

**BBDO** KNOWS

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COVID-19

# 5 EMOTIONAL DRIVERS – THE CATEGORY IMPACT 2021

*February 2021*

**A NOTE ON THIS PAPER:** In 2020 we looked at the impact COVID-19 was having on a series of categories and presented this in the form of individual category dashboards.

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The purpose of this paper is to revisit these categories and update our dashboards to provide an outlook for 2021.

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## CONTENTS

1. *Recap – The Outlook 2021*
2. *Recap – The Drivers 2021*
3. *Category Impact Dashboards*



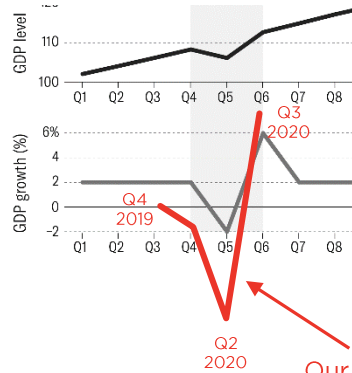
As we move into a new year, the outlook for businesses remains uncertain;

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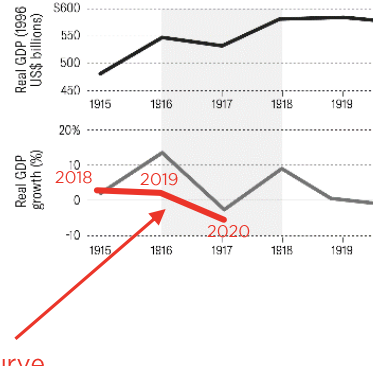
we cannot predict anything with any great certainty.

*And contingency planning remains critical for us all*

### V-SHAPE:

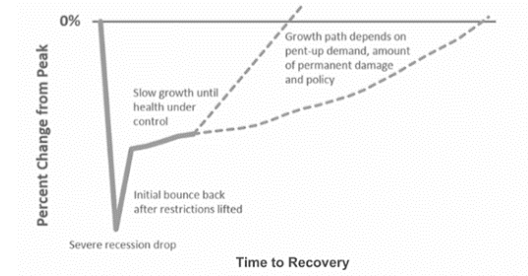


### W-SHAPE:



Our current curve

### √-SHAPE?



*Impacting our ability to plan*

When will I get my COVID-19 vaccine?



Like



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**ON THE CASE** Can I still go on holiday this summer? Your coronavirus travel questions answered

Covid: When will schools reopen?

**When will shops reopen? Latest on non-essential shops opening when Covid lockdown rules start easing**



“ The future is plural.”

- *Foresight Factory, Trends and  
Economic Scenarios for 2021*

As we outlined in 2020, one recovery scenario will play out broadly...

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but individual category recoveries will be unique.



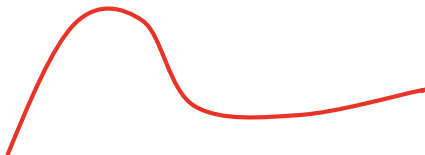
## BBDO KNOWS FOR INDIVIDUAL CATEGORIES AND BUSINESSES...

*The scenario and curve that plays out for them will look very different.*

### TRAVEL



### GROCERY



### TELECOMS



Airline recovery will be 'slow and shallow'

by Ian Taylor Jun 19th 2020, 14:24



Why the strong performance of supermarkets during the Covid-19 crisis is feeding investor appetite

CORONAVIRUS

Telcos Could Play Crucial Role in Driving Economic Recovery and Creating a New Digital Society in the Wake of COVID-19

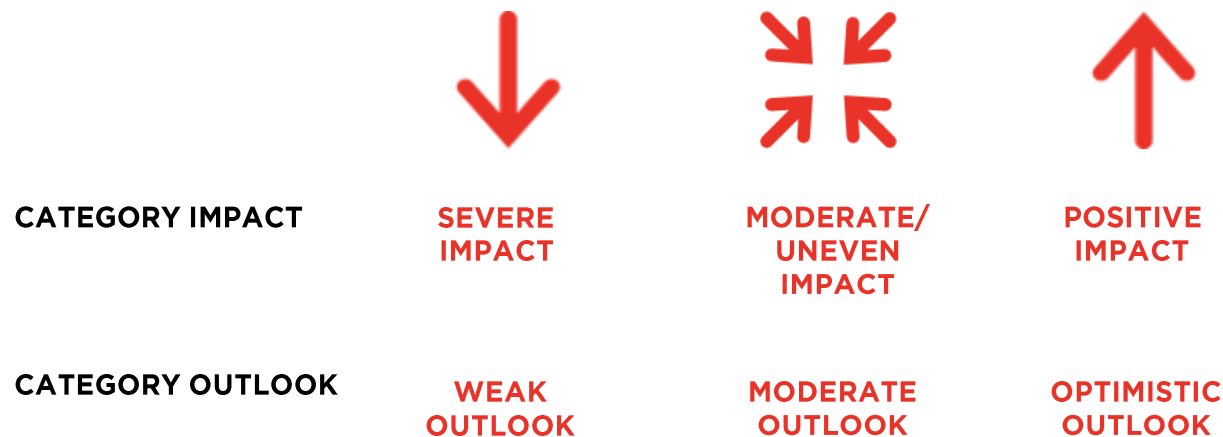
Via ABI Research Media Releases  
May 19, 2020



## 1) THE SHAPE OF AN INDIVIDUAL CATEGORY RECOVERY

*Will be dictated by impact*

For individual categories, growth forecasts vary significantly. Forecasts related to impact, range from severe to positive. We will see vastly differing outlooks for recovery.



## 2) THE SHAPE OF AN INDIVIDUAL CATEGORY RECOVERY

*Will depend on managing disruptions to the supply and the demand sides of a business*

While supply-side disruptions are beyond the remit of brand and communications, the demand side can be directly influenced by it, because of the impact brand and communications can have on consumer behaviour.



### **SUPPLY DISRUPTIONS**

- Legislation, lockdown restrictions
- Supply chain disruption due to lockdowns or international trade restrictions

### **DEMAND DISRUPTIONS**

- Consumer confidence
- Employment impact
- Disposable income impact
- Evolving customer preferences and needs

### 3) THE SHAPE OF AN INDIVIDUAL CATEGORY RECOVERY

*Will be dictated by our changing definitions of essential and discretionary*

Crucially, recovery will be impacted by consumer activity in the 'no normal': the demand consumers create; their propensity to spend; and how they evaluate and define purchases as either essential or discretionary.

**CONSUMERS ARE PLANNING, DELAYING OR  
JUSTIFYING EVERY PURCHASE:**



Categories and brands that can position themselves as **essential** will be better placed for recovery.

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But 'essential' is actually more **emotional** than you may think.

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## 5 EMOTIONAL DRIVERS

### 2. *Recap – The Drivers 2021*



In 2020 we identified 5 factors that would have a positive impact on **both demand and brand preference**.

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In 2021, these factors will continue to help outwardly discretionary purchases become essential.

*Emotional drivers of consumer spend*



**RISK**



**OPTIMISM**



**VALUES**



**RESILIENCE**



**RITUALS**

These 5 drivers, rooted in **emotion**, will have a significant impact on consumer spend patterns:

---

*And crucially will drive purchase behaviours because they fulfil important needs*



## **BBDO KNOWS** THE 5 DRIVERS OF SPEND

*Can impact whether a category or product is deemed essential or discretionary:*

### **DEMAND SIDE 'POST' COVID CONSUMER**

1. I need to manage risk
2. I seek optimism and joy
3. I need to see my values reflected
4. I need to be resilient and thrive
5. I need rituals (old and new)

### **HELPING DRIVE DEMAND BUSINESS & BRAND RESPONSE**

1. Helping consumers manage and evaluate risk
2. Helping consumers stay optimistic and find joy
3. Helping reflect and support consumers values
4. Helping consumers stay resilient and thrive
5. Helping maintain or develop new habits and rituals



**ESSENTIAL** **DISCRETIONARY**

In 2021 consumers will continue to seek partners to help **manage risk, stay optimistic, live their values, find resilience, and maintain their rituals.**

---

Businesses and brands that help people achieve these goals will be best placed to succeed.

*How can brands drive demand and purchase?*

**RISK****HELP MANAGE AND EVALUATE RISK**

As we move in and out of lockdown, we continue to see risk everywhere. We are advised about risk everywhere. Even our basic everyday behaviours such as going shopping, visiting friends etc., now carry risk. Brands and businesses that can both articulate the risk simply and reassure loudly will be best placed to succeed.

**OPTIMISM****HELP STAY OPTIMISTIC AND FIND JOY**

As we navigate the no normal with constant threats, uncertainty and relentless bad news, we will actively seek optimism and joy. Brands and businesses that can offer optimism and joy through products, their communications, through their ideas or through services will be best placed to succeed.

