

Brands during the Covid-19 pandemic

18.06.2020 5 min read

Authors

Antonella Carminatti

Tathyana Milana Candu

The development of the internet has undeniably changed the relationship between brands and consumers, and communication that was previously carried out mainly by traditional media now takes places predominantly on the internet, especially through digital influencers and brands' social media profiles. The simplicity and spontaneity of social media allows brands to establish and carry on a direct conversation with consumers who, in turn, have also become more connected and attentive and are looking for brands that not only meet their needs, but also adopt positions consistent with today's world.

Characteristics, Behavior and Values that Today's Consumers Look For

Besides the characteristics and quality of the products and services offered, consumers now take into consideration the positioning, values and principles adopted by brands as institutions. Social, environmental and diversity causes are among some of the important factors noted by the consumers.

It is no wonder that, in recent years, organic, sustainable, eco-friendly, cruelty-free brands have been gaining more space.

A study carried out by Alison Angus and Gina Westbrok of Euromonitor International in 2019 (before COVID-19) identified the following postures in the main global consumer trends for 2020: "we are opening up to other abilities", "we want to use our resources better" and "we are fighting for clean air".

According to the study, "companies are reframing their products and services to be more accessible to everyone, representing individuals beyond the mainstream and helping to reduce prejudice around diversity and differences".

The study also points to greater awareness among consumers who are more concerned with the reuse of products, in supporting sustainable and environmentally-conscious businesses.

When analyzing the ranking of the most valuable brands of 2019 in Brazil, consulting firm Interbrand noted that "for 2019 we consider two growth levers: Consistency and Engagement", and highlighted the Brazilian brands NATURA and SKOL as "those brands that have appropriated very clear causes over the years, generating affinities, strong emotional bonds and long-term value".

Strategies in times of pandemic and their impact on consumers

The pandemic we are facing is the first of the digital age and has brought another aspect to consumers' attention: the humanity of brands. In these

times, where everyone is united in the goal of finding solutions to Covid-19, the purpose of brands and their attitudes towards society are extremely important. It is time for brands to think not only about their individuality, but also about their role in the community. This is undoubtedly a challenge, which brands can look at as a way of maintaining, reinforcing and/or developing solid values, which consumers will perceive now more than ever.

A number of brands in Brazil and around the world have already announced measures they have adopted to help the community overcome the difficult and unprecedented situation that we are facing. The brands had to be agile in finding creative solutions that could help raise awareness and fight the pandemic. Some of the actions brands have taken include changes in logos, manufacturing products to assist in the prevention and treatment of the disease, and donation of money.

Companies like Mercado Livre and Audi have made changes to their brands aimed at drawing attention to the importance of social isolation. Other companies such as

L'ORÉAL

and

ambev

have announced solidarity plans for the manufacture and distribution of alcohol-based hand sanitizer, in addition to other measures to help needy communities. BR Distribuidora donated more than 20 thousand liters of ethanol to universities in Brazil to produce 70% alcohol. Besides donations to projects that support the fight against Covid-19, companies like



and



have announced measures to help their employees.

A recent market survey conducted by the Croma Insights Research & Data

Analytics Institute to investigate the behavior of Brazilians in the pandemic found that, of the interviewees:

- "89% state that the impact of brands' attitudes during the pandemic is positive"
- "62% say it makes them want to consume products or services from these brands, indicating possible post-pandemic loyalty"

These numbers only reinforce that the institutional strategy adopted by the brands will, from now on, be even more significant to consumers.

In addition to watching brands' initiatives to help the community, consumers have been paying attention to their partnerships and marketing strategies during the pandemic. In the past few weeks, a Brazilian digital influencer, with more than four million followers, held and posted a meeting with friends at her home during the pandemic. The meeting generated a lot of criticism from her followers, who demanded that brands sponsoring the influencer take a position. In response, several brands reported that they had terminated their contracts with the influencer, since they do not agree with behavior that encourages conduct contrary to social isolation. This example highlights the fact that consumers are paying attention to the institutional values transmitted through brands. The conclusion is that brands should exercise great caution when associating with third parties. It is important not only to carry out checks into third parties' history, but also to ensure that contracts contain provisions to prevent conduct that could harm the brand's image, and establish penalties allowing the brand to act quickly to dissociate their image from partners that engage in inappropriate behavior.

Last month, a complaint made by CONAR, the advertising industry's self-regulatory body, to a Brazilian country singer received much attention in the media. The complaint involved alleged excessive consumption of alcoholic drinks during a live with millions of views. This is a good example of conduct that can have consequences for the image and reputation of brands that are associated with this kind of event.

Once again, it is up to the brands to be very careful when entering into marketing partnerships, making use of contracts and clear guidelines on the conduct required of the marketing partner, which must comply with all applicable regulations and legislation.

Re-Signification: the Path Forward

The world has changed and brands must be in constant movement to adapt to the needs and perceptions of consumers. Over the past few decades, the market has shown that consumers are concerned about values, especially at present. It is essential that brands find their space and re-signify their position. The pandemic must be faced as a challenge, but also as a possibility for brands to re-think their objectives and put those objectives into practice. Companies can add value to their brands through measures that endorse collaboration and a sense of community.

However, in the same way that interaction with consumers has become more agile and simple, consumers react more quickly to brands' behavior. In

order to mitigate risks, brands should take preventive steps to ensure their integrity and protect their image, avoiding unnecessary damage. After all, brands are very valuable intangible assets: in addition to transmitting values, they give identity to a company's business and thus has an extremely strong influence on consumers' decision-making processes. Even in times of crisis, brands show themselves to be an indispensable instrument for companies. Ensuring brands' integrity is crucial to reframing and maintaining market strength.

Would you like to have our content delivered directly to your inbox? **Sign up here.**

—

Have a look at our content hub

Image: Pressfoto/Freepik

› PROFESSIONALS

Professionals who combine legal insight and market perspective



Antonella Carminatti



Tathyana Milana Candu