IQVIA CONSUMER HEALTH

Thriving in the post-COVID-19 world—key areas of focus

At IQVIA Consumer Health we have identified seven key areas of focus that we believe can help consumer health businesses get into a position to succeed both in the short and long term.

4. Review marketing plans and re-direct spend towards key growth drivers

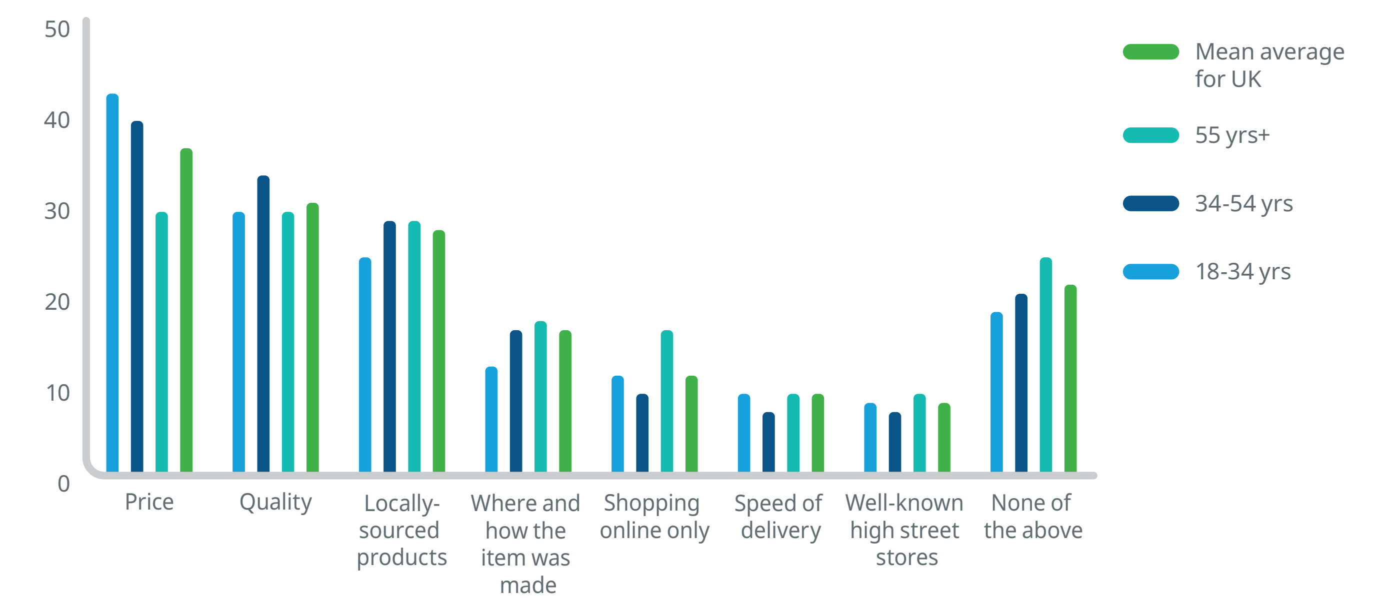
Building a base of customer loyalty is a key element of successful brands, but one that is hard to achieve, even more so in times of uncertainty such as the current global situation. Looking beyond the immediate situation where health is the primary source of uncertainty, the uncertain economic situation is likely to be one of the most telling factors in consumer purchasing decisions.

Marketing is a challenging role at any consumer health firm and the current situation has made it even more challenging. When surveyed on how they will prioritize when shopping in a post COVID-19 future, the response from consumers and shoppers was predictable in a few respects but also surprising in some other ways.

Almost one-third consumers have become increasingly price conscious (see Exhibit 1). They are also seeking high quality products. However, it was surprising was to notice that they are also seeking more locally sourced products and are paying attention to who is the manufacturer.

When probed more on the importance of brands, almost 70% of the consumers would still seek their preferred brand in respective categories. To remain a preferred brand, marketers need to provide exceptional value, maintain high quality standards and highlight sourcing credentials.

Exhibit 1: Most Important Factor in Purchasing Decisions after the COVID-19 Pandemic[1]



In the current environment, a review of current pipelines to identify quick commercial innovation wins could provide opportunities to uncover enhanced value propositions for the current range on the brand.

Furthermore, how people are accessing and consuming marketing messages has shifted. Consumers stuck at home due to lockdowns are spending more time consuming both traditional and digital media. In particular TV and Radio consumption have been increasing since the start of the pandemic, as is TV on demand streaming.[2] Whereas traditional TV has seen a slight decline since peaking in April, TV on demand streaming has remained steady. Digital platform usage is increasing significantly as well, with growth outstripping most traditional media channels except for TV and streaming.