**VALUES****HELP REFLECT AND SUPPORT VALUES**

During coronavirus we have re-prioritised and re-focused our values in relation to our local communities and the people that supported us and society. This focus will remain. Brands and businesses that continue to reflect our values through the support of others, of society and us will be best placed to succeed.

**RESILIENCE****HELP STAY RESILIENT AND THRIVE**

For some, Coronavirus not only threatened our health but significantly impacted our mental wellbeing. Many used the time spent in lockdown to focus on self-care and upskilling, and many will continue to seek support and opportunities to thrive. Brands and businesses that continue to support our desire to thrive and our need to remain resilient through empathy, or education or through products will be best placed to succeed.

**RITUALS****HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS**

Long held habits and rituals were forced to adapt during coronavirus. As we move out of lockdown these rituals will either endure or revert back to previous behaviours. Regardless, these rituals provide enormous comfort. Brands and businesses on the inside of these rituals and the comfort and control they provide, will be best placed to succeed.

In the remainder of this paper, we consider how the 5 drivers will impact individual categories and the shape of their recovery in 2021.

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We offer this analysis in the format of dashboards for each category.

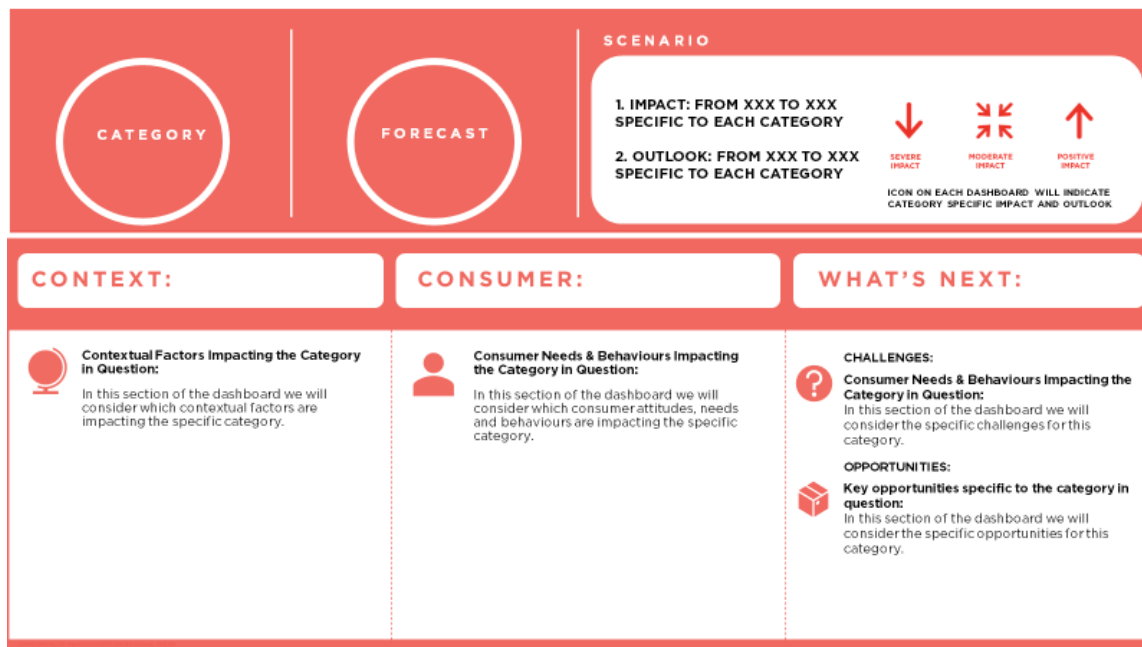
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## THE CATEGORY IMPACT

### 3. *& The 5 Drivers*



# *1) Scenario analysis, by category*

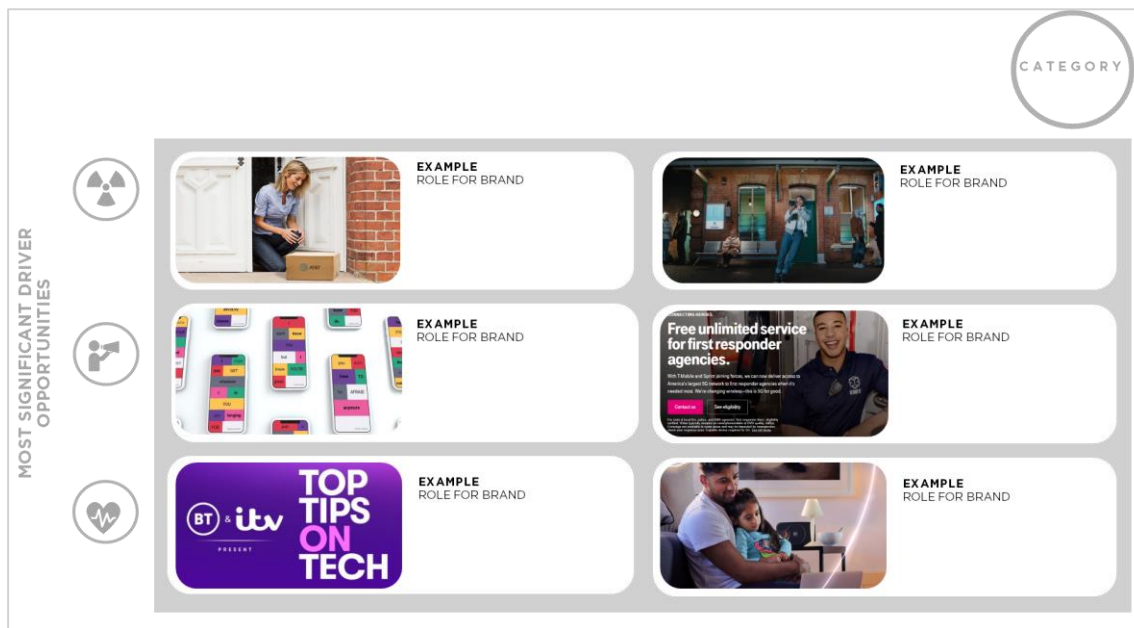


Each scenario dashboard outlines the current forecast and predicted scenario, as well as key contextual factors, consumer needs and behaviours, and challenges and opportunities.

*2) Driver opportunities, by category*

Each driver dashboard outlines how each category could potentially explore and accentuate their role within each driver.

### 3) Brand activity, by category



Each brand activity dashboard will offer examples of brands who have explored the drivers to great effect.



*Please click through, or click on the below links to shortcut to your category of interest:*



[Retail](#)



[Telecommunications](#)



[Banking](#)



[Utilities](#)



[Lotteries](#)



[Health & Wellbeing](#)



[Food & Drink](#)

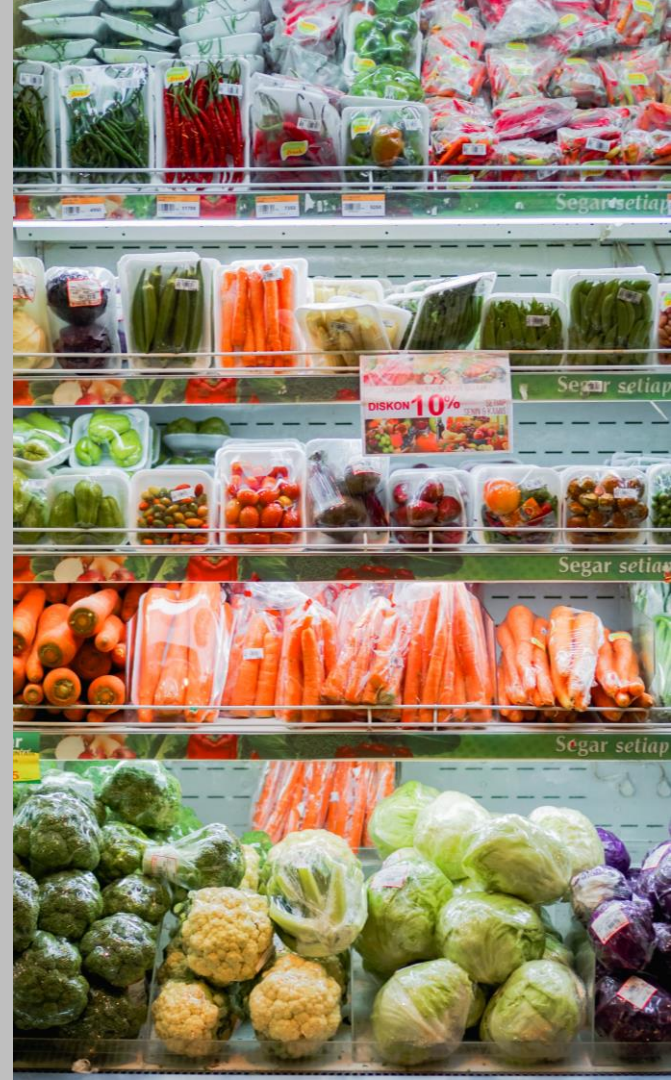


[Automotive](#)

