

Covid-driven shift in consumer values and spending behaviour

With South Africa entering Level 2 lockdown this week, businesses need to ask themselves if they are prepared to face the new consumer. Do they know how their customer has changed in the wake of a global health pandemic? Are they aware of what their target market now value and their changed belief systems?



Getty

These were some of the questions tackled in a recent consumer survey conducted by customer experience company nlighten in collaboration with Vanessa Raphaely, the founder of South African parenting community The Village, and behavioural specialist and founder of psychology at work, Justine Jackson-Fraser.

The survey respondents were made up mostly of women (92%) and assessed how the Covid-19 pandemic had changed their values, and in turn their shopping and spending behaviour.

“Since women still make the majority of household purchasing decisions, it’s important that businesses tune-in to what these customers value which has now changed substantially during the pandemic,” says Nathalie Schooling, CEO of nlighten.



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Nielsen 13 Aug 2020



Survival mode switched on

The report revealed that consumers have gone into full survival mode with almost 50% of respondents having no extra financial income for luxuries, citing that income is now for essentials only, while 33% said that any extra spending money goes towards health and wellness items for their loved ones. In fact, 40% of respondents said that health has become their number one priority.

When asked what the main driver behind their spending was, 41% said that price is now their biggest driver of purchasing decisions, while 35% opted for convenience. “Shoppers are tired of standing in long queues, it is time-consuming and just not safe anymore, so finding new and convenient ways to serve will become key for companies,” says Schooling.

There has also been a heightened sense of empathy and a move toward putting money back into the pockets of the little guy with 74% of respondents saying that since the start of lockdown in March 2020, they are more likely to support small businesses, local home industries and those who serve the greater community.



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Nic Ray 18 Aug 2020



Connection and authenticity

According to Justine Jackson-Fraser (behavioural specialist), events that create a major change in emotions, such as a global health pandemic will always impact behaviour, which then feeds back into our belief and value system.

For example, 75% of respondents said they now had a greater sense of empathy and community, and 82% said they value time and connection with loved ones more now than before, while 63% said they value a slower, more present and sustainable lifestyle.

“It’s quite hard for people to admit that their values have changed. We tend to think of them as deeply engrained in our core, and I think this change has provided a large gap for companies to fill. Without a collective PTSD experience, I don’t think consumers would have been so quick to admit to changing beliefs and behaviour,” says Jackson-Fraser.

Schooling highlights the long road ahead for many businesses in filling this gap.

“These survey results really speak to people wanting meaning and connection, something many brands are unfortunately still failing to tap into, as they are overly pre-occupied with automated and digitised services. Of course, this has its place, but it should never overshadow the human touch. There is still a lot of work to be done,” says Schooling.



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23 Jul 2020



Are businesses ready to adapt?

In a Customer Experience (CX) [Business Research](#) conducted by nlighten in July, half of the respondents reported that adapting to changing customer behaviour has not been easy, with 77% of respondents agreeing that their company needs

to become more flexible and agile.

“It’s vital that businesses start paying close attention to how consumer values and needs are changing, because there’s no more hiding for anyone. Trust has become a huge factor in how businesses are perceived. Customers will immediately see whether a brand cares about them from how they respond to this crisis. And companies that don’t respond appropriately shouldn’t expect to survive,” says Schooling.

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