

COVID19 Analysis Consumer Products



Facts & Opportunities

Consumer products summary.

Consumer products will be one of the main concerns of households as they remain indoors. At the **top of that list will be food** followed by other necessary household items like cleaning and laundry materials. Included in this category, for many households, are items to keep people busy like children's toys and arts & crafts goods.



Marketing Strategy

Similar to healthcare products, marketing for consumer goods **requires a balance between what is needed without emotionally manipulating consumers. Consumers will buy the basic necessities** but they will also look for other **things to keep them happy and entertained**. Advertising for consumer brands should remind consumers but not drive them to purchase.

In recent weeks, **some brands have stopped their campaigns**, simply **because they went against the symbolism of social distancing**. For example KFC suspended a campaign that featured people licking their fingers after eating the chain's fried chicken. Small changes and adaptations such as these will make a big difference in the long-run.



Industry losses

Gains and losses in this segment will be determined by the necessity of each item in **day-to-day life**. Canned and storable goods will be top priority while fresh products will try to be reduced as much as possible. **For brands**, losses will come in the form of **donated products, price cuts and discounts**.



Social Media Rol

Depending on the product type, **Facebook, Instagram, Snapchat and even Pinterest** work well as marketing tools. In most cases, focus should be more on **reach and awareness as conversions** will come naturally, especially for necessary products.



Market notes

From the beginning of the outbreak, **there have already been multiple stories of people hoarding consumer products**, most notably **toilet paper**. In the U.S., this is translating to increased sales (as a whole) for grocery chains. Retailer Costco, for example, reported a 13% increase in Revenues through the month of February.

In Spain, there has been a +100% increase in purchases across most categories, which is driven even higher for consumers who are very concerned.

Sample companies



Have you started doing any of the following specifically to protect yourself from COVID-19?

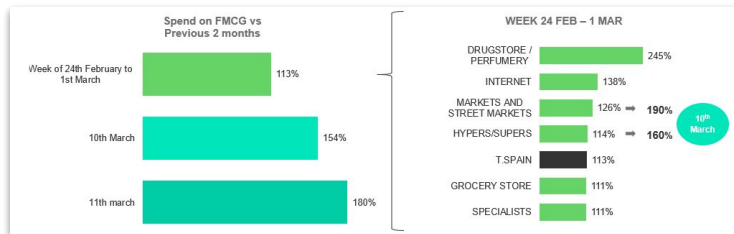


Source: Ipsos

Consumer products



Upturn in household consumption due to coronavirus effect highlighting spending on drugstore/perfumery, hyper/super and Internet



Source: Kantar

Spend Increment of Household Items in Spain

	Total population	Too concerned
Total FMCG	113%	116%
Total food	113%	115%
Food and beverages	115%	121%
Dry food	115%	118%
Conserves	122%	138%
Milks and shakes	119%	119%
Drinks	109%	119%
Waters	121%	167%
Frozen	100%	104%
Dairy derivatives	119%	130%
Cheeses	115%	125%
Bakery / pastry	105%	120%
Cooked dishes	114%	143%
Perishable fresh	112%	109%
Total drugstore	122%	132%
Bleach and bleach with det	153%	161%
Household cleaners	141%	154%
T. cellulose household	129%	145%
T. pet food	112%	118%
T. beauty	128%	130%
Hygiene	142%	155%
Hand soaps	250%	324%

Source: Kantar

Some tips from our Team.

Short Term

Transparency and empathy will be key in all forms of communication with customers, from online interactions to receiving feedback. The objective should be to survive the crisis but not at the expense of people, their health and their resources.

Mid Term

Remaining relevant and top-of-mind with customers, ensuring that their needs can be fulfilled. This is also a great time to start assessing the different channels of marketing and sales, and whether you are present at every touchpoint.

Long Term

Brands will have to plan on how to recuperate from these setbacks. The positive side is that the crisis is occurring early in the year which gives brands time to readjust their strategies to move forward stronger. Marketing investments will have to be flexible and adaptable, and contingency plans should be set in place to mitigate any future crises.



How brands are reacting.

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