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## RETAIL 2021

*Grocery & non-grocery – two contrasting pictures*



## GROCERY RETAIL



## GROWTH FORECAST



## SCENARIO

### IMPACT: POSITIVE OUTLOOK: OPTIMISTIC

*"If anything, we're probably more worried about comps and sales in 2022, because by then, hopefully, the health outlook will be a lot better and there's likely to be a backlash where a lot of people are desperate to get back out to the restaurants."*

- Jason Goldberg in [Grocery Drive](#)



## CONTEXT:



**Supply chains tested:** In 2021 increased pressure that COVID-19 and external factors such as Brexit in the UK placed on supply chains will continue to be exerted. [Link](#)



**New competition:** Globally, increased competition will continue to come from digital ecosystems, such as Alibaba and Amazon [Link](#), and at the other end of the spectrum from DTC businesses, which pivoted quickly during the eCommerce boom and have fulfilled consumers' accelerating interest in local produce. [Link](#)



**New Product Development:** COVID-19 will continue to change what consumers prioritise – and businesses will have to adjust accordingly. For example, products which have nutritional/health benefits will prosper. Grocers should consider how they can enhance their dietician offering. [Link](#)

## CONSUMER:



**Personal finance varies:** people are experiencing the pandemic differently: 61% of shoppers report buying their usual products across multiple product categories; while 39% indicate trading down, up or out to manage budgets, combat out of stocks, or accommodate new needs. [Link](#)



**Grocery shopping routines have changed:** frequency is down 10% but there has been a 24% increase in spending per trip. [Link](#)



**eCommerce accelerated:** eCommerce growth is predicted to be 10-11%, up from predictions of 7-8% pre-Covid. [Link](#)



**Physical sales important:** Grocery retailers mustn't underestimate in-store – around 90% of sales are still in-store and it's likely this will continue to be the case. [Link](#)

## WHAT'S NEXT:

### CHALLENGES



**Maintaining growth:** Grocery has benefitted from lockdown – but as the world reopens and consumers celebrate by eating out and ordering in Grocers need to consider how they will retain market share.

### OPPORTUNITIES



**Local allure:** as consumers increasingly buy local, Grocers should consider how product, partnerships and rewards can emphasise local areas.



**Loyalty as membership:** Amazon's Prime membership structure looks set to expand into the grocery market (e.g., Walmart+) [Link](#).



**Meal Kits:** as restaurants re-open supermarkets should work towards facilitating new food rituals that can last into the new normal. (e.g., Target has partnered with Hello Fresh) [Link](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

Consumers remain concerned about hygiene. How can your brand alleviate these fears? Furthermore, consumers remain highly price sensitive but grocery is essential – how can your **brand help them control overspend**?



#### HELP STAY OPTIMISTIC AND FIND JOY

Grocery retailers are **uniquely placed to help people find little joys and little wins**. As we contend with repeated lockdowns and restrictions, people are seeking levity and escapism. How can you help people put more moments of joy and more little wins and laughs into their baskets? How will your products fit within post lockdown social behaviours and occasions?



#### HELP REFLECT AND SUPPORT VALUES

How can you support and celebrate the front-line heroes which include grocery employees? How can you maintain your **sustainability commitments and help people act on theirs** in the challenging economic context? How can you promote inclusion in your own business, in your sector, and in society as a whole? What role can your brand play in supporting local communities and helping them thrive?



#### HELP STAY RESILIENT AND THRIVE

Can you evolve your product and retail solutions to meet customers' needs in terms of **wanting to thrive in the most challenging of circumstances?** Especially as those circumstances change quickly. How can you help people conduct behaviours that help them thrive or upskill, or build resilience in the face of future uncertainty or challenges?



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

As the world opens back up how can you make sure that your **brand remains engrained in consumer rituals?** As consumers celebrate new-found freedom how can you support them without fading back into grocery shopping being a chore?



*How are grocery brands driving demand and purchase?*



#### ASDA - 'ASDA PRICE CHRISTMAS'

UK Grocery ASDA brought back its much loved superfan Sunny for its price-focused Christmas campaign. Set to Stevie Wonder's 'That's What Christmas Means' the spot highlights how, despite Christmas being different in 2020, consumers can still "have an extra special Christmas at the prices they want" (Anna-Maree Shaw, outgoing CCO, Asda) [Link](#).



#### NO FRILLS - 'WELCOME TO THE HAULERVERSE'

Canadian Grocery retailer No Frills created an integrated campaign – including GIFs, short digital films, a quiz, and a promotional graphic novel series – that celebrates the superhuman strength behind the everyday food shop, which in the current climate is more challenging than ever. The playful campaign's end line 'won't be beat' is also an endorsement of their brand. [Link](#)



#### AMAZON PRIME - 'TROUBLE AHEAD'

Online retailer Amazon launched an advert for their loyalty program Amazon Prime, which highlights the benefit of their 2-hour delivery slots. The ad shows several people at a birthday party enjoying different food moments frozen in time, to highlight the speed at which products can be ordered. Currently, eCommerce is more popular than ever and convenience is a huge draw. [Link](#)

## NON-GROCERY RETAIL



## GROWTH FORECAST

-7%

Non-food global retail sales in 2021 will fall 7 index point below 2019 spend. [EIU](#)

## SCENARIO

**IMPACT: SEVERE**

**OUTLOOK: WEAK (SUBCATEGORY DEPENDENT)**

*"It may be a once-in-a-lifetime opportunity for organizations to transform their businesses and rewrite the rules of the industry... bold, differentiated action will be required to stand out from the competition. Retailers in 2021 are faced with more consequential decisions than at any time in the recent past."*

- [Deloitte](#)



## CONTEXT:



**Restrictions:** For the majority of 2020, retailers were at the mercy of government regulation – with many retailers considered non-essential shut for long periods of time. The fallout of this will continue to be felt throughout 2021. [Link](#)



**Efficiency:** Technology is having a growing impact on the retail sector as profit margins remain tight. Increased efficiency is needed to improve supply chain management, inventory management and shipping and receiving. [Link](#)



**Supply chain:** For the non-grocery retailers which haven't been forced to close, supply chain is key; the pandemic has fortified the opinion that end-to-end supply chains are the future. 78% of retail executives are looking to invest in supply chain resilience in 2021. [Link](#)

## CONSUMER:



**Fulfillment:** As consumers increasingly turn to online solutions, fulfillment and delivery are more important than ever to consumer experience. This is especially true when it comes to retention and advocacy: 56% of US consumers say they won't shop with a retailer following an unsatisfactory delivery experience. [Link](#)



**Cleanliness:** The pandemic has altered perceptions towards health and safety, both of which have become synonymous with cleanliness. 82% of consumers say that when stores open it will be important to see visible cleaning efforts. Retail executives agree; 78% are looking to invest in healthy and safety in 2021. [Link](#) [Link](#)



**Impact:** Retailers need to consider how they are contributing to making the world a better place; consumers want retailers to positively impact their lives. Retailers that do, grow 2.5 times faster than those that have a perceived low impact [Link](#) .

## WHAT'S NEXT:

### CHALLENGES



**Pricing:** Retailers need to keep in mind that consumers will continue to be highly price sensitive, and must adapt their offerings accordingly. [Link](#)

### OPPORTUNITIES



**Purpose:** retailers need to consider their emotional pull for consumers, and why they will be drawn to their brand before all others.



**Customer experience:** online 69% of consumers feel they are treated like anonymous ticket numbers, while 56% think the companies they buy from don't know or understand who they are. [Link](#)



**Customer experience:** as retail opens back up, in-store customer experience will be an incentive for consumers to return. During the recession 2007-9, businesses that invested in CX delivered x3 higher returns. [Link](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

Can you **evolve your product and retail solutions** to be more digital-first and meet customers' needs in terms of hygiene and social distancing? Can you help people **manage financial risk by offering value-focused products and services** that cater to those who are being prudent in their spending or have been financially impacted?



#### HELP STAY OPTIMISTIC AND FIND JOY

How can retailers encourage consumers to spend beyond essentials and on **discretionary purchases**? Brands should consider how to incentivise discretionary spend for the cost-cautious. How can retailers offer more moments of joy during the shopping experience, especially instore?



#### HELP REFLECT AND SUPPORT VALUES

As economies recover, **factors (including sustainability and ethics) will resurface** in the value equation. How can you maintain your **sustainability commitments and help people act on theirs** in the challenging economic context? How can you promote inclusion in your own business, in your sector and in the society as a whole? What role can your brand play in supporting local communities and helping them thrive?



#### HELP STAY RESILIENT AND THRIVE

Can you evolve your product and retail solutions to meet customers' needs in terms of **wanting to thrive in the most challenging of circumstances**? How can you help people conduct behaviours that help them thrive or upskill?



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Can you **encourage, facilitate or create new rituals** that continue to help people meet their needs in the current context? Can you facilitate the old rituals and certain shopping occasions that meant so much to people pre-covid and the new rituals that have become commonplace during coronavirus?





