



Understanding impact on consumer behaviour due to COVID-19

**Consumer markets sector
(FMCG, durables, retail)**

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Foreword

The COVID-19 or the novel coronavirus disease began in December 2019 and by March 2020, the World Health Organisation (WHO) officially classified the disease as a pandemic¹. Since then it has escalated into a global health and an unprecedented economic crisis. Both the public and private sectors have struggled to manage the impact of the pandemic on trade both at home and at global scale.

Many organisations across industries such as tech, auto and transportation saw ripple effect of supply chain disruption on day to day operations and earnings while many industries such as retail and banking, responded quickly by pivoting to digital channels to maintain their connect with customers. Regardless of industry and category, the profound effect of the pandemic on consumer behaviour could be felt. Consumers quickly changed their spending portfolio increasing the spending initially to stockpile essentials and then drastically reducing spend in several other categories such as public transportation, restaurants, etc.

This has left organisations across industries, geographies, sizes wondering how to respond to the shifting consumer sentiment and whether this behaviour is transitory or the new normal. Hence, understanding this behavioural shift has become all too important for businesses. And, it begins with listening closely to the market and the consumer conversations before making any design changes to strategy, product, service or experiences.

KPMG in India's design thinking practice is engaged in making efforts to evangelise design led thinking and support organisations in their journey to design human centric experiences. In today's context, this means empathising with the customer to understand how their needs have changed.

In this point of view, it is our sincere effort to provide you with a picture of behavioural trends that have the potential to last medium to long term. The report aims to introduce what we believe to be the ten key behavioural shifts and examine its implications across the key sector of consumer markets sector (FMCG, durables, retail).

We hope you find the contents of this point of view insightful and this helps you observe your customers closely to capture their changing motivations and needs. We would welcome the opportunity to discuss how you can capture these insights for customers specific to your organisation or your industry to build a resilient business aligned to the post-COVID-19 world.



1. World Health Organization (WHO) Press Release, Director-General opening remarks at media briefing on COVID-19, 11 March 2020

About this point of view

This point of view offers an opinion about the impact of COVID-19 on consumers and analyses the behaviours induced due to the pandemic. This document particularly views the consumer behaviours in context of the Indian market. It further assesses implication and opportunities of these behaviours across consumer markets sector (FMCG, durables, retail).

Our reason to pen this point of view

Since the pandemic has reshaped our lives from how we shop, travel, work to even how we breathe, we believe this reorganisation is going to have a significant long-lasting impact on the way businesses design products, services and operate as well as engage with customers in the future. Hence, it is our intent to share the behavioural changes that will be pivotal in shaping the businesses of the future and will act as a guiding map for brands to start redesigning their strategy, product, services and experiences.

Our methodology of research

The research methodology used in this point of view is exploratory research. Exploratory research methodology provides flexibility in the findings for topic of this nature that is evolving and changing as we speak. The above method is coupled up with trend analysis, our experience and several conversations with clients across industries who are navigating their businesses through this challenging time.

How to read this point of view

The first section, Introduction, sets the context around importance of tracking consumer behaviour change. The second section, shifts in consumer behaviour as a result of COVID-19, highlights the consumer behavioural trends we have observed in the market classified under five pillars of KPMG's Five My Framework² i.e. My motivation, My attention, My connection, My wallet and My watch. These behaviours and their interconnection between each other are then analysed and summarised in 10 key behavioural shifts of significance. In the third section, we examine the implication of these 10 key behaviours on consumer markets sector (FMCG, durables, retail). In the subsequent section, we conclude with three key design opportunities for the industry.

Takeaway for readers

As you read this point of view, you will be able to note key behavioural trends brought by COVID-19 that will likely stay medium to long term. It will help you analyse how this impacts your business and identify redesign opportunities as a result of that.

2. Me, my life, my wallet, KPMG Global Customer Insights, September 2017

I. Introduction

We would like to begin by acknowledging that given the magnitude of COVID-19 crisis, no amount of analysis, research and foresight can accurately predict how the post- COVID-19 world will shape up. However, it is our endeavour to share with you our point of view to the best of our judgement, while at the same time accepting that our understanding of markets and consumers are evolving in real time. The general tendency to overstate the permanence of impact of a crisis or a shock is not lost on us.