HOW TO ADAPT TO THIS CHANGE:

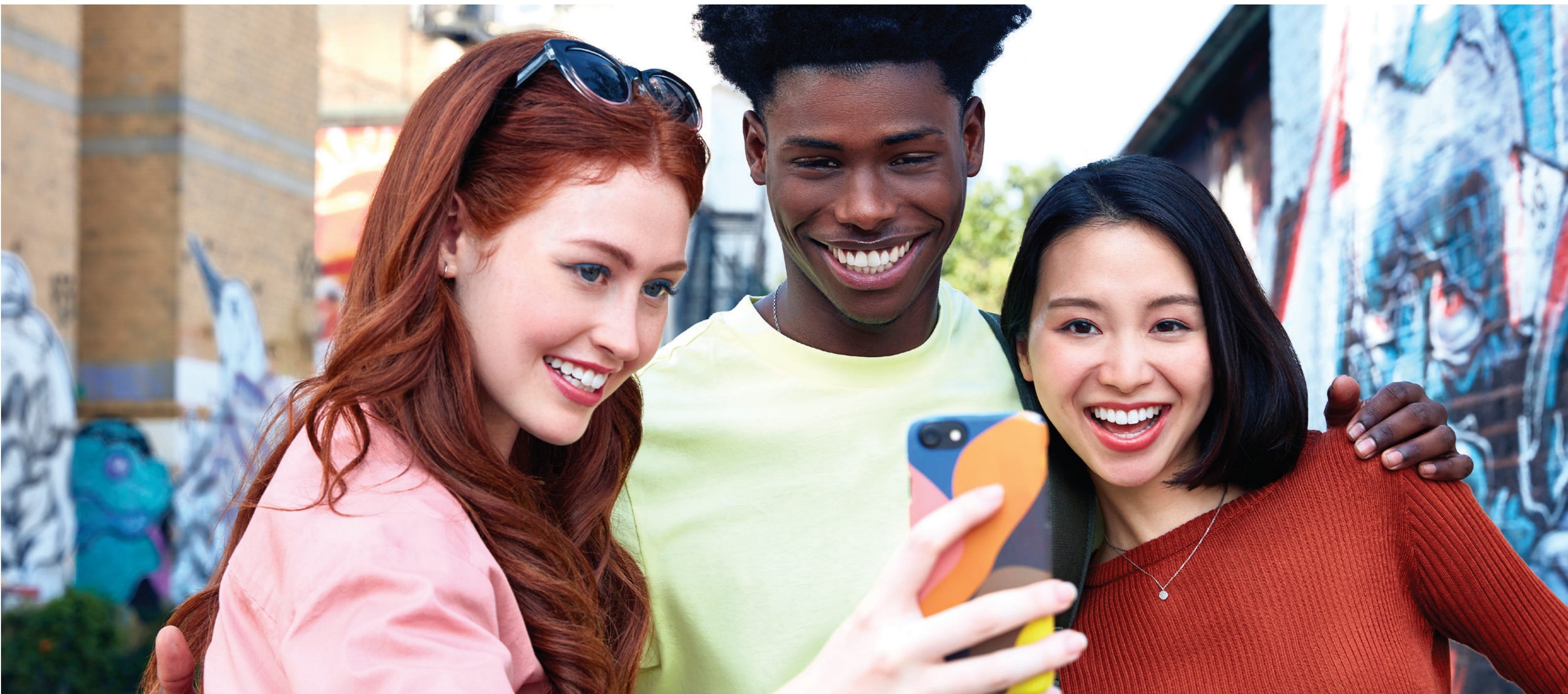
Consumers want authentic and relevant connections with brands. Ads that are informative, helpful and reassuring are all viewed positively. And as the crisis wears on, consumers are increasingly open to lighter tones and humour in ads, with just 29% believing brands should avoid humour as compared to 41% in the earlier days of the pandemic.[2] This transition can increasingly be seen in new TV ads, with earlier spots focused on safety measures and essential workers giving way to ones that poke gentle fun at common experiences like video conferencing mishaps.

As the COVID-19 situation unfolds, consumers are continuously adjusting to changes in their lifestyles and behaviours—and so brands must as well. What's especially important to consider is the need to stay on top of these evolving trends, to stay in communication with consumers, and properly prepare yourself for the future.

Reviewing marketing plans in-light of the changing media consumption habits, the reduction in store visits and exponential growth across e-commerce channel is crucial. Marketing plans across all categories and markets developed in Q3 of last year and approved as part of annual planning exercises, need to be looked at again to ensure relevance and their ability to maximise return on investment (ROI).

New market mix modelling is recommended for key portfolio brands across markets, with the aim to invest according to changing consumer and shopper behaviours.

Fresh guidance for the next 12 months can come from multi-touch attribution (MTA) and controlled experiments. Both use data that are forward looking, not backward looking. MTA can analyse conversions vs. ad serving as data are unfolding going forward during campaigns and flights of advertising. The experiment is designed and executed in the future, not the past. The big questions ahead will be around "When should I start advertising again?" and "What's the right mix to balance brand equity needs and the pressure to deliver results?" Flexibility to move budgets across categories and brands to maximize overall portfolio delivery and achievement of annual plan will be crucial.



References

1. Qriously

2. Kantar COVID-19 Barometer. https://www.kantar.com/campaigns/covid-19-barometer/

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