*How are non-grocery brands driving demand and purchase?*



#### B & Q - 'BUILD A LIFE'

Home retailer B&Q's most recent ad pays homage to the brand's belief that anyone can change the physical space they inhabit for the better. In the current climate, home is more important than ever, and the ad illustrates the human need to improve our surroundings, and in doing so communicates the brand's belief that the ability to thrive should be democratic. [Link](#)



#### MATTEL, BARBIE - MAYA ANGELOU DOLL

Toy retailer Mattel created a new Maya Angelou doll in celebration of the poet and activist. The doll is part of Mattel's inspiring women series, which supports efforts to diversify mainstream and popular beauty conventions – in order to both celebrate women of colour and women who have achieved extraordinary things. The doll sold out within two days of being launched. [Link](#)



#### IKEA - 'THE HARE'

Home retailer IKEA's advert the hare is a recent installment in their Wonderful Everyday campaign, which encourages people to foster better rituals around sleep, in order to improve their wellbeing. The ad parodies the popular children's fable, to illustrate how a good night's sleep is essential for a brilliant tomorrow. [Link](#)



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## TELECOMS 2021

*An elevated category looking ahead to 5G*



## TELECOMS



## GROWTH FORECAST



## SCENARIO

### IMPACT: MODERATE OUTLOOK: MODERATE

Return to growth is expected in 2021

Fixed broadband will continue supporting growth in 2021

Roaming revenue is expected to return to growth in 2021

**However, global telecoms revenue will not exceed 2019 levels again until 2023.**

(Analysys Mason, [Link](#))



## CONTEXT:



### Elevated to essential service providers:

Connectivity providers have become the backbone of economies, societies and individuals' lifestyles. They have shown up for their customers and stakeholders with generosity and a great sense of responsibility; and this has elevated the category to become an essential service provider.



**Digital transformation accelerated:** Just as any other category, telecoms saw the acceleration of their digital transformation agendas, including automation, cloudification, but also digitisation of customer journeys and customer engagement.



**5G agenda deaccelerated:** While the expectation that 2020 was going to be the year of 5G did not materialise due to COVID-19 pandemic, the category is hopeful for the progress of 5G this year. Monetising the new technology will be the main challenge for providers.

## CONSUMER:



**Connectivity remains crucial:** Lasting lockdowns and other restrictions mean that in many markets home working and home schooling are an on and off reality. Reliable connectivity remains a priority for most.



**Shifting consumer segmentation:** Consumers' relationship with their finances and spending will have changed as a result of the pandemic. Unemployment, furloughs, and the overall perception of lasting uncertainty and risk will drive people to seek value.



**5G uptake not guaranteed:** Under challenging financial circumstances and with uncertainty prevailing, upgrading to a new technology and/or new devices will not be a priority for most customers, even for those who can afford it. Persuading them to upgrade to 5G technology will be a challenge.

## WHAT'S NEXT:

### CHALLENGES



**Revenue generation:** Selling a new, premium technology (5G) to customers will be challenging. Rigorous segmentation and a holistic approach to the bundle, device and the overall experience will be required.



**Efficiency and optimisation:** The pressures to seek efficiencies and cut costs where possible will persist.

### OPPORTUNITIES



**Connected service opportunities:** Providers can add more value to bundles and address customers' needs in the health & wellbeing and education space.



**Essential and meaningful service provision:** Having earned the essential service provider status in 2020, where do providers take it next?



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

Can you help people **manage financial risk by offering value-focused products and services** that cater to those who are being prudent in their spending or have been financially impacted? Can you make a meaningful case for upgrading to premium/new technology (e.g. 5G) to those who have not been financially impacted, but are risk-averse and value-focused?



#### HELP STAY OPTIMISTIC AND FIND JOY

Human connections, connected services and content access have been and continue to be lifelines in the uncertain socially-distanced reality. Can you draw on **the joy connection brings** in communication? Can you **surprise and delight** customers to augment the joy of connection and inject positivity into a less than joyful context?



#### HELP REFLECT AND SUPPORT VALUES

How can telecoms continue to serve their elevated purpose and societal role? How can the responsive pandemic initiatives evolve to long-term commitments to **bridging the digital divide** and ensuring connectivity as a basic right for all? How can you promote **inclusion** in your own businesses, in the telecoms sector and in society as a whole? What role can your brand play in **supporting local communities** and helping them thrive?



#### HELP STAY RESILIENT AND THRIVE

Can you continue **upskilling and supporting** those lacking digital skills? Can you offer **connected health and wellbeing**, as well as **educational services** as part of bundles and subscriptions? How can you **keep innovating** to make sure connectivity continues to serve people's home-bound lifestyles and needs as best as possible?



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Can you **encourage, facilitate or create new rituals** that continue to help people meet their needs in the no-normal context? Can you facilitate the old rituals and that meant so much to people pre-pandemic and the new rituals that have become commonplace in 2020?



*How are connectivity providers driving demand and purchase?*



#### MTS UN-Tariff, RUSSIA - BBDO CLIENT

At the end of 2020 MTS launched a new plan called "UN-tariff" allowing customers the ultimate flexibility to build their own plan and switch the add-ons on and off as their needs change. Add on quantity leads to discounts.

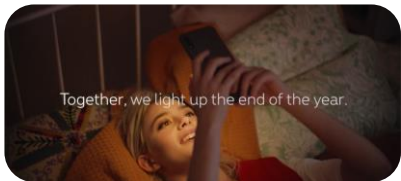
[LINK](#)



#### AT&T A LITTLE LOVE, USA - BBDO CLIENT

AT&T delivered a highly emotional end-of-year ad calling for togetherness, inclusion and love in the singalong execution.

[LINK](#)



#### PROXIMUS CHRISTMAS 2020, BELGIUM

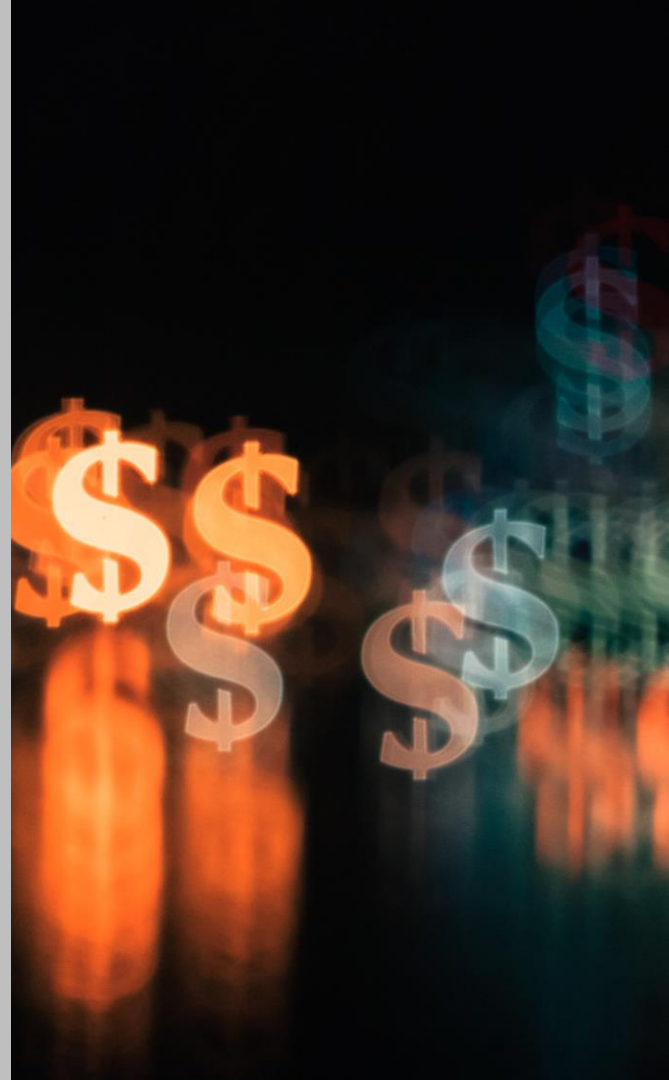
Proximus remind us of the joy and importance of human connections that can help us overcome the grim mood of socially distanced holidays.

[LINK](#)

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## **BANKING 2021**

*A test of resilience*



## BANKING



## GROWTH FORECAST



## SCENARIO

### IMPACT: MODERATE

### OUTLOOK: MODERATE

*"2021 is a test of resilience... but in almost all COVID-19 scenarios the vast majority of banks will survive and return to 2019 ROE within 5 years... The immediate challenge is navigating credit losses of a magnitude not seen for decades."*

- McKinsey



## CONTEXT:



**Banks played a crucial role:** by stabilising the economy and delivering their own and government al stimulus/relief in many markets, banks are well placed to survive the coming years, despite significant losses through 2020. Every bank will have to sustain long term 0% interest rates and loan losses.



