IPSOS INDIA KNOWLEDGE REVIEW 2021

CHANGE

Our Latest Thinking on People, Markets and Culture.

GAME CHANGERS

Ipsos

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From the CEO's Desk

It gives me immense pleasure to share the debut edition of Ipsos India Knowledge Review. We have launched this series to share the transversal learnings we gather through our quest to understand consumers, categories & society. Each issue will curate thought pieces written by our experts focused on a central theme. Last year, as we all learnt to navigate through the pandemic and its impact on our personal and professional lives, we at Ipsos, were focused on identifying the big shifts taking place in different dimensions of our life. All through last year we reached out to you introducing new thinking, new perspectives in India and globally.

The first edition focusses on 'CHANGE' as a theme. As you read through, you will learn about foundational influences impacting our markets and our society, which are shaping public opinion and consumer behaviour. The thought pieces included in this issue have been curated by our knowledge team, with an eye on the realities facing businesses and organizations in India. We believe these perspectives can also inform the strategies you are working on, in response to the on-going crisis.

We would be happy to hear from you and extend this exchange of ideas. Here is wishing you a great rebound in 2021.

Amit

Amit Adarkar
CEO, Ipsos in India

Foreword

One of the big lessons the last 18 months has taught us is the need to be cautious about making grand predictions about the period that lies ahead.

The speed with which the coronavirus crisis unfolded moved our immediate horizons much closer. Governments, businesses and individuals had to quickly shelve any plans for the coming year and focus instead on the coming week. Our interconnected world may have been instrumental in the spread of the virus, but attention shifted fast to what was happening within our own borders and what we needed to do in our own country to get through this.

It's clear that recent experiences have prompted many changes that were already taking place to be further accelerated. At the same time, it is by no means a simple task to identify what really has changed for the long-term and what may be more temporary phenomena.

Ipsos' research during this time has underlined some of the dynamics at play. Public opinion around the world has shown real volatility. Meanwhile, public expectations as to when we might see things return to 'normal' are still retreating into the distance. Wherever we are, whatever we are doing, it can feel difficult to make a detailed plan for the future.

At the same time, some things are clear. We face a climate emergency, and different responses will be needed in the years ahead. Education levels are rising, but inequalities are often growing too. Technological advancements continue, as do questions about whether data and AI can be a power for good. Our lives will continue to be shaped by a heady mix of what's happening globally and our own environment closer to home.

Our role is to help you stay close to these evolving dynamics, and this collection has been developed in this spirit. It has been specially created for our clients based in India. We draw on ideas and perspectives emerging from our work around the world, alongside our observations on how India is changing. It finds our team in a reflective mood, as they consider India's new realities and new uncertainties. In doing so, they take us on a guided tour of the questions we all need to be asking in our quest to make better sense of how society, markets and people are adapting to today's pressures.

Simon Atkinson
Chief Knoweledge Officer, Ipsos

IPSOS INDIA KNOWLEDGE REVIEW 2021

- **C** Changing Priorities
- **H** Health & Well–Being Redefined
- **A** Adapting to New Realities
- **N** Nationalism on the Rise
- **G** Going the Digital Way
- **E** Evolving Ideals

GAME CHANGERS

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Why Change?

Much has been said already about the pivotal year that 2020 has been. Through this collection of writings, the team at Ipsos India has called out salient trends that are shaping public opinion, consumer attitudes and consumer behaviour in India. We have investigated how the watershed year 2020 has modified, accentuated or muted these background influences and what can be expected in the near future.

The theme for this collection of writings is Change. We have examined six distinct facets of this change and looked at the impact of each on different dimensions of life. A global health crisis which has persisted for so long is bound to have had a far-reaching impact that goes beyond just the sphere of health. We have seen people reprioritizing their needs, to adapt to the new realities. Digital has come in as a strong force providing continuity in these disrupted times. It has also seen a change in our mindset, with nationalistic fervour surging ironically at a time when we have become acutely aware of our interconnectedness as a global community.

The collection starts with a point-of-view note which we had shared through a Webinar https://www.youtube.com/watch?v=N1dHBHnGeSA&t=1995s at a time when the lockdown restrictions had just been eased partly. Much of what was called out at that time holds true now.

As you walk through each facet of this change, you will begin to realise as we did, how profound the impact of 2020 has been. Through this collection, we offer some understanding and insights for navigating this phase. Happy reading!

- India Knowledge Team

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change

- Charles Darwin

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CONTENTS

READYING FOR THE CONSUMER REBOUND

By Amit Adarkar, Neetu Bansal, Pallavi Mathur Lal & Rinku Patnaik

The authors present the five key aspects of behavioral changes that have impacted the lives of consumers during the initial months of the pandemic. Some of these are having a lasting impact and thereby call for a review and re-definition of the strategic priorities for businesses at large. This perspective was shared over a webinar during the early 'unlock ' phase of the pandemic.

These are unprecedented times. COVID-19 hit us like a bolt from the blue and turned our lives upside down! From an auto pilot mode to being thrown off the grid, abound with disruptions. Consumers, per se at an individual level as well as collectively, have been compelled to redraw consumption habits and patterns, to adjust to these new changes they've been faced with.

At a fundamental level, these shifts have impacted our thinking, decision making and led to behavioural change.

While for businesses the challenges have been immense, from evolving at a frenetic pace, they've had to rejig strategies by reprioritizing and reacting to new, dynamic consumer realities, in order to stay relevant.

As the link between marketers and consumers, we at Ipsos, have kept a close tab of the changing dynamics and the key aspects of these changes especially with respect to the relationships with categories and brands.