As we come to terms with the insurmountable impact of the COVID-19 pandemic, we start to see how it has reshaped the world economically, socially, geographically and even politically. The impact can especially weigh down on the growth of a developing country like India. Despite imposing one of the strictest lockdowns (starting 25 March 2020) confining 1.3 billion people³ in the boundaries of their homes, India's growth story seems to have come to a screeching halt.

The World Bank estimates India's economy to grow 1.5 per cent to 2.8 per cent for FY21, as on April 2020⁴. The human cost of the pandemic is far more disheartening with an estimated 14 crore people losing employment, nearly 40 million migrants losing their livelihoods and 45 per cent households reporting a sharp income drop.^{5, 6}

3. "India to go into nationwide lockdown", The Independent, Adam Withnall, 24 March 2020
4. South Asia Economic Focus Spring 2020, The World Bank, April 2020
5. Centre for Monitoring Indian Economy (CMIE), Mahesh Vyas (MD CEO CMIE), April 2020
6. COVID-19 Crisis Through a Migration Lens Report, The World Bank, April 2020

Businesses, too, have been paralysed as they suspended their operations or scaled back to focus only on essentials in the last few months. Key sectors that have been hit hard are MSME, tourism and hospitality, aviation, automobile and real estate. While sectors such as FMCG, media and entertainment, banking, financial services and insurance (BFSI) will

have a more nuanced impact and stand to gain in some aspects and lose in some. Overall, 53 per cent of businesses across the country have already faced the brunt of this pandemic⁷.

No other event in the recent modern history has had a direct impact on the daily lives of 1.3 billion people of this country. It is therefore only

reasonable to say that a pandemic of this nature has the potential to leave a lasting impact on our mindset and behaviours.

An interesting way to know the collective state of mind of a nation at any given point in time, is to look at their Google search history. As of April 2020, this was what had been occupying Indian minds.



From learning how to work remotely, finding novel ways to do basic social activities, adapting to a digital way of life to being consumed by thoughts of hygiene and safety – people of India are being pushed to change their habits and form new behaviours. The science of habit formation indicates that the longer it takes for life to resume to some normalcy, the more permanent these behaviours will become.

While there is no easy way to navigate this pandemic, what we do know for sure is that in pursuit of designing policies, products, services, experiences for the

COVID-19 and post COVID-19 world, governments and businesses will have to start paying close attention to changing consumer behaviours and habits.

Businesses that will fail to account for this most critical variable i.e. consumer behaviour change, and wait for pre- COVID-19 era to return, will be left behind as the humans of COVID-19 may be vastly different from the ones of pre COVID-19. It truly feels like the end of an era.