**The need to adapt:** 2021 will provide an opportunity for banks to embed newfound speed and agility and the upgrading of legacy systems. Challenges will lie in the arising of a new competitive set, slow growth in some traditional, core products, the ongoing re-evaluation of the role of branches and accelerated digitisation.



**Reaffirm position:** "Banks, like other sectors of the economy, may face a cold winter ahead, but there is the promise of a thaw. The moment is right for banks to affirm their dual role as sources of stability against the pandemic's upheaval and as beacons to the societies and communities they serve in a postCOVID-19 world." [LINK](#)

## CONSUMER:



**Hesitant:** The uncertainty of 2020 saw consumers focus on **stabilising their finances in the short term**. As this uncertainty persists, the focus will shift to financial health and financial security in the face of potential instability. Financial health will finally take centre stage in 2021.



**Digital-savvy:** The shift to digital banking has accelerated across segments in 2020, and this mode of access will continue into 2021 and beyond. But greater digital and mobile banking **does not equal greater satisfaction**. Banks will have to find the optimal mix of digital and human interaction.



**Expectant:** The pandemic has **further increased customer expectations**. They expect banks to provide financial relief and support alongside governments, and this will endure. But this support is expected to be proactive, intuitive but not intrusive. Expectations remain high.

## WHAT'S NEXT:

### CHALLENGES



**Agility:** Recovery from COVID-19 is inextricably linked to maintaining momentum around transforming legacy operations.



**Distressed:** Regardless of scenario, banks will be confronted with a greater share of distressed assets on their books in 2021 impacting the banks own balance sheets and finances.

### OPPORTUNITIES



**Financial Health:** Banks have been at the forefront of providing relief packages where people needed it most, and this resulting essential status can be built on.



**Purpose driven:** "A financial-services company that defines its purpose around the ideas of ensuring financial services accessibility and financial health" will be best placed to meet the needs of the banking consumer." [LINK](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

**Money reassures and money facilitates.** Banks are in a unique position in consumers' lives, whereby they can offer a sense of stability and reassurance in the face of uncertainty. How can you communicate this level of reassurance? How can you help customers manage risk? How can you encourage financial health via savings products? How can you support those who are embarking on their digital banking journeys and seeking safety and security?



#### HELP STAY OPTIMISTIC AND FIND JOY

**Financial health is inextricably linked with optimism and confidence.** Consumers can only plan and hope if they have the financial means to do so, or at least a financial plan. Given the sense of loss throughout 2020, people are keen to move forward. But planning and progress often relies in money. How can you help facilitate optimism and progress, while helping customers mitigate or at least best evaluate risk?



#### HELP REFLECT AND SUPPORT VALUES

During 2020 the essential role of banks was underlined. **Banks are critical to supporting and facilitating a functioning economy.** Beyond this, there are opportunities to explore a broader definition of purpose that encompasses other consumer values. How are you articulating your values? How are your values articulated and expressed in your products?



#### HELP STAY RESILIENT AND THRIVE

**Maintaining resilience will be linked to financial health.** There is an opportunity for banks to help less digitally savvy customers utilise online banking services through upskilling, education and support. **Education and products will be key to better financial health, which in turn is inextricably linked to thriving.** What is your offer?

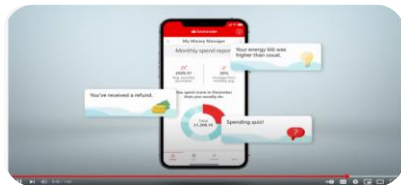


#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

As the need and desire for greater financial health increases in 2021, how are you **facilitating rituals around new spend and save patterns**? How are you communicating to customers around their options? How are you **encouraging new good behaviours and rituals and helping them to remain**?



*How are banking brands driving demand and purchase?*



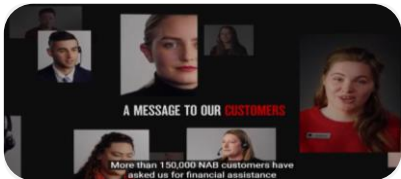
#### HELP PEOPLE STAY IN CONTROL

Santander Bank in the UK offers their customers access to a money manager app, which ensures customers access and visibility to where they money is and where it is going. This allows for a greater sense of digital control and reassurance, as standard. [Link](#)



#### FACILITATE NEW RITUALS

Wells Fargo in the US ran a series of events to help educate and encourage better, healthier financial habits. This is on top of the financial assistance they have offered throughout the pandemic, the bank also provides a series of tools and products designed for better financial health. [Link](#) [Link](#)



#### SHOW EMPATHY

NAB staff have encouraged their customers to talk to them throughout the covid-19 crisis about anything but especially their financial concerns and broader worries, with customer services representatives offering financial assistance and options. [Link](#)



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## UTILITIES 2021

*Balancing people and profit*



## UTILITIES



## GROWTH FORECAST



## SCENARIO

### IMPACT: MODERATE

### OUTLOOK: MODERATE/SEVERE

*"Some experts think there could be an 8% decline in overall energy demand up to 2050 as the structural changes caused by Covid-19 impact consumption."*

- [Energy Central](#)



## CONTEXT:



**Balancing people and profit:** Utilities have played a crucial role by helping vulnerable consumers through the pandemic; helping consumers comply with regulations, and implementing moratoriums on payment collection and service shut offs. However, this is impacting revenue. [Link](#)



**Product:** Renewables are here to stay and hydrogen is being seen as a viable possibility: *"the UK, alongside the rest of the world, will be looking at ways to reinvent the energy mix over the course of the next 30 years."* [Link](#)



**Compliance:** As governments continue to support businesses throughout the pandemic, there are opportunities to shape the future of energy systems, although utilities will have to contend with increasing regulation. [Link](#)

## CONSUMER:



**Increased energy usage (B2C):** 50% of customers say their home energy usage has increased since the onset of COVID-19, and 36% report an increased number of household members working from home. In contrast, energy consumption by some businesses has fallen dramatically. [Link](#)



**Anxious:** 25% of consumers in England and Wales are still concerned about meeting their fuel costs. [Link](#). As of November 2020 33% of adult Americans were living in houses struggling to pay utility bills [Link](#).



**Interest in distributed energy resources:** 69% of US consumers either own or are interested in smart thermostats, electric vehicles, rooftop solar, or household energy storage products. [Link](#)

## WHAT'S NEXT:

### CHALLENGES



**Perception:** consumers still have mixed views of utility providers; despite the support they have offered in the pandemic. Improvement in perception remains a key challenge. [Link](#)

### OPPORTUNITIES



**Personalisation:** in the UK consumers who rated their utilities as 'highly personalised' had 28% higher satisfaction and were 24% more likely to act on email tips and invest in energy-saving products. [Link](#)



**Value-added-service:** 91% of utility executives think it's vital that energy and water companies provide value-added services in order to avoid being further commoditised. [Link](#)



**Technology:** flexible generation and storage of power will be important in a post-Covid world. [Link](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

As communities slowly return to normality, how can **utilities companies help those that have suffered financially** in the pandemic? If governments lift the moratoriums of price hikes and service cut-offs, it doesn't mean that companies should quickly return to normal as this will negatively impact public perception.



#### HELP STAY OPTIMISTIC AND FIND JOY

As we continue to navigate change, Utilities companies should consider the role they can play in helping us find joy, how they can further support consumers, possibly through rewards and incentives. **Consumers have also been given environmental optimism** as we have seen what a lower emissions world looks like; how can utilities brands sustain this focus on a sustainable future?



#### HELP REFLECT AND SUPPORT VALUES

Consumers (as well as governments) have **experienced an ever-increasing awareness of sustainability**. Utility brands must continue to evolve with the times to ensure consumer loyalty (as well as regulatory compliance). How can your brand emphasise its green credentials?



#### HELP STAY RESILIENT AND THRIVE

Many consumers are still experiencing acute financial pressure - offering tips, tools, and rewards which **help people both save energy and reduce** their bills will be greatly appreciated by customers. As demonstrated on the previous slide, personalised and tailored communications have a positive impact on consumer behaviours.

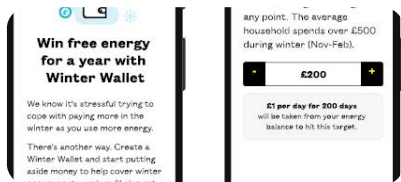


#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Utilities must continue to **provide undisrupted services** to facilitate consumer rituals; both those that return e.g., like working in the office, and those that are maintained e.g., more flexible WFH options. Furthermore, Utilities can facilitate green consumer rituals through measurement tools like smart thermometers and water calculators. What rituals, new and old, can your brand facilitate?