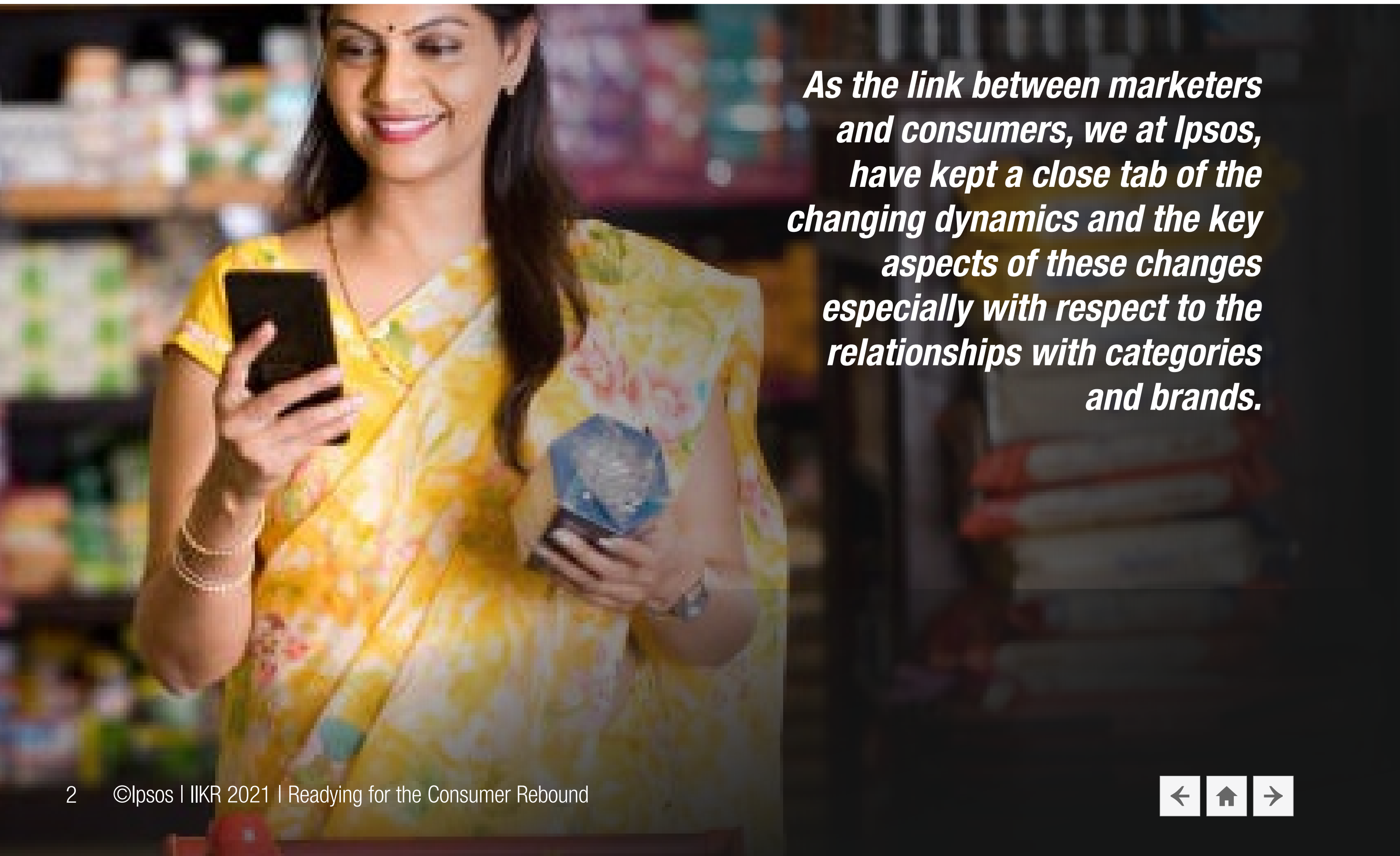
We've then analysed these to come with implications for marketers, as the situation continues to evolve. Let's have a look at what the consumers felt and understand what the key aspects of change were when the economy opened up.

Consumer Sentiment: Torn emotionally between hopefulness and anxieties

Let's face it, we are in the midst of a deadly pandemic. While vaccinations are rolling out, at the same time the COVID cases are still mounting and the health threat is far from over. In most states restrictions have been eased up to boost the economy and incomes. Presently, each state is taking appropriate measures which are governed by local challenges and restrictions. The monthly Refinitiv-Ipsos Primary Consumer Sentiment Index (PCSI) for India has shown recovery, and now gone back to the March 2020 levels after witnessing a dip by over 12 percentage points amidst COVID.

Of course, we all know of the devastating impact of the pandemic on the economy and jobs - and the recovery will be long drawn. In its wake, Indians are beset with anxiety and fear, both on the health and financial front with the pandemic showing no signs of tapering off.

In February 2021, the Ipsos Essentials tracker called out a health related instability being felt by every 2 in 3 Indians with almost a similar proportion experiencing financial anxieties too..



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Five Aspects of Behaviour Change

Over the past year, we have heard and understood the different changes that consumers have adopted. We have delved into what these forced behavioural changes mean for the consumers in the long run, and how marketers could use these opportunities.

The five big aspects that define the framework for consumer behavioural changes are:

1) Changing Priorities
2) Home, the nerve-centre
3) AatmaNirbhar
4) Go Digital
5) Emerging Purchase Channels

1. Changing Priorities are here to stay

Work timings, home chores and all previous behavioural patterns went flying out of the window and consumers were forced into re-prioritizing, re-evaluating and re-learning the patterns that worked for them. This reveals a lot about what has claimed the centre-stage now for consumers.

Compelling And Urgent Got Tackled First!

Schedules were changed and new ones emerged. Cleaning, cooking schedules were well established and had ramifications on purchase and consumption. Cooking, too, saw a renaissance of sorts - new ingredients, quick and snappy for weekdays and elaborate for weekends. New snacking options for kids. With little help at hand, jhaadu pocha of everyday or deep cleaning of toilets and kitchens, consumers have tried vacuum cleaners to a plethora of toilet cleaners for the spick and span, squeaky clean effect. We saw a lot of re-think in usage and purchase decisions.

Trade–offs Due to Effort, Anxieties and Expense!

Being strapped for time and with more number of family members to deal with at home, and of course the financial worries and health anxieties notwithstanding, trade-offs have been made. Purchase of big ticket items was postponed. Phones/laptops and wifi connectivity had taken precedence for each member of the family. Group deals have been being explored for purchase of products in bulk, to provide discounts to everyone. Building 'Immunity' emerged as the No. 1 family priority as people started moving outside. It was tackled in multiple ways for everyone in the family - from amla juice to home-made and even packaged kadha, to vitamins, minerals, supplements like zinc and vitamin C tablets, and food ingredients and super foods that the consumer deemed fit.

These trade-offs have happened between categories, and within categories.

Categorization of products as 'essentials' vs. 'treat' vs. 'expendables' vs. 'postpone-ables' has shifted through the lockdown period for urban consumers as they have moved from panic buying and hoarding, to looking for ways to reduce costs and rationalize.

This change in priorities gives us an insight into what is inherently important to our consumers. In a time of crisis and constraints, the important surfaces to the top. The current COVID-19 is here to stay for some time at least and has to be incorporated in our 'regular' way of life. Marketers will derive value from these insights about their consumers.

2. Home, the Nerve–Centre

Many people are still largely operating from home. What does this mean for their consumption behaviour and adjustments going forward?

Our world has contracted to home. Home has transformed into the new office, new school, new hobby class, new gym, new party place, new restaurant. From WFH (Work from Home), we have new acronyms

Operating from home, also impacted some 'deep rooted cultural practices'; the positive one which emerged was an equalizing of gender roles where men also contributed to household chores especially in the working and nuclear families. Even older children and elders were seen contributing more to chores and activities and decision-making as well.

emerging - HFW (Home from Work), Live at Work (LAW), Everything from Home (EFH) - these show how the compartments in our lives now interact with each other and are entwined.

This merging has required adaptation as we are sharing the space with other family members. There is allocation of space, gadgets, furniture etc. as we perform our activities - alone or with everyone together. Various brands have already used some of these adaptations into emotionally stirring advertisements.

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Home is now the command centre where everything is taking place. Deeper investigation into this will bring to fore new occasions, and new needs that have emerged which marketers could explore and fulfil.

3. AatmaNirbhar

A buzzword coined by our Prime Minister, it is now evident in the way people are living their lives too. From the initial chaos and disbelief, to complaining, to acclimatizing, people have been forced to focus on building an endurance and become more self-reliant in the process.

The move has been from a shared economy to a DIY (Do it Yourself). From cooking, washing, cleaning to cutting hair, managing plants, everything has moved into people's own hands. This has led to consumers stepping up and building their capabilities - at home, and in themselves.

Video tutorials helped consumers tackle many of the 'tasks' and 'actions' that were never tried before - new recipes (even by men), removing stains, cutting hair and threading. This 'quick referencing' of anything they are not sure of, is likely to continue for some time.