7. Federation of Indian Chambers of Commerce and Industry (FICCI) Survey, March 2020

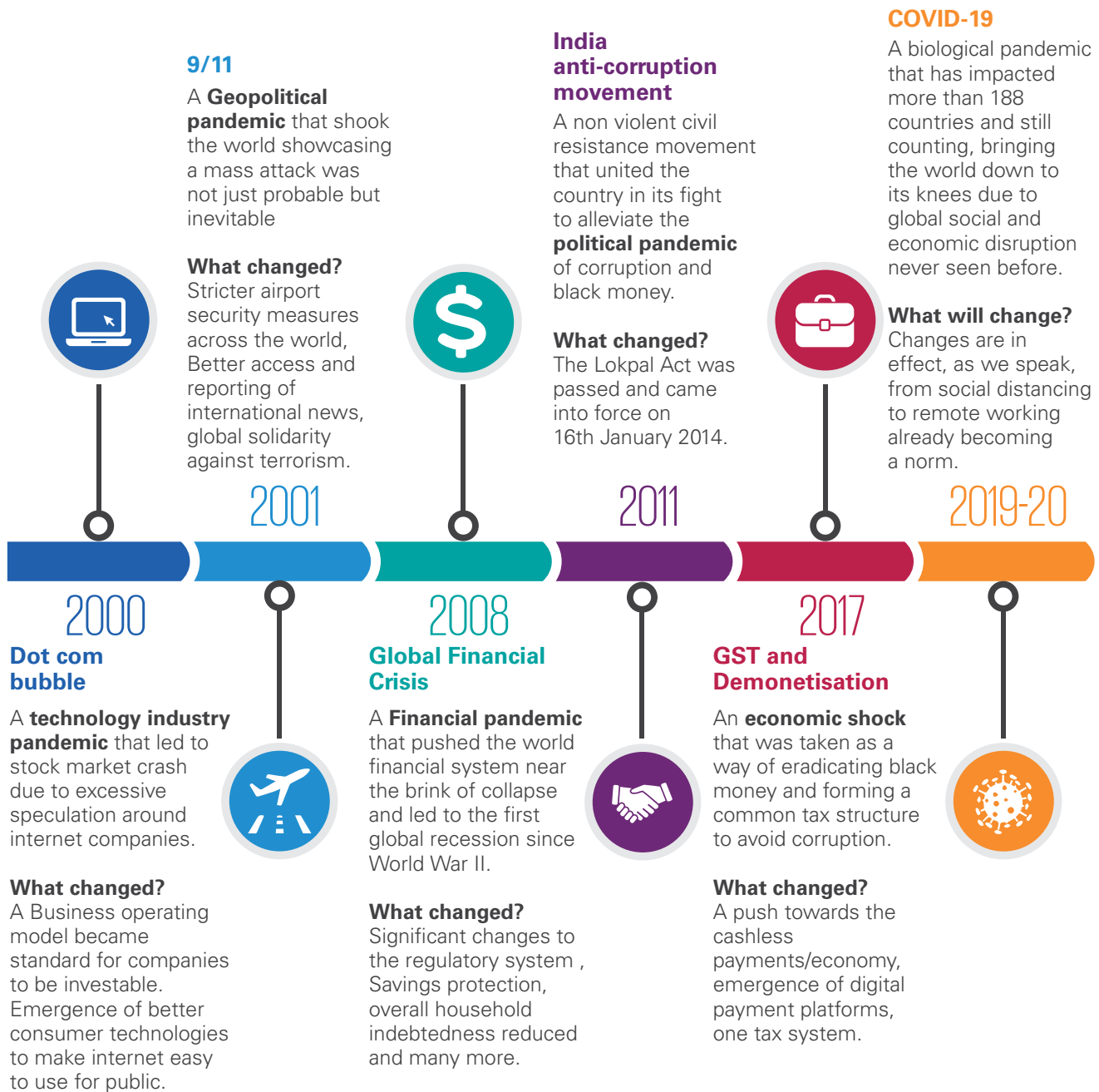
II. Shifts in consumer behaviour as a result of COVID-19

One may have heard of a famous saying "Never let a crisis go waste". An interesting truth about crises is that it propels us to examine the social fabric of our society, reveal structural weaknesses in our systems and can rip apart the definition of normalcy. A brief look back at some of the defining crises in the recent modern times can help understand how societies respond to events of disruption. It can reveal what truly matters to a population and how their lives change.

Taking a sampling of such events/ crises⁸ that induced or triggered a shift in the mindsets and/or behaviours of Indian society, culminating into a form of change implemented by governments, businesses and eventually becoming the new normal - provides us a better understanding of shifting behaviours in our current context.

8. Press search and news archives , 2000 to 2020





Each of these events and several others in history have led to some change in human behaviour and governments/businesses have had to respond with a lasting change (policy/service/experience change). Given the scale of the current pandemic, one can safely say that it will have a far-reaching consequence on humanity, more severe than other events. While some of the current behaviours may seem to be more immediate natural

fight or flight response to this shock, many of them would have seeds of permanence that will define our lives during and post COVID-19.

Governments and businesses will have to adapt to this collective shift in society and respond with policies, products, services, experiences that will be reflective of the priorities of the new post COVID-19 world. It is therefore only befitting that governments around the

world are putting together some of the largest economic stimulus packages in the history.