*How are utilities brands driving demand and purchase?*



## BOOST - 'WINTER WALLET'

UK Energy provider Boost launched an initiative to differentiate against other Pay-As-You-Go providers, which helped those struggling financially to save for when their bills increased in the winter: the winter wallet. The wallet used usage metrics to suggest what consumers should aim to save, and communicated this via the brand's app, consequently supporting those in need. [Link](#)



## EQUINOR - PODKAST

Norway petroleum refining company Equinor created a podcast to engage young people with the issue of climate change, by looking at it through an Energy lens. By promoting dialogue and debate among young people, and creating educational content, Equinor positioned themselves as being advocates of green and sustainable values. [Link](#)



## OCTOPUS ENERGY - 'SHUT UP AND HOLD ME'

UK Energy provider Octopus Energy injected joy into people's days by playing the song that was #1 in the charts when the person calling was fourteen - if Octopus had their age on record. They also launched this initiative in conjunction with the ability for people to check online what would play if they called by logging their date of birth onto an online portal. [Link](#)

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## LOTTERIES 2021

*Providing little moments of joy*



## LOTTERIES



## GROWTH FORECAST



## SCENARIO

### IMPACT: MODERATE

### OUTLOOK: MODERATE/POSITIVE

*"The mobile channel has quickly changed from being a channel within the omnichannel approach of a lottery, to becoming THE omnichannel itself. In the post pandemic era, the digital transformation we are experiencing is not a threat but on the contrary, an opportunity for both lotteries and retailers to add value to their activities."*

- Arjan van 't Veer, European Lotteries, Secretary General, [Link](#)



## CONTEXT:



**Closed retail outlets:** 50% of the gambling market revenue has been lost with venue closures. Lotteries haven't been impacted as badly, but the decrease in retail outlets has meant overall consumer consumption is down. [Link](#)



**Online adoption accelerated:** "Online is now projected to command a 19.8% share of the 2020 global gambling market. This compares to a pre-pandemic forecast of 13.19%, reflecting the acceleration of online take-up". [Link](#). The US, Canada, Japan, Europe will drive 5.3% CAGR for the Online Instant Games segment; a combined market size of US\$1.3 Billion was projected by end of 2020. [Link](#)



**Category health varies by market:** [China's](#) Lottery sales fell 4.6% Y-o-Y in November; whilst [Germany's](#) 16 state lotteries proved "crisis-proof" amassing €7.90bn by Dec 31st (+8.2% on 2019 ticket sales); In the [UK](#), Lottery ticket sales totalled £643.1 million in Oct, a £10.2 million increase vs October 2019.

## CONSUMER:



**Interest peaked:** In [Canada](#) 77% online lottery players during lockdown were exclusively offline gamblers pre-pandemic; in the [UK](#) there were +1.3 million new online registrations, and significant traffic increase to The Nat Lottery's digital channels.



**Demand for digital:** The shift in demand from physical draw-based games to virtual play is expanding the growth of the European online lottery market; "as **lotteries [can] offer a high return on low investment**, a large group of **individuals are attracted by the rewards and invest accordingly**." [Link](#)



**Consumer trust has grown:** perception of online lotteries has improved due to increased safety measures; "**advances in both online encryption and banking technology helped in resolving this concern**, resulting in consumers playing online securely and, in turn, driving the market." Alongside stringent government regulation. [LINK](#)

## WHAT'S NEXT:



### CHALLENGES

**The Market is fragmented**, and fragmentation is set to accelerate between 2020-2024, with several global players occupying market share. [Link](#)



**Diversified portfolios:** Will lead to intense competition, as some brands are "focusing on optimizing their offerings, along with geographical expansion." [Link](#)



### OPPORTUNITIES

**Social media will be a key promotional driver:** Long-term tech adoption amongst older groups is likely to contribute to growth in online lotteries, from those less physically able, or those unwilling to risk visiting locations such as bingo halls. [Link](#)



**Increasing acceptance:** the popularity of Lotteries has paved the way for a whole different form of internet gaming. This is a threat and opportunity. "Faster internet connectivity [also] permits operators to stream various events from around the world", allowing more people globally to play [Link](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

A surge in online activity has forced online vendors to improve safety and security processes, elevating reassurance levels, which has propelled the popularity of online lottery across the world. How can you **communicate improved safety measures** to reassure weary consumers?



#### HELP STAY OPTIMISTIC AND FIND JOY

Consumers need little moments of joy and causes to celebrate more than ever. More importantly perhaps, they need hope and a belief that big change can happen. It is obvious what role lotteries play here. How can **lotteries dial up their role in fuelling hope**?



#### HELP REFLECT AND SUPPORT VALUES

Players will be **looking for transparency**, so providing information on new regulations and what this means for participation will be essential. Moreover, how can you demonstrate that funds are making a difference beyond jackpot winners, perhaps to the local community?



#### HELP STAY RESILIENT AND THRIVE

Lotteries will need to consider how they can adapt their offerings, and **mirroring gamer interest will be critical to attracting and retaining new consumers** and alternative competitors. Investing in stringent social media strategies will be key for 2021 if you're to capture greater share of play from young consumers. Also think about how you can make online more accessible and user-friendly for tech-adopting older generation.



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Can you encourage, facilitate or create new rituals that help people and in doing so create ritual occasions around lottery play? **How can you dial up rituals to move impulse players to regulars?**





*How are lottery brands driving demand and purchase?*



#### ITG - BALATO, 'LUCKNATION' - SANCHO BBDO

IGT wanted to inspire Colombians to play the lottery with creative print ads, *"inviting people to discover the incredible places that 6 numbers could take them, the same numbers of our ballots."* The four-part print ads allow people to discover the most famous and flamboyant houses in the world - like Elton John's Mansion - using 6 geolocation coordinates on Google Maps, to emphasise how life-changing the lottery is. [Link](#)



#### SPANISH CHRISTMAS LOTTERY - CONTRAPUNTO BBDO

At Christmas El Gordo, 'The Spanish Christmas Lottery', celebrated the Christmas ritual of buying a lottery ticket, reflecting on how integral the lottery ticket has become to the Spanish way of life over the past 200 years. "Unlike any other lottery in the world, people prefer sharing their lottery tickets with others rather than playing in their own, because it represents that special bond that brings them together." [Link](#)



#### LOTTERYWEST - COVID-RELIF FUND

Continuing into 2021, Lotterywest's COVID-19 Relief Fund will allocate up to AUD 20 million (€ 12 million/USD \$14.2 million) to support the most vulnerable - covering crisis and emergency relief along with prevention and early intervention. A further AUD 40 million (€ 24 million/USD \$28.5 million) will be put towards community connection, arts and culture, helping aboriginal communities, and the environment. [Link](#)



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# HEALTH & WELLBEING 2021

*Rising to the challenge amidst pressure*



## HEALTH & WELLBEING



## GROWTH FORECAST



## SCENARIO

### IMPACT: LOW

### OUTLOOK: POSITIVE

*"Healthcare spending has remained remarkably stable at the global level against the background of declines in other sectors of the economy. Government commitments to maintaining spending growth at a level consistent with pre-pandemic pledges and legislation as well as additional funding spurred by the pandemic will partially offset the recession effects of the hit to GDP, the rise in unemployment and consequent reduction in tax revenue."*

-Jing Zhang, Healthcare Economist, [Link](#)



## CONTEXT:



**Industry growth:** The global Digital Health market is expected to witness a 37.1% spike in growth in the year 2021 and thereafter will continue to grow and reach US\$508.8 billion by the year 2027. [Link](#)



**Vaccine fever:** On December 8<sup>th</sup>, a 90-year-old in the UK, became the first person globally to receive the Pfizer-BioNTech vaccine outside of a trial. [Link](#) Whilst the rollout of the vaccine is underway, scientists are developing alternative Covid treatments, that will help protect us day-to-day. [Link](#)



**Huge pressure:** Hospitals and care providers continue to experience immense strain as the **demand for healthcare and advice continues to rise.** [Link](#) The emergence of new, more contagious strains of the virus will prompt the reinstatement of measures implemented in spring 2020. The divide between the vaccinated and the non-vaccinated will grow – splitting markets and consumer bases.

## CONSUMER:



**Cautious:** Vaccine confidence has grown in the UK & US but global concerns are high (South Korea (80%); Japan (76%) and France (72%)). Vaccination intent is highest in China, 80% of respondents strongly or somewhat agreed with the statement "if a vaccine for COVID-19 were available, I would get it." [Link](#)



**Self-prescribing:** Nutraceuticals and pharmaceutical orders were among the fastest growing online orders in 2020 and this is predicted to continue to surge. [Link](#) Health and wellness subscriptions grew 25%. [Link](#)



**Varied:** In several countries, searches for "Doctor near me" declined by 60%, while online consultations rose by 350% in the same period, and online pharmacy sales skyrocketed 600%. [Link](#)



**Anxious & Depressed:** mental health will be a primary healthcare concern. The decline in mental health during the pandemic is harder to measure than deaths—but equally significant. [Link](#)

## WHAT'S NEXT:

### CHALLENGES



The pandemic has prompted a heightened emphasis on health and hygiene, which is expected to endure and extend into marketplace reality. [Link](#)

### OPPORTUNITIES



**Telehealth:** Digital leaders are looking to invest in their telehealth programs for the long term, which means telehealth & MedTech platforms are evolving to provide more out-of-the-box integration and innovative products [Link](#). [Link](#) [Link](#)



### Crowdsourcing New Product Development:

*"Pharma now understands that it needs to adopt more of an FMCG mindset – opening two-way dialogues to help uncover relevant, relatable and useful healthcare solutions...This focus on listening is critical and will be incredibly important not only when marketing".* [Link](#)



*How can finance providers drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

How can you help **mitigate health risks and showcase how** you are doing so, right through the customer journey? How can you make your health offering more accessible through advice, tools or value-focused products and services. Cater to those who have been financially impacted with value-bundled or tiered alternatives.