This 'DIY' over time has also meant that consumers have learnt to do things in their own way. While much has changed, what's interesting for marketers to focus and build on is an understanding of what has really clicked and what hasn't and look for how we can make these changes last or plug the experience gaps.

4. Go Digital

Consumers have learnt to lean on digital for every need, query, entertainment, work requirement, schooling, hobbies. A lot has moved online. Though digital itself wasn't new, the big shift was the universal adaptation, across all ages.

Uses that we know and will continue - WFH, online courses for professional capability and hobbies and skills building. This forced digitization has exposed everyone to the advantages of being connected and the comfort has been established. Older people are using digital payments, digital entertainment, of connecting with distance friends and family digitally, to stay in touch.

For marketers, the digital channel has become important in delivering on demands, experiences and expectations, and also for their brand communications.

While much has changed, what's interesting for marketers to focus and build on is an understanding of what has really clicked and what hasn't and look for how we can make these changes last or plug the experience gaps.

This forced digitization has exposed everyone to the advantages of being connected and the comfort has been established.

5. Emerging Purchase Channels

Life has changed from the pre-Covid channels of only offline and large e-commerce players. Now we have witnessed the emergence of small local players who are online (on WhatsApp, Facebook or through newly launched apps), delivering to your doorsteps, with digital payments. Hyperlocal models have made it work with Zomato, Dunzo, Swiggy delivering groceries and more.

Direct-to-Home efforts through societies, RWAs have been the noticeable new channels as well. Produce direct from farmers or trucks from large retailers which set up portable sales counters within condos and societies were visible in the larger cities. These initiatives have happened organically, to help farmers, to keep business going, to provide consumers what they need.

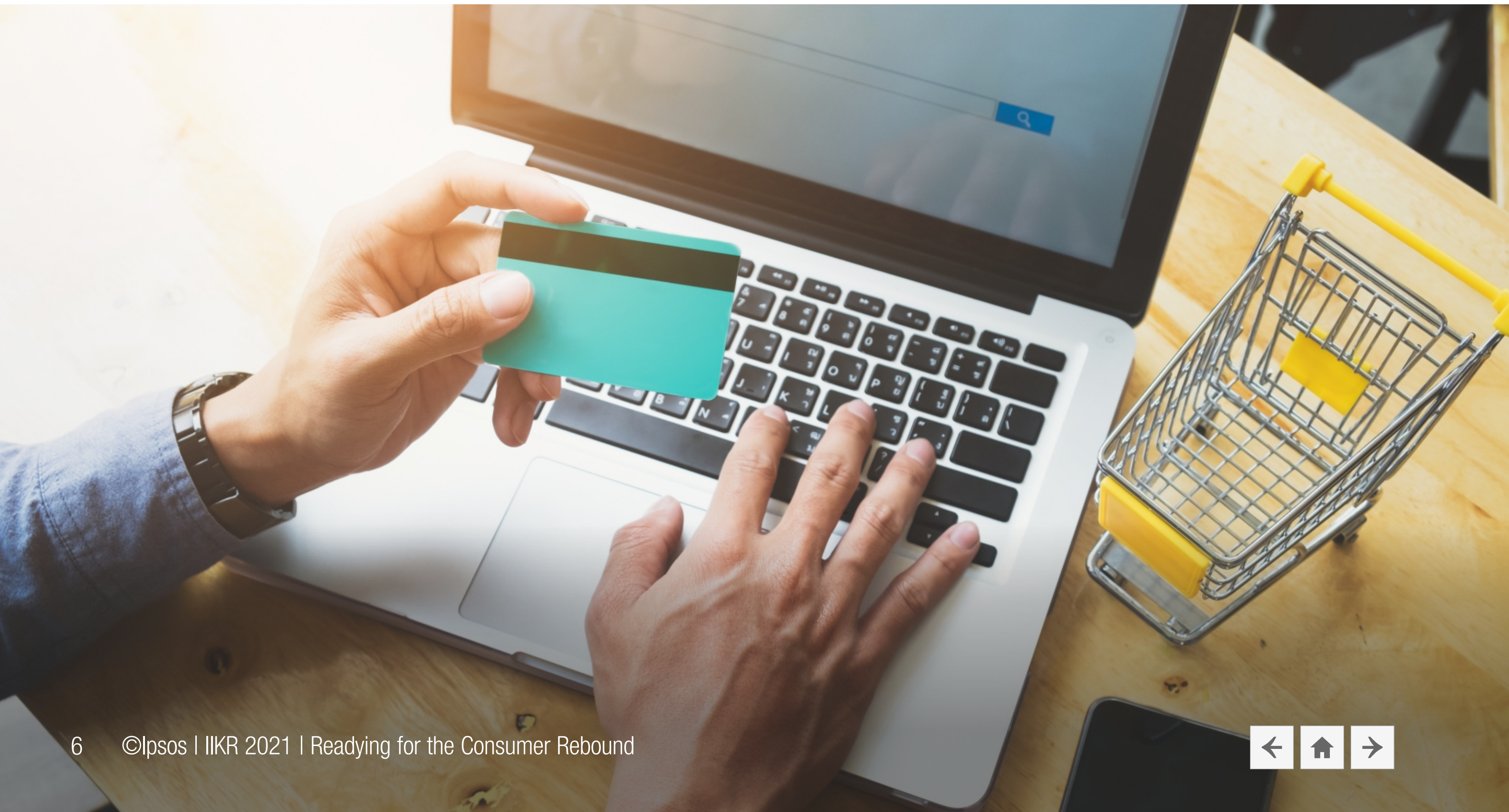
While we are talking of disruption and the behaviours and indeed some mechanisms that are newly adapted, one needs to look closely at the family that's coping with all of this and its structure.

Change is Not Homogenous

When we analysed the disruption we realized that the family size and its structure has influenced the kind and extent of these changes. Joint family with more people to share the responsibilities have been least affected, and on the other hand nuclear family with young kids who need much looking after. Similarly, there has been less disruption for families with a single parent working compared to families with both parents working.

As marketing professionals, when we activate these opportunities we need to understand the play of these variables in more detail. Just Chief Wage Earner (CWE) details won't suffice, if this kind of situation persists, and if some of these key behaviours settle into a new normal, size, structure, age of children become important. More people in the family will be contributing to decisions made on what is bought and where money is spent.

We have witnessed the emergence of small local players who are online, delivering to your doorsteps, with digital payments.



More people in the family will be contributing to decisions made on what is bought, where money is spent.

What are the Implications for Marketers?

Everyone wants to know if these changed behaviours are going to stay. India has been through the largest social and behavioural experiment, with 1.3 billion people going into lockdown. As consumer behaviour and marketing specialists, we need to work at identifying changed behaviours in our categories and sectors that offer us advantage and offer consumers an advantage by meeting their changed needs.

First and foremost, these new or changed behaviours present businesses with many opportunities and avenues to innovate and transition both for our end consumer as well as internally for the organization.

