



# InfluenceXXI BRAND DASHBOARD

Brand Trust and the Covid-19 Pandemic

Kenya Edition, September 2020

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# Introduction

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Since the onset of the COVID-19 pandemic, an increasing number of consumers now have a wide array of products and services to choose from. In such a fiercely competitive environment, brand trust has become a significant competitive differentiator since it is one of the greatest influencers of consumers buying.

According to PwC's Consumer Insights Survey (2018), 14% of respondents indicated the component of trust as their primary reason for choosing a seller. Another survey by the Edelman Trust Barometer (2019) ranked brand trust as one of the top five buying criterion with 81% of respondents citing that they need to be able to trust a brand in order to buy from it.

The COVID-19 pandemic is creating a new reality not just for the consumers but also for brands. Ever since its global outbreak, significant research studies corroborate a looming crisis in trust associated with brands. Moreover, extensive research has been carried out to explore and understand consumer sentiments towards brands in times of the current pandemic. Some of these studies have measured how consumers felt about brand communication and strategies and how these shapes their perception of certain s well as current and future levels of trust. From these studies, we can draw logical conclusions pointing to the evolving nature of brand trust in the times of a global pandemic compared to past years.

In order to comprehensively understand the impact of this crisis on consumer trust in brands, Newmark Analytics carried out a survey to test key factors that contribute to brand trust among Kenya consumers amidst the COVID-19 pandemic. Our findings from the 218 online interviews are highlighted in this report.

# THE IMPACT OF COVID-19 ON THE CONSUMER



# Glance at the Kenyan consumer

The COVID-19 pandemic has drastically altered consumer behavior as people around the world utilize online and unconventional consumption techniques during lockdown. While the current lockdown measures are gradually easing all over the world, uncertainty around the spread of the virus continues to shape consumer attitudes toward the goods they purchase.

In Kenya, the pandemic has created a greater interest in local products from consumers. Our research found that 61% of consumers have experienced an increased interest in locally available goods during this crisis. Besides the financial constraints, another driver for this interest is that consumers want to support local vendors and businesses during this current economic crisis.

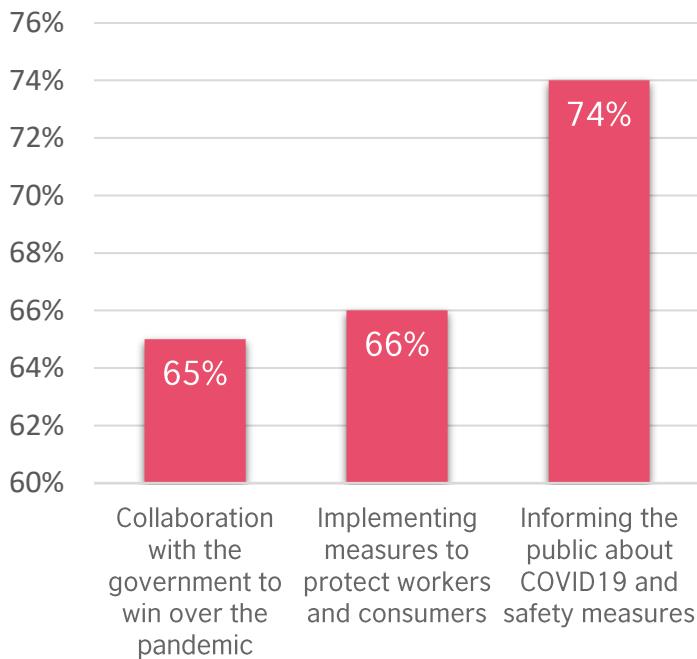
From the research, 43% of respondents said that their purchasing choices are currently influenced by the goods' country-of-origin as they worry that goods exported from countries with high infection rates could pose a safety risk.

Furthermore, 59% of respondents stated that they have recently started using a new brand because of the innovative and/or empathetic way it has responded to the pandemic. 76% of those surveyed are increasingly turning to brands that they are sure they can trust during the pandemic.

Research therefore suggests that consumers are no longer concerned about the product experience, rather have growing concerns regarding the customer experience that brands promise, and more so the brand's impact on society.

# COVID-19 Brand Response Perception

Table 1. Gauge on brand initiatives in response to the COVID-19 pandemic.



The research indicates that during this crisis, consumers expect brands to actively lead in the fight against COVID-19 by providing more local support and solutions. These consumers have a strong affiliation to brands that are all about increasing community resilience and recovery during and post pandemic.

Currently consumers are placing more importance on brand activities which assist others. The study indicated the possibility of a new set of expectations from consumers regarding brands role in make a positive impact on communities. Thereby, brands are required to have a “people-focused” approach as opposed to the “business as usual” paradigm during this crisis.