So, what are these behaviours emerging as a result of COVID-19? Which ones will be temporary and which ones are more likely to stay? What should businesses focus on and where do they start to prepare for during and after COVID-19 times?

Our observations of emerging consumer behaviours during COVID-19 times

To understand the mindset and behaviour that underpins decision making for consumers today, we turn to KPMG's five Mys framework. KPMG five Mys framework has been designed to help identify what consumers value in an experience, trade-offs they are making, factors that are influencing their decisions across all aspects of their lives and what are their needs today.

KPMG Five My's Framework

Characteristics

that drive behaviour and expectations.



My Motivation

Business Impact

Helps businesses understand consumer expectations from experience, service, product.

Ways we direct our attention and **focus**.



My Attention

Industry Impact

Knowing how to win customers attention can help companies invest in interactions, channels that matter to customers.

How we **connect** to devices, information and each other.



My Connection

Industry Impact

Getting smarter about how consumers connect and with whom they connect can fuel better insights.

How we balance the **constraints of time** that change across life events.



My Watch

Industry Impact

Understanding trade offs consumers make between time and money and how it changes based on new life events.

Characteristics

that make for different shares of the wallet across life events.



My Wallet

Industry Impact

Understanding consumer changing spending patterns can help redesign commercial models.

Basis our exploratory research and business experience with clients across industries, we observed key behaviours exhibited by consumers today across the five pillars outlined above. These behaviours exclude some of the immediate knee jerk reactions that may have been a result of pandemic news or initial announcement of lockdown. Here are those key behaviours:



Seeking Trust, Safety and Assurance	Phygital Experience	Contactless Interactions	Staggering of expense	Value of time
Humanising digital experience	Compassionate Communication	Sense of Community	High Value for money	Innovative thinking

What we learned from observing behaviours across these five drivers was that there were strong linkages between certain behaviours while some were, interestingly, in conflict with each other revealing the dichotomy in human mindset. Based on the following criteria, we summarised and arrived at ten key behaviours of significance –

- a. Analysis of interlinkages, as mentioned above
- b. Potential permanence or long-term prevalence of these behaviours
- c. Most importantly, the observation that many businesses may not necessarily be paying attention to these behaviours.

By sharing these ten key behaviours, we want businesses to evaluate their offerings from these behavioural lenses and ask themselves “Are my products or services fulfilling these needs of consumer today?” “Have I made adjustments to my offerings; business models based on this understanding of the customer?”.

Let’s understand these ten key behaviours in detail:

- 1. Seeking trust, safety and assurance** – The reduced consumer confidence indicates that people are seeking transparency and assurance from brands on quality, delivery, hygiene so much so that they are spending more time learning about the quality of the product and what measures brands are taking to safeguard employees, vendors and customers. Safety being a top priority implies that consumers are willing to pay more for products that promise safety. This also means pre-COVID-19 brand loyalties may get hit as consumers try new brands and products due to availability. The brands that will establish trust, safety, assurance in the minds of consumers, will stand to do well.
- 2. Humanising digital experience** – There is an obvious increase in the propensity towards accepting digital for ease of use, convenience and desire of contactless interactions. However, the tactile experience of engaging with products/ services can never be replaced by technology,

as evident by consumer behaviours i.e. seeking positive, comforting experiences, seeking human interaction, need for brand communication to feel more caring and seeking products/experiences that add value to life. Digital experiences that incorporate human touch will be desired in future.

- 3. Phygital experiences** – Consumers are spending time on multiple digital platforms, learning to engage with brands in new ways but they are also still heavily reliant on known friendly local kirana (mom and pop) stores for localised human connect and trust. It appears that a seamless navigation of physical and digital world may be preferable as opposed to just digital. This is further confirmed by an observed behaviour that there is heightened sense of awareness of physical environment, products, objects by way of paying attention to their features, make, usability, safety aspects. This only reaffirms the need for physical or tactile experience that only stores can provide.
- 4. Compassionate communication** – There is going to be a psychological impact of the time people spend in lockdown. It is observed that people are looking for ways to relieve stress by seeking distraction, some are seeking more information about the crisis and some are seeking comforting and optimistic experiences. It is not surprising that they are looking for increased communication from brands, of hope, empathy, to address questions/ concerns and be assured of safety. They expect brands to be sensitive in their tone, compassionate towards the hardship the world is facing, show how they are helping in an authentic and caring way.
- 5. Contactless Interactions** – With increased adoption of digital platforms, people are learning how to shift almost all daily activities such as working, shopping, banking, exercising, learning/ studying, socialising to a digital platform. This is also slowly building confidence in our ability to survive and potentially thrive with our social and business transactions becoming contactless. However, the need for human touch across these interactions will still always be desired.