The behaviour changes can be activated in several ways, and across categories. Let's take a few examples:

- Product Innovations like germ-kill features in Air Conditioners for home and cars could now become a consumer demand. Washing fruits and vegetables before using them is already an established ritual and has been capitalized upon by a few brands.
- The dissatisfaction of having dry hands and using moisturisers can be capitalized upon by a new ritual just like the CTM (Cleansing-Toning-Moisturizing) for Face Care - A Sanitising-Washing-Moisturizing (SWM) routine to make this new ritual count and stick.
- An opportunity for Virtualizing Experiences instead of visiting Auto Showrooms through VR based 2D and 3D views of different models. Similarly, Gyms can provide 360 degrees fitness support through great virtual sessions.
- Setting up vending machines at societies and condos so consumers can buy certain fast-moving items comfortably.
- Servici-zing products like offering meal boxes with all ingredients and simple recipe to fuel the DIY cooking experience which consumers can also show their culinary skills with.

These uncertain times have been mentally and emotionally draining for many. With all the gloom and negativity, brands can provide the beacon of hope to consumers with the right messaging - by providing reassurance, trust and positivity through their narrative, utility and packaging, which leads to consumer pull and adoption. Like a silver lining in a dark cloud.

This article on **Readying for the Consumer Rebound** is authored by

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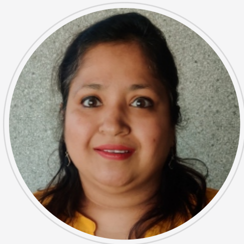

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Changing Priorities

- A Little Happiness...
- The Hedonistic Indian
- Evolving Rural Consumers

CHANGE

A LITTLE HAPPINESS...

By Colin Ho & Chris Murphy

This paper elaborates on how premium brands can thrive and not just survive during recession. Brands positioned as affordable indulgences can provide consumers with pleasurable experiences which they still seek even in bleak times.

The current pandemic has had a wide-reaching impact on the economy. As countries implement necessary quarantines and social distancing practices to contain the pandemic, the rapid collapse in activity has slowed global growth to a crawl. Against this background of rising unemployment and growing financial concerns, consumers have tightened their belts and curtailed spending. This reduction in spending, however, is not an indiscriminate cut across everything consumers buy.

While attitudes and behaviors change during Covid-19, motivations and core values don't. One such motivation is the desire for pleasurable experiences through consumption. Even during recessionary times, consumers have a need to purchase products for a pleasurable experience. While most consumers will look to cut total spending, many will still spend on affordable indulgences. This means that premium brands positioned as affordable indulgences can not only survive but also thrive during recessionary times.

Finding Ways to Indulge when Money is Tight: Cross Category Indulgences

People don't walk away from premium brands in times of recession. In fact, the need for small indulgences to bring a little joy into an otherwise bleak time magnifies the role premium brands can play. Consumers don't want to deprive themselves completely of what they like. Indulgences simply take on a different affordable form or product category.

Take Starbucks for example. During a recession, consumers may stop going to Starbucks for their weekly coffee fix to save money. A consumer may still indulge, however, by pairing a Starbucks creamer with a lower cost coffee brand for home consumption (e.g., Folgers). In this hypothetical example, the Starbucks creamer provides consumers with a way to indulge but at a more affordable price (see Figure 1).

Consumers don't want to deprive themselves completely of what they like. Indulgences simply take on a different affordable form or product category.

Figure 1 Consumers are finding a way to indulge, but at an affordable price

$4.09

$4.09 x 4 cups over a month = $16.36

$4.99 **$7.29**

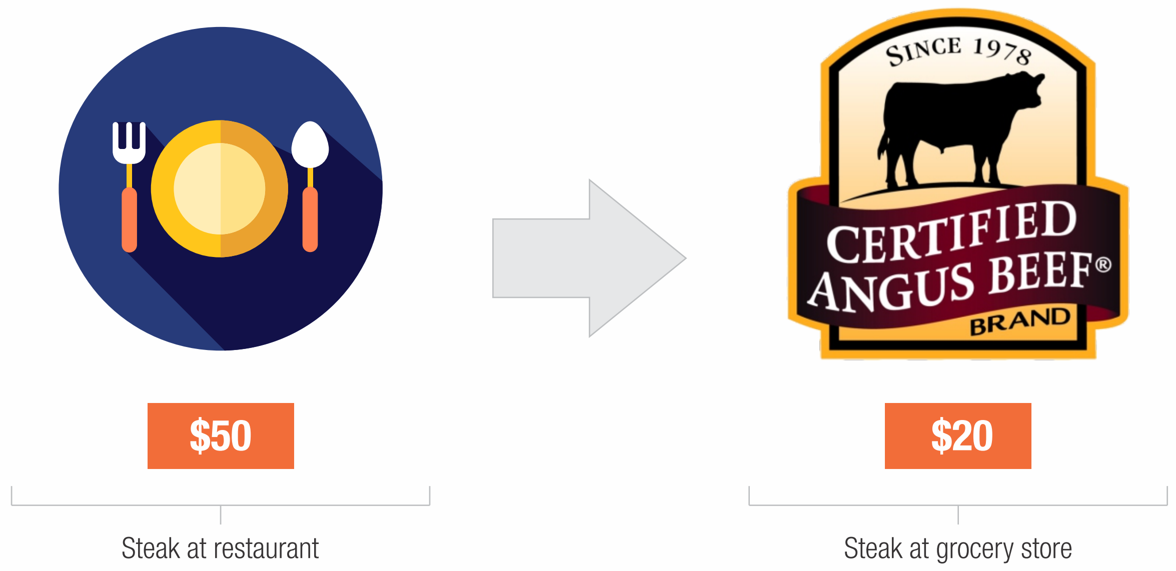
$4.99 + $7.29 = $12.28 (a cup each day for a month)

Source: Ipsos

This example makes it clear that a brand or product positioned as an affordable indulgence can help a premium brand thrive during a downturn. Instead of cutting back on marketing activities, brands should continue to invest in positioning their products and brands as aspirational and affordable indulgences. Consumers' desire for hedonic consumption persists despite economic conditions, and one strategy to satisfy a need to indulge is affordable luxuries.

Mark, Southam, Bulla and Meza provide an empirical example of a premium brand thriving during a recession via cross-category "switching". The authors analyzed sales data and found that consumers substitute dining out with dining in during a weak economy by increasing consumption of Certified Angus Beef, a premium brand in the beef category. As in the Starbucks example, there is an overall reduction in spend but consumers can still experience a luxury moment (See Figure 2).

Figure 2 Cross-category "switching": Consumers are switching dining out with dining in with a premium brand



Source: Ipsos

Both the Starbucks' example and Mark et al. research also highlight the benefit of having several channels to reach the end consumer. In a recession when consumers don't want to spend at restaurants or other food establishments, selling a premium brand direct-to-consumer enables consumers to continue indulging even when faced with budgetary constraints and/or social distancing.

Finding the Right Brand/Product within One's Portfolio During Recessionary Times

For manufacturers with a portfolio of brands in the same product category that cover a wide spectrum of price tiers (e.g., portfolio of beer brands in different price tiers), brand managers may want to consider promoting, for example, the top brand in their 2nd tier product line during recessionary times. These 2nd tier brands are more likely than the top brand in the highest price point to provide consumers with a consumption experience that satisfies their desire for a pleasurable experience and is still affordable. The same principle would apply when introducing new brands during recessionary times introduction of 2nd tier brands are more likely to succeed than top tier brands.

Luxury goods companies have developed similar strategies for coping with economic downturns by offering expanded product lines that include lower priced products. These extended product lines allow consumers to continue indulging but at a lower overall spend.