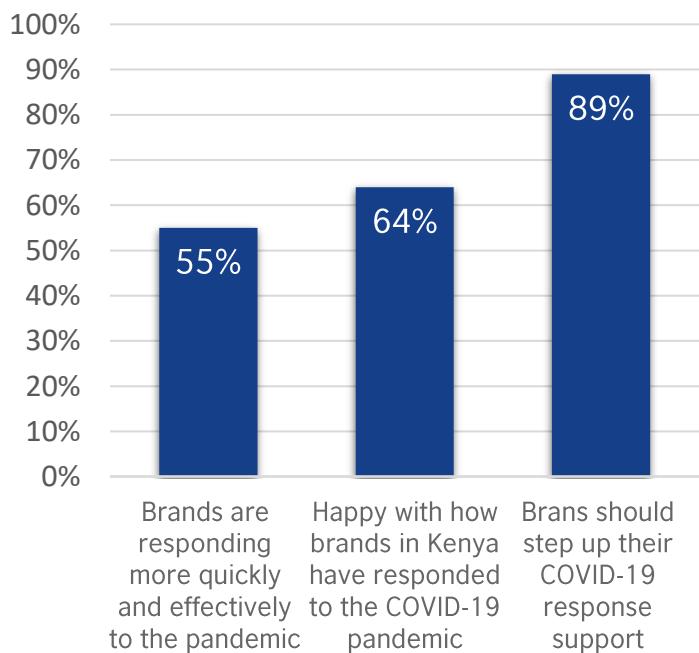


Table 2. Gauge on how well businesses are performing in response to the COVID-19 pandemic.

# CONSIDERATIONS FOR BRANDS TAKING ACTION



# 1. Maintain Transparency

The COVID-19 pandemic has undoubtedly tested brands' commitments to their employees, environmental and social issues.

As financial difficulties caused by the pandemic strain brands, consumers are using brand transparency to scrutinize the ability of these brands to honor their commitment. Consequently, brand reservations to publicly disclose their current practices and operations could read negatively for consumers.

The pandemic has placed brands in an increasingly crucial position which is embracing transparency. The call for transparency is now on how brands are treating employees and supply chain partners or workers, processing facilities and raw materials sources, what brands care about beyond the profit motive, and measures in place to ensure consumer safety.

A study by Label Insights (2016) found that 94% of consumers are likely to be more loyal to a transparent brand. During this age of information, consumers want more than just the required product or service information rather they demand stronger communication efforts on transparency.

Currently, trust drivers are a brand's purpose and social good as consumers continue to show a greater preference for localized businesses and brands. Secondly, they are more interested in value for money, provenance and product benefit. Therefore, this would drive a need for greater transparency and supply chain traceability.

Findings of the Research:

**41%**

Expect to receive more transparency in the supply chain procedures during this pandemic from all industries, especially in food products.

**82%**

Are more interested in the measures being taken by brands and businesses to ensure their safety during this pandemic.

**35%**

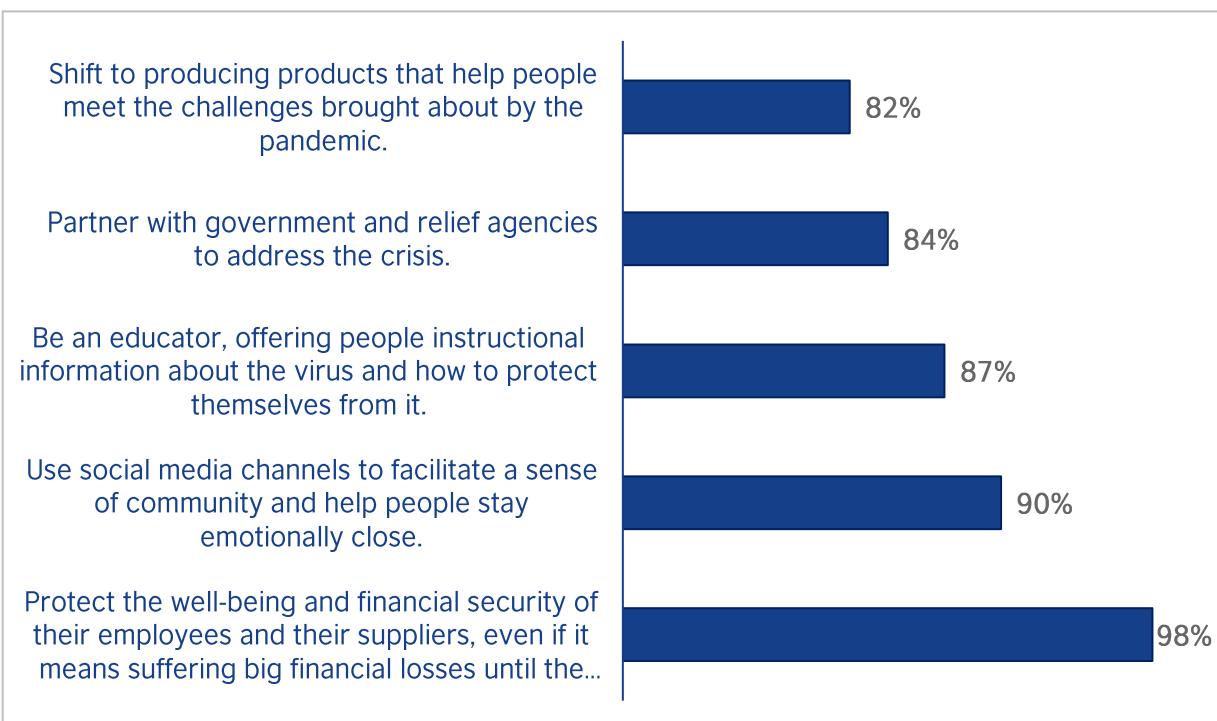
Believe more needs to be done by brands to ensure transparency in their supply chain and keep their consumers safe.