6. **Sense of community** – One of the positive outcomes coming out of this crisis, which has impacted visibly every human life on the planet, is the sense of social solidarity that has connected people across geographies, continents, political aisle and social strata. This has led to people taking interest in how brands, organisations are taking care of their employees, helping communities which is resulting in trust being fostered in the brand. There is a large momentum to also support local origin products especially ever since the 'AatmaNirbhar Bharat Abhiyan' was announced.
7. **High value for money** – The increased expectations of hygiene and safety coupled with product availability in the market is leading to willingness to pay more. There is also an increased spend across certain premium categories, perhaps due to children, pets, senior citizens/high vulnerable group at home. Also observed is a tendency to forego price comparisons at the moment. One can argue these to be short to mid-term behaviours due to the lockdown. At the same time, there has been reduction in income due an economic downturn, significantly diminishing the purchasing power. Hence, the long term expected behaviour of the consumer is to give priority to routine expenditures and to a brand that promises safety, at the same time seeking high value out of products/services they spend on.
8. **Staggering of expenses** – With diminished purchasing power yet having to spend more on quality products, there is very likely to be a cross category battle. Consumers will lean towards precautionary savings for the future and choose to spend only routine expenditures but at a high-quality cost. This means delaying or postponing non-routine expenditures making tradeoffs by buying something of high perceived value now (e.g. personal vehicle) vs. postponing something of relatively less perceived value later (e.g. a phone next year).
9. **Value of time** – The time spent during lockdown and during COVID-19 times has propelled people to relook at how and where they spend their time. From spending more time at home with family, on unpaid work (home and caregiving responsibilities), managing work from home to exploring multiple digital platforms – TV to short entertaining digital videos, people are learning to value their time and spend it on activities/experiences that matter. This is likely going to give way to seeking products/ experiences that also add value to life and not necessarily just simply save time.
10. **Innovative thinking** – They say necessity is the mother of invention and this has been truly tested during COVID-19 times. Due to restrictions on mobility and access to various products/ services, people across the world have found ingenious ways to make things work. From making their own masks, building novel contactless devices/approaches to finding ways to help the disenfranchised during the crisis, people have solved problems through innovation. It is very likely that this frugal innovative thinking coupled with exposure to new experiences during these times will enable people to try as well implement novel ways of doing things in the future.

We believe these behaviours will likely last medium to long term in some shape or form and businesses should factor these in, as they adjust their offerings for COVID-19 / post COVID-19 times. Besides understanding these behaviours, it is also important to understand the implications of these behaviours on consumer markets sector (FMCG, durables, retail), which will help put the actions organisations should take, in perspective.



III. Potential implications of key behaviours for consumer markets sector (FMCG, durables, retail)

Consumer markets industry

comprising sub segments of FMCG, consumer durables and retail.



Overarching behaviours of significance

(These behavioural implications are common across all consumer markets segments i.e. FMCG, durables and retail)



Compassionate communication

Customers want to be heard and empathised with. This means crafting communication that feels personal. Outreach purely motivated by product marketing and targeted ads will come across as insensitive.

To build trust, brands will have to display good understanding of regional culture, tastes and devise an inclusive messaging that speaks to regional needs.

Share with your customers how you will put their health and welfare at the top, how you are taking care of your employees, vendors, workers. This will exhibit emotional intelligence and build trust.

Consumer attitudes have shifted towards being energy consumption conscious, health conscious and having a sustainable lifestyle. Brand messaging must convey support towards making responsible choices for a sustainable future



Value of time

As more time is being spent at home and with family, customers are indulging in DIY behaviour which is also an opportunity for brands to explore DIY products and services.

