly obvious to more people over the past 6 weeks; the covid inspired massive apocalyptic shock to the world economy is an opportunity to re-write the rule book, or, better still, rip up the old rule book and start again, re-shaping a better world for our children and grandchildren.

A group called Imperative 21, which is a coalition of business networks representing 72,000 businesses, 18 million employees and \$6.6Tn revenues in 80+ countries, are publishing a set of imperatives for the post pandemic global economy.

These imperatives will aim to re-shape the economy so that the UN Sustainable Development Goals are not pie in the sky but become reality to all businesses. There are rapidly growing levels of inequality in the world, both in developed and developing countries – designing a global economy that meets the needs of all people within ecological boundaries has to become a priority.



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PAUL HARGREAVES
COTSWOLD FAYRE

DIGITAL MARKETING

- REPORT FROM JIVOX

We are summarising the main points from an excellent report from the CEO of digital tech Company JIVOX on the impact of Covid 19 on digital marketing planning.

In a crisis the first instinct, in general, is to cut budgets and marketing is an easy target; with Covid 19 it was felt at the beginning that digital marketing tech companies would go into a 'nuclear winter' for tech purchases. This led to carefully analysing the significant change in lifestyles (home working) and other factors at play in the Covid 19 crisis to understand what customers were doing, trying to understand how businesses were being impacted.

First conclusions were that whereas certain industries such as Travel, Hospitality and Retail could be hit very hard with a long lead time to returning to normal working many other industries could see a tremendous need and opportunity to invest in digital marketing technology. It also became clear that for others, due to the changing nature of their businesses (e.g., restaurants becoming delivery businesses) they would be forced to rethink archaic marketing strategies, tools and processes.

As a result of this evaluation Jivox recommend the following points:

- Move away from traditional forms of promotion (with heavy production costs) and use new marketing channels to deliver relevance through personalised content; modern dynamic creative technology (DCO) enables creative content to be automatically versioned in multiple languages, packaging etc without having to manually create and pay for each ad creative. Special offers and pricing can also be dynamically changed without incurring high production fees.
- Companies that have previously depended on retail for the majority of sales should now redirect their marketing investments to digital marketing as a way to drive customers to purchase via their web sites and apps. Even in cases where part of the retail chain has remained buoyant this is still perceived as important.
- Switch brand awareness marketing to personalized digital marketing to inform of new services such as delivery and other useful options attractive to home bound consumers.
- Invest in MarTech platforms designed for 1 to 1 personalised marketing that enables the collection and use of data for digital marketing, platforms to manage digital media purchases and creative and content automation platforms to deliver offers and personalized messaging.
- Agile marketing should become the norm – respond quickly and reflect the current situation in all communications; pro-actively understand changing consumer needs and adapt to them.

- Don't get left behind – competitors could acquire more responsive and real-time marketing stacks – this is where data-driven dynamic creative technology enables rapid and immediate changes to creative and content to be pushed out to all marketing channels quickly in response to changing circumstances. Allowing competitors to dominate in this way could lead to lost visibility (and sales) in the respective market.
- Finally, post Covid 19 businesses will need to rethink what technologies are really needed, which ones save money, and which ones can truly help in transforming the business that have been altered irredeemably by the crisis.



THE DRINKS MARKET

SPECIFICS

Eat, Drink, Sleep Magazine

Reporting on innovations to keep people drinking – host a virtual Friday bar – get small groups together via videoconferencing (Zoom, Teams) and bring a drink of choice or send out a drink of choice for the online event. Our idea - offer online interactive competitions – ‘produce the best cocktail’ event – improves upon the ubiquitous demo on cocktail making which people are long familiarised with. Remember Birthdays will still happen and smaller groups may be permitted to congregate (the rumoured re-hash of the BT Friends and Family scenario – 10 nominated persons).

Just Drinks

March 2020: Think about drinks and ingredients – in March 2020 the Kirin Beverage Company launched Kirin iMuse water featuring immunity boosting lactic bacteria; reached its 3 months sales target within 1 week of launch. The product’s functional health positioning appealed to consumers. With fears of the virus escalating in March sales hit a record high. Is there something to be learnt from this? A great example of agile marketing, speed and reaction to market forces was impressive here but also UK distillers and drinks providers could use this example to develop and market a new offering featuring immune boosting ingredients – e.g., vitamin C from oranges, grapes, higher concentrations thereof etc.

2019 – personalisation of Food and Drink – the article poses the question – how long before our DNA determines what we drink. Personalisation of food and drink started out as a gimmick – include a name or favourite holiday destination on a label, for example. The future however will involve food and drink tailored to an individual’s exact needs thanks to a combination of genetic testing and personal preferences. We will be able to reverse the idea that ‘we are what we eat’ – this is predicted to become ‘we eat (and drink) what we are’. Personalised nutrition allows greater choice and flexibility to consumers – it provides them with the ability to customise and be much more involved in the creation of products that suit lifestyles and physical make up. Seems far-fetched? Our view is not necessarily. Consumers increasingly do not like to be treated as a homogeneous group and seek out new solutions to their specific needs ever more readily. This will also now embrace greater health protective awareness, as mentioned above. Consumers also like to be involved in the ‘composition’ process wherein their input results in more individualisation. Hence companies can involve loyal customers in development processes and use these ‘opinion leaders’ to advance their marketing.

CONCLUSION – OUR 10 BEST MARKETING POINTERS, MOVING FORWARD.

- **Offer or sharpen up online web services**

including ordering services; consider changes in geo-demographic profiles; strengthen SEO and enact engaging promotions which drive web site traffic; our quick Trade Order Purchasing System (TOPS) can help businesses gain a competitive edge, for example.

- **Level up social media** and communications assets to support the local community/region – very good PR – now and in the future.

- **Connect directly with customers** via MarTech platforms, emails, social media, and increase promotions/interactive engagement etc.

- **Offer a delivery service** where practicable or appropriate and plan to continue to offer this post Covid 19.

- Find emerging alternative sales channels (if appropriate).

- **Agile marketing** – smart companies will adopt a proactive approach – they will discover and recognise the changes in consumer behaviour that impact upon their businesses and be prompt and ready to adjust their products and services to suit the new situation, going forward.

- Another question to ask is ‘when will existing customers come back and **what will we need to deliver differently** in terms of product or service features and benefits? Have solutions in planning.

- Having explored the foregoing, **expand product ranges** or offer new products or services to diversify revenue streams and cater for gaps in the market/changes in behaviour, both now and post Covid 19.

- Remember to factor in the consumer’s increased **focus on health benefits**, post Covid 19.

- Think about **virtual offerings for small group experiences** (bridging the gap until the Hospitality Industry returns to normal) and involve customers in product and service development/and or personalise offerings.