## 2. Join the fight against the pandemic

Many businesses have shown incredible resilience in the face of adversity. In spite of the difficult times, these businesses have managed to serve their customers. Likewise, brands and task groups have continuously received recognition from the government for active involvement in the fight against the pandemic.

Brands are crucial in winning the fight against this pandemic. Some of these brands are augmenting the efforts of governments, while others are filling gaps which might have otherwise have been left unfilled. Here is a round-up of some of the activities and initiatives that brands should undertake to earn trust:



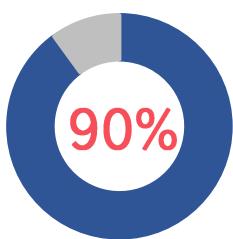
\* This is a key factor on whether a brand will earn trust or keep trust from consumers

### 3. Communicate as per the context

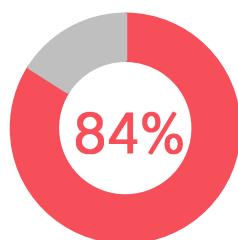
The COVID-19 pandemic has dominated the news causing a lot of uncertainty and changes globally. In the context of this uncertainty and people's lives now constantly changing, brands should always examine ways they can respond effectively as well as add value.

For a while now, brands have steered off from being perceived as opportunistic causing them to be reluctant in mentioning the pandemic at the risk of appearing as though they are profiting from the crisis. However, research indicates that this crisis has birthed a communication opportunity for brands to share empathetic communication aligned at encouraging and supporting people.

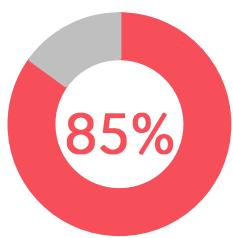
However, brands need to extremely cautious in ensuring their communication is both safe and relevant. On the question of expected communication during this crisis, here is what consumers had to say:



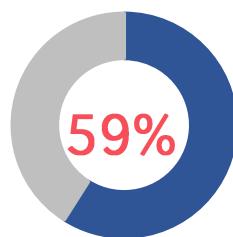
Want brands to keep the public fully informed regarding how they are supporting and protecting their employees and customers.



Said hearing from brands they use about what the brand is doing in response to the pandemic is comforting and reassuring to them.



Expect brands to expressing empathy in their communication; should talk about the products or services in ways that show they are aware of the crisis and the impact it is having on people's lives.



Disagree that all of the communications getting from brands about the pandemic are just adding to their anxiety and concern.