As extended period of work from home continues, home entertainment, home improvement, office electronics, supplies as categories will continue to get influx of attention.

Brands will need to rethink products that align with home bound behaviours. This means comfort (home bound) and quality (long lasting products) will dominate purchase behaviour.



Innovative thinking

This is a good time for brands to reinvent themselves, experiment with new approaches, customer offerings and take risks.

Engage your customers to crowdsource ideas, co-experiment to deepen your relationship and build an innovative future of your brand.

Consumers' heightened sense of awareness around sustainable lifestyle is a huge opportunity for brands to innovate on quality, resource efficient products, extending useful life of existing products, managing waste, etc.



Key behaviours

(These have specific implications across consumer market segments i.e. FMCG, durables, retail)

FMCG (food and beverages, beauty health and personal care, services) 

Trust

Assessing food quality, safety compliance and regulations across the entire life-cycle - farm to fork will be more important than ever.

 Ensure last mile delivery through building resilient systems, vendor partnerships, efficient B2B deliveries to distributors and retailers.

 Gaining trust, at the moment, is based on product availability and providing convenience (take a cue from Kirana stores who are providing ease of ordering on online chat medium).
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Phygital

Digital will remain a preferred channel for FMCG in the long run, make it more authentic by bringing elements of tactile experience (touch, see, feel, smell, taste) and multilingual capabilities to digital interactions for wider customer reach and human touch.

 To support growing digital presence, consider re purposing physical stores and experimenting with models such as click and collect or transforming stores into experience hubs or even dark stores.

 Consider redefining physical spaces with outdoor or open layouts being a safer option in the future.
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Money

FMCG being an essential category, customers will continue to spend more for promise of quality, safety, convenience as well as support local made brands.

 Average basket size has increased, and customers will continue to look for large packaging, longer shelf life that will give them higher value for money.
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Contactless interaction

A true touch less experience must be built into the layout design of the stores i.e. crowded aisles will not work. Embed social distancing, self-checkout, contactless delivery, online chat based ordering, click and collect, B2C ecommerce like model etc. in the customer journey.
 =====

Community

Empowering frontline heroes i.e. workers involved throughout the supply chain with safety and medical benefits will make the brand responsible.

 Brands should explore community selling model i.e. servicing consolidated orders of communities to meet demand with lower workforce.

 The sense of community is also reflecting in the strong preferences for local brands across all retail categories.
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Consumer durables

(white goods, kitchen appliances, computers cameras
 cellphones, home furnishing, entertainment)



Trust	Phygital	Money	Contactless interaction	Community
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Consumer demand is impacted due to supply chain disruption during peak season, brands should equip distribution channel with sufficient inventory, optimise suppliers and sub-contractor networks for assured on time delivery when pent up demand is released.

Traditionally customers have preferred In-store experience in this category, hence investing in digital must account for human elements of store experience such as tele-consultation, tech-assisted purchase, live chat, voice bots, multilingual communication, after sales service to improve customer engagement.

Tier 2 and 3 cities may continue to rely on traditional distribution set up while the rest of the market adopts online buying more quickly. Brands must rethink channel distribution costs, provide consistent and seamless experience across both direct to consumer and online channels.

Higher input cost, AMC, shutting down of manufacturing plants will push prices up but consumer behaviour indicates demand for home, kitchen, computing devices will continue to rise.

Strong consumer motivation to shift to resource efficient, sustainable, long lasting/longer use cycle durables that are value for money.

Lockdown has pushed peak summer season sale leading to pent up demand, to ease the demand and cash constraints faced by consumers, brands must provide financial support such as delayed payments, purchase against loans etc.

Enable contactless interaction on the operations side by adopting automation in manufacturing, enabling remote operations, data and analytics and creating a connected enterprise i.e. connected supply chain, connected assets, connected safety in a factory set up.

Rise in nationalistic sentiments have urged authorities to impose restrictions on overseas, particularly Chinese products and encourage locally sourced/manufactured products. Brands must weigh the cost advantages of overseas manufacturing versus serving national interests.