For example, while consumers may no longer buy a $2,350 Yves Saint Laurent handbag during a recession, they may still buy one for $1,200 (see Figure 3). In fact, YSL introduced "Edition 24" a more sharply priced collection just prior to the 2008 recession. This collection's handbags priced at $1,200 contributed positively to cash flow through increased sales volume and simultaneously broadened YSL's customer base during that recessionary period.

During recessionary times introduction of 2nd tier brands are more likely to succeed than top tier brands.

Figure 3 While consumers may no longer buy a $2,350 handbag, they may still buy one for $1,200

Source: Ipsos

Is your Product Category/Brand an Affordable Indulgence?

Understanding the role of product categories/brands and how they satisfy consumers' needs to indulge is key for premium brands to succeed. Brands or product categories considered utilitarian will be replaced with lower cost alternatives. In contrast, brands/products considered as affordable indulgences will continue to be purchased or attract new buyers during a recession.

To provide additional insight into product categories that may be perceived as affordable indulgences, we share the findings from our Ipsos Essentials global survey of 16 countries with a total of 16,000 respondents (1,000 respondents per country). In this survey, we asked consumers to group product categories into four groups: "Essentials" (necessary for survival), "Treats" (indulgences whose immediate purchase is considered justifiable), "Postponables" (items whose purchase can be reasonably put off) and "Expendables" (items perceived as unnecessary).

The goal was to determine how consumers prioritize product categories in recessionary times. We focus on the "Treats" group given its relevance to our discussion (see Figure 4). Not surprisingly, foods that typically make us happy are grouped into "Treats" (e.g., candy, ice-cream, chips). However, we also see less obvious product categories like nutritional bars and pre-made meals classified into this group.

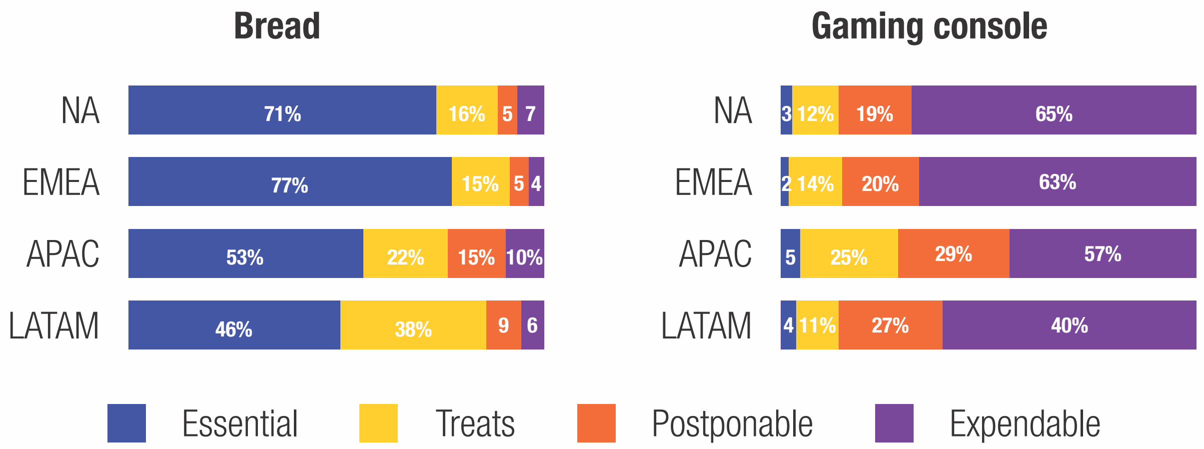
The classification of a product category can vary by geographic region and consumer segments. For example, consumers in LATAM are more likely to view bread as a "Treat" and less as an "Essential" compared to consumers in other regions (see Figure 5). In contrast, consumers in APAC and LATAM are more likely to view gaming consoles as a "Treat". The key point is that during recessionary times, consumers reassess their priorities. Understanding where your product category and brand fall is critical.

Figure 4 Product categories by grouping – only top product categories shown

ESSENTIALS	TREATS	POSTPONABLES	EXPENDABLES
(90%) Fresh vegetables/fruit	(63%) Candy/sweets	(50%) Furniture	(60%) Arts and crafts
(84%) Eggs	(53%) Chocolate (boxed, bars, tablets)	(50%) Clothing, shoes	(57%) Jewelry, accessories
(81%) Pasta/rice	(50%) Frozen snacks/ice cream/ frozen desserts	(49%) Smaller home/kitchen appliances	(56%) Portable speakers (with Bluetooth)
(78%) Paper products (toilet paper, napkins, paper towels, tissues)	(49%) Savory snacks (chips, crisps, pretzels, …)	(48%) PJs/loungewear/ underwear/socks	(56%) Gaming console
(77%) Oral care products (e.g. toothpaste, mouthwash, floss)	(39%) Nutritional bars/snacks	(47%) Big home/kitchen appliances	(54%) High-quality headphones
(76%) Fresh meat/fish	(39%) Juice	(44%) DIY	(53%) Spirits (e.g. whiskey, gin, vodka)
(75%) Laundry detergent/pre-wash	(37%) Carbonated/fizzy drinks	(43%) Computer (e.g. desktop, laptop, tablet)	(51%) Interior decoration
(72%) Milk/milk drinks	(35%) Premade meals (frozen meals/pizza, delivery, ...)	(36%) Facial skin care products	(49%) Wine
(71%) Hand sanitizer		(36%) TV	(49%) Camera
		(31%) Cell phone/smartphone	(48%) Cider
			(47%) Sports drinks

Source: Ipsos Global Essentials Report Wave 5, June 4-6

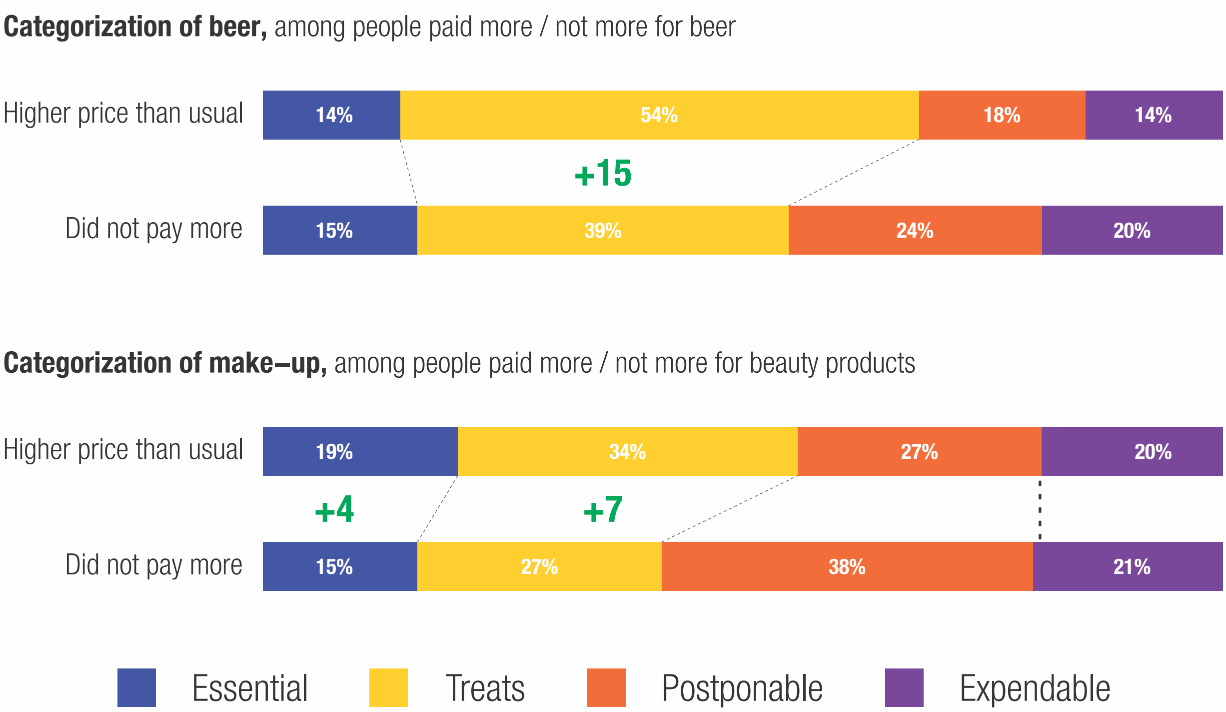
Figure 5 Consumers categorization of bread and gaming consoles by geographic region