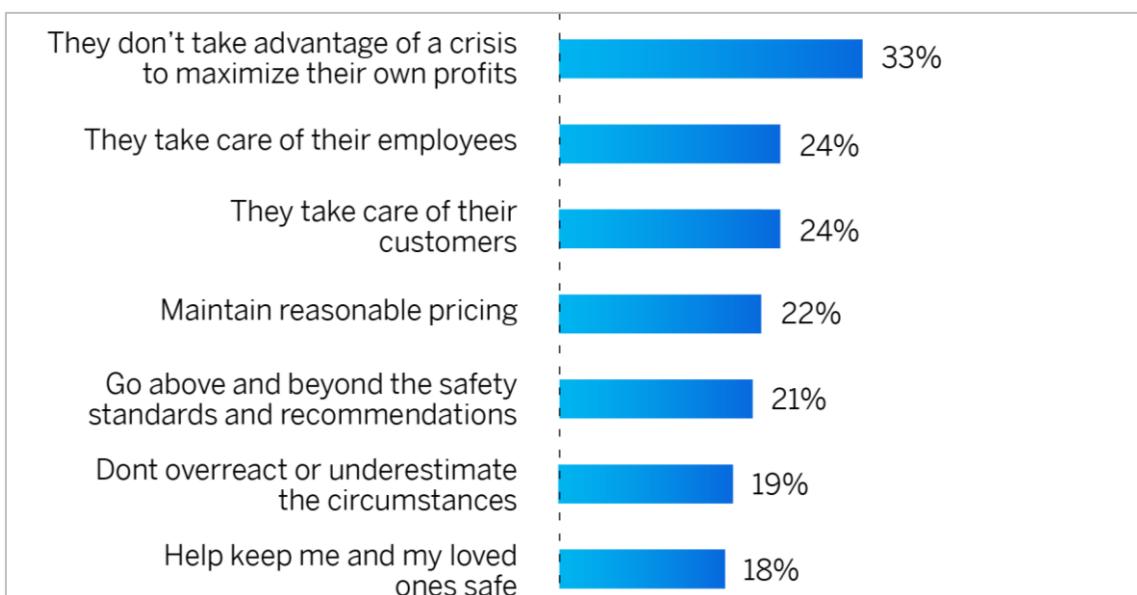
# IMPACT FOR BRANDS





# Factors that make consumers trust brands more in the mist of COVID-19

Table 4. Qualtrics 2020 COVID-19 Brand Trust Pulse



A study by Qualtrics (2020) found that, when asked what factors make consumers trust brands more, the top three factors were on the well-being of customers, the well-being of employees, and refraining from using the crisis to make profits.

Building trust in a time of crisis can make or break a brand and as such organizations are improvising and making difficult decisions that will ultimately have lasting effects on their brands.

# Brands are held at a Higher Standard

Before the pandemic, 2 out of 3 consumers did not trust most of the brands they purchased from (Edelman Trust Barometer 2019).

At the time market competition was increasing in every sector, more brands were suffering from incidents that damaged their reputation. Whether this was failing to protect customer data, product safety issues, poor management or legal challenges, all of these factors impacted how consumers trusted brands.

During the COVID-19 crisis, the key attributes that underpin trust in a brand are different compared to a year ago. Recent research has found that as people adjust to the new reality, **65%** of consumers indicate that during this pandemic, **brands' actions have a significant impact on their trust in that brand.**

Brands must therefore establish relief mechanisms inclusive of actions they can take. These mechanisms must be consistent with their values, purpose and abilities.



# What Should Brands Expect From Consumers In This Crisis?

Turning to Brands they trust

**76%** People are increasingly turning to the brands which they are sure they can trust in this time of crisis.

Brands' response to pandemic is influencing purchase

**59%** have recently started using a new brand because of the innovative or compassionate way they have responded to the pandemic.

Brands' response to pandemic is influencing future purchase

**44%** Have stop using a brand that they felt was not acting appropriately in response to the pandemic.

**71%** Indicate that how well a brand responds to this crisis will have a significant impact on their likelihood to purchase from that brand in the future.

Future of Brand Trust at Risk

**66%** indicated that Brands and companies that they see placing their profits before people during this crisis will lose their trust forever.

# Summary

The COVID-19 pandemic has drastically changed the way we think, behave and consume both locally and globally. While we remain hopeful that the pandemic will one day become a thing of the past, the effects caused mentally, financially and economically will be felt long after the crisis ends. In the business world, the current realization is that this crisis is rapidly changing consumers' relationships and expectations of brands.

Currently, at the core of every brand longevity is – TRUST. Hereby, brands need to understand how consumer decisions are influenced by the virtue of trust and how their response during this crisis can either positively or negatively influence impact the same levels of trust. Brands that respond to this crisis with compassion and solution-based mechanisms are more likely to that add value to consumers lives creating a pathway to reinforcing trust. To this end, this global pandemic has tested brands, their leaders and allegiance to people over profit. Brands that have been intentional in adding value to their customers have earned their trust ultimately ensuring their sustainability. The roadmap to creating and maintaining trust is clear:



## Step up and help

Brands have a critical role to play in fighting this pandemic, not just in helping their own customers and employees, but the world at large.



## Don't act alone

There is strength in collaboration. To truly help people during this crisis requires a joining of forces with others, most critically government.



## Solve, don't just sell

Brands should innovate in the public's best interest; focus should be placed on producing products that help people meet their pandemic-related challenges



## Communicate with empathy and facts

Communicate with empathy and facts as people are being reassured by positive brand actions and commitments.

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