Retail (apparel, footwear, jewellery etc.) 

Trust

Build assurance in supply chain by planning shorter product cycles to increase inventory turnover (esp. apparel collections).



To plan safe return of the customers in stores - manage customer and employee traffic on the floor, rethink in-store trials, enable shopping by appointments, floor markers for social distancing, frequent sanitisation of inventory and store surfaces etc.



Rebuilding customer trust would need retailers to expand their definition of safety and provide safety/protection services from all angles i.e. financial, physical, emotional etc.



Phygital

Retailers investing in digital must ask themselves, can we make digital experience for customers as personal and humane as going to a store and purchasing a product is. Technology can enhance experience but cannot replace human touch. It should aim to incorporate human elements.



Make digital experience human by embedding human interactions in the digital experience that feels authentic and caring, technology to enhance the experience i.e. AR/VR supporting virtual trials, NLP enabling human like interaction.



The window-shopping mall retail experience may not return soon but it has also been a form of socialising and recreation which means retail store experience is here to stay. Focus on omnichannel experience to seamlessly move customer from store to online and back to store.



Money

To reduce costs and deliver high value for money to customers, retailers would need to optimise operations, increase automation, reconsider contracts, manage vendor payment cycles, cut underperforming stores, cut discretionary spending, re launch inventory next year or end of season.



To encourage customer spending in this category, retailers will need to incentivise customers by offering discounts, credit payments, delayed payments etc.



Customers will cut discretionary spending on this category, indicating that it will wipe out spring summer month sale for brands. The best bet for retailers is to prepare for autumn winter, when demand may open up.



Contactless interaction

To create a touch less retail, examine and rethink all customer touch points from entry, staff assistance, product packaging, payment to post exit.



Immediate implementation of technologies such as AR/VR, cashless payments etc. will assure consumers of high level of protection



Community

There is strong sense of social solidarity towards the migrant population, craft workers, weavers who have been deeply affected, retailers must demonstrate measures they are taking for their worker community as a way to emotionally connect with their customers and become a socially responsible brand.



Government initiatives such as AatmaNirbhar Bharat Abhiyan might give Indian retail boost in the long run but retailers would need to financially take care of their workers employed across supply chain for several months.





IV. Opportunities for design



Considering all the potential behavioural implications outlined in the section above, what needs to be highlighted are the top opportunities for consumer markets sector and its segments that organisations can immediately focus on. While the organisations must address all the behavioural trends and implications laid out earlier, over time, the top opportunities outlined below are immediate points of action.

Consumer markets industry

**comprising sub segments
of FMCG, consumer
durables and retail.**

Top opportunities for redesign

FMCG

(food and beverages, beauty health and personal care, services)



The heightened awareness and concern over health and food safety have given an opportunity to strengthen India's food, quality, safety system. It will involve all value chain participants and stakeholders including regulators, distributors, policy makers, agri-markets, consumers to embed food hygiene practices from farm to fork. These practices will appear in the form of policy changes, consumer communication, packaging preferences, etc.

Consumer expectations for on-time and faster delivery are here to stay and likely to grow. This presents a big opportunity for logistics to take centre stage. Organisations must focus on reducing last mile delivery costs, embedding disruptive autonomous delivery technologies, consolidating deliveries to manage high volumes, managing reverse logistics and strengthening distribution networks to continue last mile delivery.

To enhance digital experience of the future and enable it to blend with the physical experience, business would need to think about making the experience more authentic, more human. This would mean bringing elements of tactile experience (touch, see, feel, smell, taste) as well as making digital interactions more authentic by including multilingual capabilities for wider customer reach and acceptance.

Consumer durables

(white goods, kitchen appliances, computers cameras cellphones, home furnishing, entertainment)



The pandemic has accelerated consumer motivation to consider more resource efficient, sustainable and long-lasting products that will help mitigate future crises. This presents an opportunity for businesses to incorporate elements of green technology, innovate on efficiency and durable life of products, sustainable packaging and ESG (environmental, social, governance) factors.