Source: Ipsos Global Essentials Report Wave 6, June 11-14

Finally, we provide direct evidence that people are willing to pay more for an affordable indulgence even during this recessionary period induced by Covid-19. During the period June 25th through June 28th, 2020, we observed that consumers who reported paying more for beer and make-up were much more likely to classify these two product categories as a "Treat" (see Figure 6).

Figure 6 Consumers' categorization of beer and make-up by whether they paid more for the product bought recently



Source: Ipsos Global Essentials Report Wave 8, June 25-28

A Little Happiness Goes a Long Way

Premium brands don't have to be negatively impacted in recessionary times. If anything, premium brands can grow if effectively positioned. While our examples have focused mostly on food and luxury goods, we need to keep an open mind on what constitutes an "indulgence". If we define "affordable indulgence" broadly as treating ourselves to allow an extra affordable purchase to bring happiness, satisfaction or comfort, then many product categories can be considered an affordable indulgence (e.g., a premium brand health supplement, a premium pillow).

There is an additional benefit for products/brands considered as affordable indulgences. Such indulgences are often ritualized and become an indispensable part of consumers' routines. Consider your daily morning coffee or that piece of chocolate you have after dinner. These are the little but joyful moments that become integral to our lives. During Covid-19 where many of our automatic brand selections and everyday behaviors have been disrupted, brands have a unique opportunity to build new rituals.

Consumers differ in what makes them happy. Our job as marketers is to figure out what those things are and deliver. During a period where many consumers are anxious about both their health and financial well-being, a little happiness could go a long way for consumers and for premium brands as well.

Key Takeaways

1. Premium brands viewed as affordable indulgences will do better during recessionary times. Consumers' need for little moments of joy continue to exist during this period of anxiety.

2. Discover whether your brand is viewed as an affordable indulgence, by whom, and in which markets.

3. Explore which market strategies would best position your brand as an affordable indulgence or if new brand innovations are needed.

This article on **A Little Happiness...** is authored by

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THE HEDONISTIC INDIAN

By Punit Mittal

C H A N G E

More and more Indians are embracing a hedonistic way of living for today without fretting about tomorrow. In contrast to the 'Save & Spend' mindset of the earlier generations, Indian youth today lives by a 'Spend & Save' mindset, as was evident by the post lockdown economic activity.

Hedonism
noun [U]

Living and behaving in ways that mean you get as much pleasure out of life as possible, according to the belief that the most important thing in life is to enjoy yourself.

As Cambridge Dictionary defines, ‘Hedonism’ is all about seeking pleasure and self-indulgence. YOLO (You Only Live Once) aptly captures the spirit of the concept.

Most of us imbibe this spirit and exhibit the same in multitude of ways. But is this way of living new to us? If so, why and how would the pandemic affect this behaviour?

Hedonism, as a school of thought, is in sharp contrast to how Indians have grown up where the philosophy was always to lead an austere life. Simplicity has been part of our cultural fabric for many decades. Many of us would remember - only the rich owned cars, holidays were largely summer times and usually to meet family, concept of long weekends was unknown, new clothes were bought on special occasions like birthday or Diwali, and eating out was a mini event on its own. Things were planned for months in advance and everyone was okay with the wait.

We were taught to always save first & spend later. It was believed that one can truly be happy through academic or professional achievements. Pursuit of pleasure without these did not hold any meaning and was frowned upon.

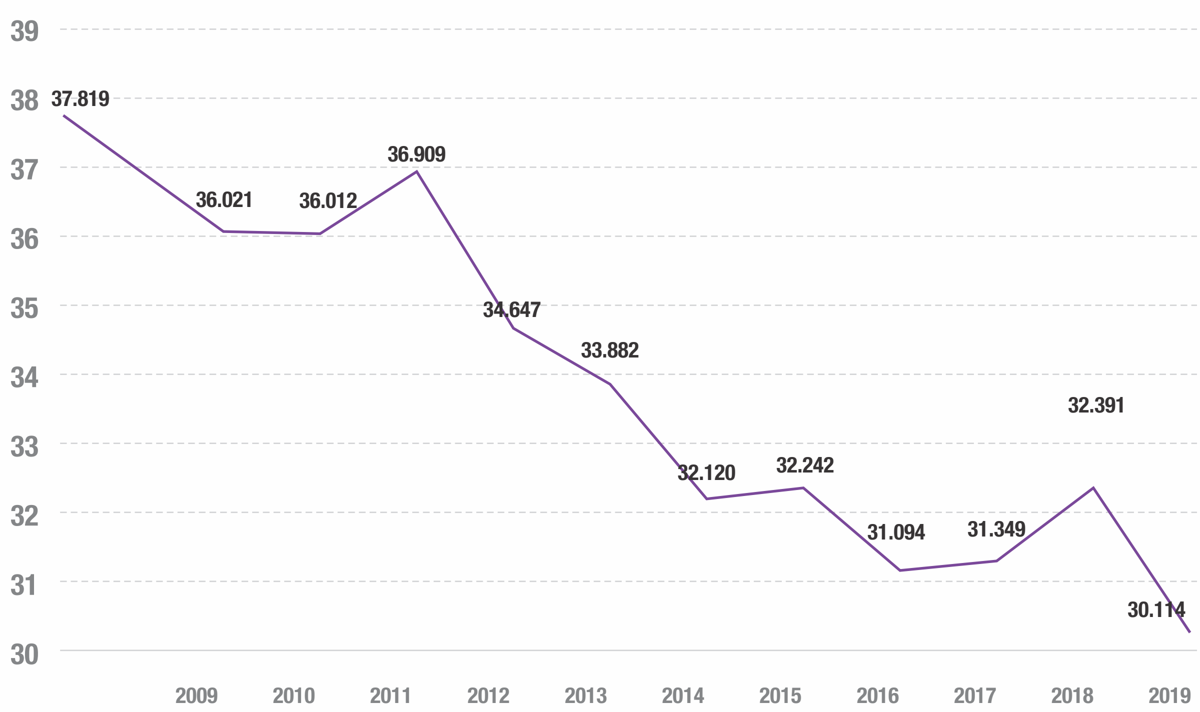
'Hedonism' is all about seeking pleasure and self-indulgence. YOLO (You Only Live Once) aptly captures the spirit of the concept.