#### HELP STAY OPTIMISTIC AND FIND JOY

Consider how you can **inject more play into health and wellbeing experiences** to drive real action and engagement. Consider how could you **position healthy habits as positives rather than chores**. Position your product as a **reward for healthy behaviours**. Think about how you can help consumers by finding the simple joys in their everyday lives?



#### HELP REFLECT AND SUPPORT VALUES

With refocused and reprioritised consumer values, primarily the health of our local communities and key workers; demonstrate how you are **remaining hygiene-first** and how you're supporting local communities and healthcare services with social distancing and vaccine efforts. An **inclusive brand positioning will be important to ensure healthcare isn't seen as exclusive**.



#### HELP STAY RESILIENT AND THRIVE

Help consumers who are already looking for ways to **boost their health resilience** now and in the long run. Make sure your online services are optimised and have a holistic offering of health, mental health and wellbeing resources. Telehealth technologies will need to mature to address specific patient and caregiver needs .

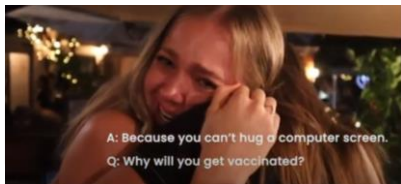


#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Help **reinforce consumers daily rituals and routines** as we move in and out of lockdown. With the reenergised importance of home as sanctuary, and in some cases home a "wellness hub", how can you help build on consumers self-care routines? Moreover, How can you support new healthy habits adopted during lockdown and new habits consumers want to implement as we start a new year?



*How can health & wellbeing brands drive demand and purchase?*



#### Pfizer Aim to Reassure Vaccine Skeptics

In January, Pfizer and BioNTech's released a series of short ads, to encourage US citizens to think more openly about the vaccine; "We want to convey the message that vaccination can help us get back to normal. We hope that the powerful images of a long embrace, a playdate with grandpa...will pull at people's heartstrings and inspire them to get vaccinated." [Link](#)



#### Budweiser Opt Out of Super Bowl to Support Vaccine Efforts

For the first time in 37 years, Budweiser will not be advertising during the Super Bowl, instead they'll donate their advertising dollars to the Ad Council and COVID Collaborative to raise awareness of the COVID-19 vaccines. Budweiser released 'The Bigger Picture' ad looking back the heroic stories of 2020 and stating their vaccination support intentions. [Link](#)



#### P&G Innovate to Quell Hygiene Concerns

P&G have innovated their product offering to address new cleaning, health and hygiene habits, launching products like the Microban 24 sanitizing spray and the Oral-B iO toothbrush. They have also elevated a range of consumer touchpoints: "We're modifying packaging so that it's clearer relative to the health, hygiene [and] clean-home benefits that our products offer," "We're educating .... [consumers] on usage occasions and helpful tips around the home ..." [Link](#)

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## **FOOD & DRINK 2021**

*Adapting to seismic shifts*



## FOOD & DRINK



## GROWTH FORECAST

**\$276,904M**

Food & Beverages segment is projected to reach US\$276,904m in 2021. [Statista](#)

## SCENARIO

### IMPACT: HIGH

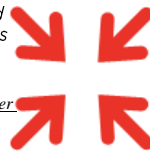
### OUTLOOK: MODERATE

*"The biggest trend this year will be the continued growth in home delivery for food and drink products as consumers look to capitalise on the convenience that services such as recipe boxes offer...the continuing lockdown measures have accelerated a permanent shift in consumer attitudes and the industry has quickly responded."*

-Mike Hancox, CEO of Yodel. [The Grocer](#)

*"Expect an expansion beyond the comfort food we are seeing now into more globally inspired bowl meals, take-and-bake dishes, and safely wrapped food to go."*

-Kara Nielsen, Director of Food & Drink, [WGSN](#)



## CONTEXT:



**Benefitted from lockdowns:** 2020 saw "calorie consumption shifting to home" as lockdown and restrictions on the hospitality trade, and it has emphasised just how important **fresh food offer is for food** and grocery retailers." [Link](#)



**Adapted to new behaviours:** Frozen and Chilled Food is the fastest growing category in terms of actual spend; sales have risen by 14%. This follows a spike in sales of fridge freezers over the summer. This shows the desire for long-lasting provisions in the current climate. Thus, consumer confidence in food supply means that there's been a decline in stockpiling. [Link](#)



**Poverty:** Child hunger will remain a huge issue as "food poverty will grow as the economy grapples with both Covid and Brexit fallout." [Link](#)  
Malnutrition has been reported to increase the severity of COVID-19 cases and might also impact the efficacy of a vaccine. [Link](#)

## CONSUMER:



**Spend varies by off/on trade:** Both small and large OOH food and drink purchases will continue to decline as cafes and restaurants remain closed. Snacking moments saw the biggest uplift during lockdown (+50%) [Link](#), but the lack of socialising meant there's been a significant decline in OOH drinks sales (beverages accounted for 75% of total OOH spend decline). [Link](#)



**RTBs:** Consumers are looking for more functional food and drink that claims to help them focus, relax, and relieve (or ideally prevent) emotional health concerns. [Link](#). 50% say they prefer foods and drink that naturally contain beneficial ingredients. [Link](#)



**Conscious consumption:** More broadly there is also a sustained trend of conscious eating, with more and more people - not just health and gym fanatics - realising the long term benefits of a healthy diet. [Link](#). We will also see the rise of the "Climatarian Diet" whereby consumer try to reduce the negative effect of climate change through food [Link](#)

## WHAT'S NEXT:

### CHALLENGES



**Growth:** A shopper needs to consume six times as much of a drink in their home as they would outside of it to contribute as much in value terms. [Link](#)

### OPPORTUNITIES



**RTBs:** "We are seeing a heightened demand for foods and beverages that support immune systems, enhance our mood and reduce our environmental impact, driven in part by emerging human tensions. This has provided a unique opportunity for brands to develop disruptive new products that will forever change the way we eat and drink." [Link](#)



**Health:** With wellbeing at the forefront, growth is predicted in Non-alcoholic and meat alternatives. While fresh food & drink will protect against competitive threats, established brands will have to pronounce and underline their role in 2021 & transparency is key. [Link](#)



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

Opportunities will exist in DTC, e-commerce, and delivery solutions to maintain product physical availability as customer journeys shift online. Focus on value propositions to combat the likely shift to private label but also help justify the purchase vs private label by communicating quality. **How can brands play their part in tackling food insecurity by supporting the vulnerable?**



#### HELP STAY OPTIMISTIC AND FIND JOY

If appropriate, how can you associate your brand with moments of escapism and levity through communication? How can brands position themselves **as treats and little affordable luxuries** that people need so much? And how can brands sustain their roles in people's homes post lockdowns?



#### HELP REFLECT AND SUPPORT VALUES

Food waste and carbon footprint concerns will only increase. **How can brands tackle these with packaging and purchasing innovations?** Consumers are looking for more personal control over their direct impact on the world. How can you make it easier for them to do this? How can you reflect your values in the way that you visibly support and advance local/global causes? Local sourcing and production will be an increasingly important factor people seek out when making purchases. Is there a role for your brands to facilitate community connection?



#### HELP STAY RESILIENT AND THRIVE

Consider healthier options with specific ingredients/benefits that can contribute to customers' physical and mental wellbeing. **How can brands help people acquire skills necessary to cook healthy meals and have a better understanding of food and its impact on the body and mind?**



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

Food has a special place in rituals. In lockdown people's days revolved around food, it had become the highlight and the anchor point for many. Food brands have the opportunity to maintain the prominent role beyond lockdowns. **How can brands highlight rituals surrounding their products** in communication? How can they facilitate the inclusion of product/brands in new/old rituals – even when this means evolving.