Customers have traditionally preferred in-store experience for durables category, hence simply going digital will not necessarily enable customers to shift. It will have to be paired with bringing touch and feel factor, service element, tele-consultation /demonstrations, easy payment/EMI options, easy policies, etc. to help customers make the transition slowly.

Imposition of restrictions on Chinese products and change in policies will lead to supply chain disruption increasing cost for domestic firms. The government will likely aid and ease the adverse impact of this move and provide measures to encourage domestic manufacturing. The opportunity for business is to consider building an alternative supply chain that is resilient and self-reliant.

Retail

(apparel, footwear, jewellery, etc.)



While the window-shopping mall experience may not return immediately but it has always been more than shopping experience, it has been a form of socialising and recreation for customers. Hence, customers will continue to seek the quintessential physical retail experience while also engaging in shopping from the convenience of their home. Physical retail will evolve but not disappear and online channel will only grow, retailers that can have and provide a consistent experience across all touchpoints will survive.

To evolve traditional retail into touchless retail, retailers will have the opportunity to implement AR/VR technologies for concepts such as virtual trial, contextual marketing, virtual tours, experience new products without being at the store and create a hyper personalised experience to redefine every retail touchpoint that exists today.

The strong social solidarity towards local communities, migrant population, craftsmen and artisans have customer seeking and connecting with home grown products and services. This is a huge opportunity for businesses to source and build locally and take on international peers. While it will be an uphill battle, the customer sentiment is likely to remain unchanged for at least the short-medium term making it imperative for businesses to become local.

V. Conclusion

This is a pivotal time in history for businesses to truly experiment and adapt to the changing reality or stay still and risk perishing. The magnitude of change can be daunting and leave you feeling confused as to where do I start?

We recommend the following

1. Start with understanding your consumer today.

Leverage the consumer behaviour insights we have laid out as a map to understand which behaviours are strong and impact your business the most. Understanding the consumer will need to go beyond surveys and need to start by observing, engaging with customers and immersing in their experience through empathy studies, ethnography studies to capture meaningful insights. Even if access to customer is challenging at present, we believe we are having a shared experience as we go through this pandemic and you can dig deep into your own experiences, your employee experiences to start with. Time invested in understanding your customers today will reap rewards in the future.

2. Identify gaps in your customer experience journey

where your brand is not addressing the new needs or responding to identified new behaviours. Similarly, look at the current design of your strategy, product, services to identify opportunities for redesign that align with the new customer behaviours. Some of these opportunities will be large transformational change but many of them will be small incremental changes which, if implemented, can unlock efficiencies, cost optimisation and productivity gains immediately.

3. Involving and co-creating with customers

is going to be more important than ever. As customers experience heightened awareness of design in everyday things and everyday life, they have an acute sense of concern and awareness of what works and what doesn't. And who better to give input in your product/service/experience redesign process than the customer himself. People are also engaging in more frugal and ingenious ways to find solutions to problems; hence,

giving a voice to the customer in your design process can help you experiment with new ideas and solutions. This will also help the organisation to stay agile, nimble and experiment with new offerings.

4. Evolve measurement of customer experience

beyond NPS (net promoter score) and CSAT (customer satisfaction score) to encompass holistic experience across the entire customer journey before, during and after engagement with your product/brand/service. Each touchpoint in the journey can provide insights into pain points, delights that are not necessarily captured by traditional mechanisms of customer satisfaction.

No one knows how long this pandemic will last or how many more such crises the world will see but the lessons learnt in customer behaviour from the current situation can prepare us to build a resilient tomorrow for our brands.

Also published in this series of **"Understanding impact on consumer behaviour due to COVID-19"** on **BFSI** (Banking, financial services and Insurance). Do take a look at that Point of view (POV) as well.



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KPMG in India design thinking services

Design Thinking and strategy

- Design strategy and roadmap
- Ethnography research and behavioural insights
- Product and service design
- Design office (centre of excellence)

Experience design

- Customer and user research (CX/UX research and assessment)
- CX/UX design and management
- Service design

Culture of continuous innovation

- Design culture assessment and mindset nudge
- Design skills enablement

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