Bringing the Change

However, today as we know, seeking pleasure is becoming a way of life. This seismic change has been fuelled by multiple factors like Industrialization, globalization and digitization. In a way it is like rising up Maslow's hierarchy. The economic boost in recent years has helped a larger base of Indian population to feel confident about fulfilling their basic needs. This, coupled with a change in mindset brought about by access and technology, has empowered Indians to break the age-old definition of what constitutes happiness.

A look at gross domestic savings rate (Figure 1) would help appreciate how consumerism has risen. It moved through phases where initially it was about acquisition for fulfilment of basic needs, then inching towards products of desire and subsequently experience came to the fore.

Figure 1 Gross Domestic Savings Rate: Annual: India



Source: WWW.CEICDATA.COM I CEIC Data

Source: WWW.CEICDATA.COM I CEIC Data

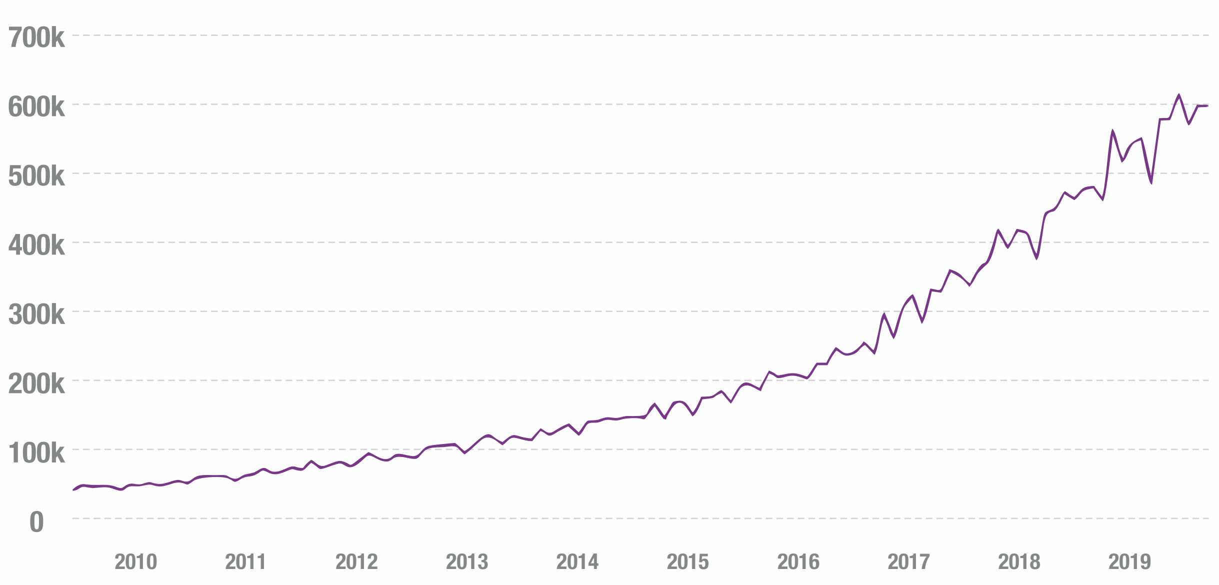
Today, more than 70% of urban connected Indians feel that the important thing is to enjoy life today, tomorrow will take care of itself. And mind you, it is a rising trend. This is corroborated by the amount spent through credit cards increasing by 500% in 6 years. (Figure 2) So, more and more Indians are not just comfortable about spending but also of their future or paradoxically do not bother about the same at all.

The decline is savings & access to borrowed money has propelled India to a top consumption economy with every leading global brand wanting to own a piece of pie.

Consider this. Mercedes Benz delivered 200 cars in a single day during Dussehra in 2019, luxury brands like Armani, Chanel, Ermenegildo Zegna and many others are building localized strategies and international brands are owning the Indian makeup scene. These are few of many examples of Indians are opening up to the world.

According to the UN Tourism Organization 50 million Indians will travel overseas in 2019, up from 23Mn in 2017. That is a 100% jump in two years.

Figure 2 Cards : Value : Credit Card



Source: WWW.CEICDATA.COM I Reserve bank of India

Today, more than 70% of urban connected Indians feel that the important thing is to enjoy life today, tomorrow will take care of itself.

Like growth in credit cards Hedonism, although attributed generously with Gen Z & younger millennials, has actually crossed demographic, geographic and economic boundaries. The disposition of it could differ but there's a fundamental shift in which all of us think & behave. Let's look at a few examples. The first car one buys is no longer in the entry segment and not necessarily after 5-7 years of 'settled' professional life. There is no shame in buying the latest premium phone through monthly instalments. Friday night-outs do not need a reason beyond 'let's go out' and Sundays are meant to be spent in malls, salons or movie theatres (with lounge seats) where you are treated as royalty. Curated international tours are a hit amongst senior citizens.

According to the UN Tourism Organization 50 million Indians will travel overseas in 2019, up from 23Mn in 2017. That is a 100% jump in two years. To further add, the World Travel and Tourism Council's (WTTC) Economic Impact 2010 report states that India spends 94.8% of its total GDP contribution to travel & tourism on leisure. India is leading this list way ahead of its global peers.

Not just travel & tourism, brands across sectors realize this shift. Hence, be it automobiles, fashion, beauty products or even residential properties, everyone is selling an experience.

It is not a generation led change as one might tend to believe. The shift is more fundamental and altered the cultural DNA for decades to come. The Save & Spend mindset has turned into Spend & Save (if left).
Given one wants to do more or less (depending how you define indulgence), the definition of work-life balance is changing. More than 80% of urban connected Indian consumers feel that it's more important to have a work life balance than a successful career. It's almost intuitive, if one believes in living in now & exploring different facets of life then the age-old principles of 'work is everything', 'guard your job' become less potent. This also is on account of multiple opportunities being present as well as skill set required to excel is not limited to education.

Hedonism for Indians is here to stay; premium smartphone (Rs 25,000 onwards) grew (y-o-y) by 18% in H1 despite offline stores being shut for couple of months, long weekend trips see 40% increase (month-on-month); leading jewellery retailer, Tanishq grew by 11% in Q3 (y-o-y) indicating both appetite & mindset which is seeking to move back to normal.

The shift is more fundamental and altered the cultural DNA for decades to come. The Save & Spend mindset has turned into Spend & Save (if left).

Enter Coronavirus or is it?

Obviously, pandemic brought all the hedonistic wishes to a screeching halt, but it was more of an unexpected bump than a dead end.

Directly or indirectly, no sector was protected from the initial impact of lockdown. Simplest of pleasure like road-side tea were curbed and that too for a long time.

But as we know behaviours take a while to change and those part of DNA, even longer. After the initial paranoia settled in, lot of us realized that restrictions are temporary and started to re-define means to seek pleasure.

One may not be able to visit a particular restaurant or go for that annual trek but that has not stopped us from trying out new things. Be it being a master chef, an amateur painter, picking up a musical instrument or one of the many interesting courses online. A lot of us have attempted to not let the outside environment affect us beyond a point and built our new regimes around what is feasible.

Technology has been a great friend in this uneven journey. It has allowed us not just to stay connected with our loved ones but also enabled various business to adapt helping us assuage the negativity. From the comfort of home, one could order basic groceries to gourmet food from a 5-star restaurant. Taking a virtual tour of your favourite museum, shopping from your preferred high street store, catching up with your gang (virtually) over a beer or even getting married, everything is becoming possible.