*How can brands drive demand and purchase?*



#### DUNKIN' HELP FACILITATE RITUALS

With Valentine's Day lurking around the corner, Dunkin' wants to keep rituals alive in a joyful yet expected way, with Dunkin' Marriages. Partnering with "I Do" Drive Thru Weddings, Dunkin' are hosting a competition in New York, where lucky couples will win a covid-safe drive-thru wedding on February 12<sup>th</sup>. Other rewards include \$500, free wedding photography and Dunkin' wedding merch. [Link](#)



#### CARLTON ZERO 'REWRITES THE RULES' - CLEMENGER BBDO MELBOURNE

Carlton rewrites the rules with their latest ad promoting their zero alcoholic beverage line, tapping into the growing trend of mindful consumption. *"Carlton Zero gives beer drinkers the freedom to partake in these occasions without having to worry about what comes next... through the guise of the Beer Man, who's finally free to do all the things he's been longing for... after having his beer."* [Link](#)



#### FOOD RETAILERS TRACK CARBONFOOT PRINT

With growing global concerns on our direct impact on climate change, many food retailers are choosing to be transparent about the carbon footprint of their products. For instance, Swedish grocer [Felix](#) has adjusted prices - "climate pricing"- so customers pay the CO2 equivalent of items. Moreover, [Oatly](#) has partnered with CarbonCloud to calculate and label the exact carbon footprint on their products.



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## AUTOMOTIVE 2021

*Motion on pause look set to resume*



## AUTOMOTIVE



## GROWTH FORECAST

15%

Growth in new car sales 2021. Compared to 18% decrease in 2020. Also a 16% increase predicted in commercial sales 2021, compared to a fall of the same % in 2020.

THE ECONOMIST

## SCENARIO

IMPACT: MODERATE

OUTLOOK: MODERATE TO OPTIMISTIC LONG TERM (UNEVEN REGIONAL IMPACT)

*"Whenever there's been a crisis of some form over the years, the car manufacturers have emerged at the other side stronger, more motivated and more driven to succeed. This won't necessarily apply to all areas of the business, but I do think that the majority will have embraced the opportunities with a clear focus on the future."* - [Auto Express](#)



## CONTEXT:



**On pause:** There has been a small return to the use of transit as regions experience disparate effects of the second wave. (Transit had a 15% increase In January 2021 according to Apple Transit [Link](#))



**Local:** Mobility will be hyper-local in 2021 as regions adapt at different paces to the 'new normal' [Link](#).



**Electric:** BEVs have been ratified into many government policies: they are included in China's Dual Credit Policy, the UK's ban on new ICE cars by 2030, new EU policies, and the US SAFE act mean Electric will grow at a rate. [Link](#). [Link](#)



**Diversified:** Governments have been encouraging alternative transport: more than 150 cities globally have restricted access for private vehicles. Use of Bikes looks to increase 5%. [Link](#).

## CONSUMER:



**Frugal:** In Q3 2020 over a fifth of consumers (21%) said they would like to pay less or end their car lease (this was compared to just 14% in Q2) [Link](#). All regions except China are still looking to spend less on their car than before COVID. However, planned spend on vehicles has improved across all geographies compared to earlier in the pandemic. [Link](#).



**Safety-conscious:** The risk of infection has become the primary reason for the choice of transport in 2020. [Link](#).



**Governed by policy:** China and the EU look to be the promising markets for EVs; market share in China expected to rise to 11-14% by 2022 according to McKinsey report, while European share likely to reach 12-15% by 2022. [Link](#).

## WHAT'S NEXT:

### CHALLENGES



**Infrastructure:** For EVs fuel anxiety will instead turn into charging point anxiety. The industry will have to ensure adequate infrastructure both public and private [Link](#).



**Further investment:** EV providers will also have to invest adequately in servicing capabilities [Link](#)

### OPPORTUNITIES



**The digital experience:** more than 80% of car buyers use online sources, and only 1/3 of 18-34-year-old customers would prefer to buy their next vehicle at the dealership rather than online. [Link](#).

**Electric:** There is a sense that Coronavirus might be the turning point for EV adoption as consumer demand has increased – the onus is now on manufacturers to adapt [Link](#). Capital expenditures for BEVs look to double over the next 5 years whilst investments in other vehicles decline [Link](#).



*How can brands drive demand and purchase?*



#### HELP MANAGE AND EVALUATE RISK

As different regions transition out of the pandemic at different rates **how can the Auto industry support consumers in their hygiene concerns?** These concerns are prevalent throughout the whole customer journey: from prospecting, to buying, and to servicing. The Auto industry can also position itself a necessity to those in high-risk groups who want to adapt to the new normal, while avoiding risky places like public transport.



#### HELP STAY OPTIMISTIC AND FIND JOY

How **can Autos position the car as a vital necessity** to allow consumers to return to the activities they love? This return to a semblance of normality will be a valuable time for automotive and mobility brands to promote alternative uses of vehicles. As regions emerge from lockdowns at different rates how can your brand encourage joy for all?



#### HELP REFLECT AND SUPPORT VALUES

As EVs become more prevalent and front-of-mind for consumers both they, and traditional ICE brands, will have to consider their environmental credentials. How **can brands facilitate consumers' growing awareness of sustainability**, even if your product is not an EV? Consider that EVs are not the only option for the future; and other options like Hydrogen cells continue to have technological advancements.



#### HELP STAY RESILIENT AND THRIVE

Automotive brands have the challenge of balancing: environmental concerns alongside the eagerness of consumers to return to normal; and the pollution that entails. **How can brands facilitate a return to normal life, without encouraging a return to normal emissions levels?**



#### HELP MAINTAIN OR DEVELOP NEW HABITS AND RITUALS

The disruption of both the mobility and travel sectors due to the pandemic gives brands space to encourage new rituals; **how can your brand highlight rituals around local areas, environmental behaviours, and continued hygiene vigilance?**



*How can Automotive brands drive demand and purchase?*



#### FORD - 'RAISED BY GOATS'

Ford UK's ad for their Ford Bronco Sport SUV shows how the car 'goes over all terrains' - and is the vehicle for someone who is thriving and exploring. The ad hints at Ford's traditional brand image of making small and sturdy cars, by positioning the car as a horse, which has in fact been raised by goats - it has all the physical glamour of a horse but the grit of a goat. [Link](#)



#### VOLKSWAGEN - ELECTRIC SUV

Volkswagen America's ad for their new Electric SUV positions the car in context of history, showing how the vehicle is the product of thousands of years of human progress. The visually compelling ad is a nod to a more inclusive positioning; and includes the line 'history is made when it's made for everyone'. [Link](#)



#### AA - 'LOVE THAT FEELING'

British Motoring Association the AA launched a campaign which encouraged motorists to get back in the car and rediscover the joy of driving in the aftermath of lockdown. The ad shows brand mascot Tukker remembering the feeling of being on the move, and lightheartedly communicates the feeling of freedom created by driving. [Link](#)

**What next?** If you wish to explore how these drivers might help increase demand for your brand, we have devised a question guide to help get you started.

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**RISK**

**Helping consumers manage and evaluate risk:**

HEALTH RISK

Can you evolve your product and retail solutions to meet customers' needs (which will differ on an individual basis) in terms of hygiene and social distancing?

FINANCIAL RISK

Can you help people manage financial risk by offering advice, tools or value-focused products and services that cater to those who are being prudent in their spending?

SUPPORTING THE VULNERABLE

How can you support those who are more exposed to risks?

FLEXIBILITY

Can you offer flexible solutions that can help customers accommodate uncertainty?

**OPTIMISM**

**Helping consumers stay optimistic and find joy**

LEVITY & ESCAPISM

Can you offer customers a moment of entertainment and distraction with your product experience or communication? Can you inject play into the brand experience?

OPTIMISM

How can your brand or product help people to look on the bright side? Can you encourage celebration and find hope amidst the gloom?

TREATS

Is there an opportunity to position your product as a little luxury or a much needed small reward in the turbulent context?

**VALUES**

**Helping reflect and support consumers values:**

NEW FRONTLINE HEROES

How can you support and celebrate the new front line heroes?

SUSTAINABILITY

How can you maintain your sustainability commitments and help people act on theirs in the challenging economic context?

DIVERSITY AND INCLUSION

How can you promote inclusion in your own business, in your sector and in the society as a whole?

LOCAL COMMUNITIES

What role can your brand play in supporting local communities and helping them thrive?

**RESILIENCE**

**Helping consumers stay resilient and thrive:**

SELF-CARE AND THRIVING

Is there a role for your brand or product to help people maintain physical and mental well-being?

SKILLS AND TOOLS

Can you help equip people with skills and tools necessary to thrive in the context of constant uncertainty and disruption?

**RITUALS**

**Helping maintain or develop new habits and rituals:**

NEW RITUALS AND HABITS

Can you encourage, facilitate or create new rituals that help people meet their needs in the new normal context?

MAINTAINING OLD RITUALS AND HABITS

Can you facilitate or encourage maintaining rituals that have been disrupted or made difficult by the current context?

**What next?** If your category of interest is missing, please reach out to the BBDO Knows team.

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### ABOUT BBDO KNOWS

BBDO KNOWS is a planning resource for the BBDO network.

BBDO KNOWS offers thinking, strategy, insights and inspiration on key categories, key themes and consumer segments

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