Pandemic-led restrictions have been the severest of unexpected litmus tests and it has failed to subdue our true nature.

With unlock mode gaining traction, some numbers that give a glimpse of how hedonism for Indians is here to stay. Premium smartphone grew (y-o-y) by 18% in H1 despite offline stores being shut for couple of months, long weekend trips see 40% increase (month-on-month), leading jewellery retailer Tanishq grew by 11% in Q3 (y-o-y) - all indicating both appetite & mindset which is seeking to move back to normal.

We know that the virus is going to be around for some time. It is imperative that we identify aspects critical to our happiness and explore avenues to continue or improvise the hooks to enjoy the same.

What can be more important than simple routes to happiness? After all, we live only once!

This article on **The Hedonistic Indian** is authored by

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EVOLVING RURAL CONSUMERS

By Bhasker Canagaradjou, Neetu Bansal & Pallavi Mathur Lal

CHANGE

In 2020 rural markets were brought into the limelight as they outperformed the urban markets. Last year macro factors helped position the rural consumers to lead the resurgence in demand. The article discusses opportunities for marketers to explore in the rural landscape.

Overview

Rural India has been undergoing change in the past decade, but it has come into the limelight as more resilient, showing more growth than its urban counterpart in the past year. The pandemic slowed down the urban markets, while at the same time, the rural growth was accelerated owing to several factors like a good monsoon leading to a bumper crop, government stimulus and so on.

Many marketers have already pivoted their strategy to tap this opportunity. The potential that rural markets offer is as big as USD 200 billion, and so, it is certain that the focus will shift to rural consumers and markets for some time to come.

Through this article, the authors highlight the changes that are taking place in these small towns and rural markets (up to 1 lakh population). The article details and delves into the potential that rural India holds by uncovering consumer truths and evolution that's taking place over time and summarising with the critical tenets that any business or marketer who is planning to make Rural India its growth pillar needs to keep in mind.

Rural: The Definition

As per the RBI definition of Rural and semi-urban, India has around 0.6 million villages and 4 thousand semi-urban centres. For this article, we have taken Rural India comprising of these: villages with a population up to 10,000 and semi-urban centers with a population of up to 1 lakh.

The potential that rural markets offer is as big as USD 200 billion, and so, it is certain that the focus will shift to rural consumers and markets for some time to come.

Business Potential

Estimating the business potential which these semi-urban and rural markets hold, if total opportunity is derived basis the per capita rural consumer expenditure according to, NSSO office in 2018 which is INR 1524 per person per month and with 78% of population living in Rural India which is around 943mn rural consumers, the overall opportunity size comes to around USD 200 billon.

The one key and biggest takeaway for any business eyeing Rural for its success is to have a Rural First Thinking.

Winds of Progression

Interestingly, while the face of Urban India is rapidly changing, there has been a slow but ongoing transformation taking place in the rural market in the last few years which has triggered the growth in consumption.

1. **Household Infrastructure:** In the last ten years the transformation in Rural India started with improvements in the household infrastructure with significant improvements in areas like electricity access, LPG connections, concrete houses. This has translated to women spending less time cooking with LPG gases which freed up their time to do other things or take up jobs to support their family. Electricity access has also played a key part in pushing the adoption of consumer electronics and durables, thereby enhancing their living standards.

   Television ownerships has risen to 58% by 2019 and doubled in last 10-15 years, while two-wheeler penetration is now around 35% compared to around 11% a decade before and the trend is only expected to grow stronger in the coming years; driven primarily by increase in household income and easy availability of credit.

2. **Digital Access:** Digital has been a catalyst for rural transformation. India has around 220M active internet users coming from rural India. This is 10% more than Urban India and more than 95% of them have access to the internet via mobile. This has created an eco-system for companies to directly connect with the rural customers which otherwise would have taken decades to establish network and reach during the brick-and-mortar era. Today, some of the digital wallet players have already reached more than 0.3mn villages across India and around 3 million merchants on-boarded who accept digital payments in smaller towns.

3. **Move to Non–Farm Incomes:** From education and literacy perspective, there is a rising trend of education in rural India. The enrolment rate share of 18 year olds in schools had gone up to 70% across both the genders and led to many rural youths looking for avenues beyond agriculture. This is leading to an increase in income of these rural youth either through self-employment or employability in the organised sector. Earlier, the micro entrepreneurs from rural markets would sell to only to nearby markets or through agents but given the digital connectivity today, the micro-entrepreneurs have access to both credit linkages and market linkages which leads to overall growth in their income profile. Today, 40-50% of sellers in e-commerce platforms are from Tier 2 and smaller markets.

5 Consumer Truths

With the macro factors helping the transformation of rural India, we now take a closer look at the changes that have taken place in consumer attitudes and behaviours. These 5 consumer truths help us understand how rural consumers are evolving, in many ways different from urban progression with their own idiosyncrasies. Marketers need to take note and ensure they understand them from the ground up rather than applying understanding from urban consumers.

1. Rural is Not Only Agriculture

Let us not make the mistake of thinking of farmers working in their fields as soon as we think of rural people. While agriculture is the backbone of the rural economy, there are a lot more ways in which Indians in rural areas today earn their livelihood. In 2020 agriculture has helped rural consumers more than ever, when other avenues were not as reliable.

At an overall India level, only 23% contribution towards monthly income is directly linked to Agriculture - which is cultivation and livestock farming. Other agriculture-linked earning comes from working as labour in other larger farmers' fields. Even those households that qualify as agri-dependent have only 43% of their income from agriculture and rest supplemented from other means.

After Agriculture, the next large contributors to household income are manufacturing, construction, and retail. Most house-holds earnings are from non-farm or combination of farm and non-farm activities, and this differs across the length and breadth of India.

The household incomes are increasing with more family members contributing. The role of women has undergone a change over the last few years, with more women choosing to supplement thier income. Due to feminization of agriculture, skill development and deployment such as embroidery, stitching, beedi rolling from home, or even those who can step outside and work as teachers, in nearby shops etc., the evolution of women has helped these numbers grow. For the younger generation, agriculture has lost its sheen and they actively pursue other avenues of income like working at shops, government and private jobs, and even going after entrepreneurial ventures which are less money intensive. A lot more rural folks are now grabbing the opportunities at hand to boost their incomes and fulfill their aspirations.

2. The Expanding Core (Essentials)

With increasing incomes the aspirations have been building up and the list of essentials has been increasing as well.

While the CORE expanded beyond the basics of Roti, Kapda and Makaan to include TV and mobile long back ago, today the expanding of this list of 'essential expenditure' is quite evident.

From base connectivity and the era of feature phones the core has upgraded to smartphones thanks to the digital catalyst. Rural India had reached 25% smartphone penetration in 2018 and a KPMG and ICEA (Indian Cellular and Electronic Association) study found that rural regions spend almost the same percentage of their budget (25 %) on mobile phones as urban residents (26%).

Motorcycles have long been and continue to be high in the aspiration list of youth and give them the wings of freedom and define their coming of age.

Apart from bikes, Youth led by better education and higher levels of awareness, more connectivity is also more exploratory and getting many newer categories home.

Women have been expanding their core as well, with more demands and spends on grooming and beauty products, an evolution from shampoo sachets to include face washes, make-up products, to increase their basket of personal goods.

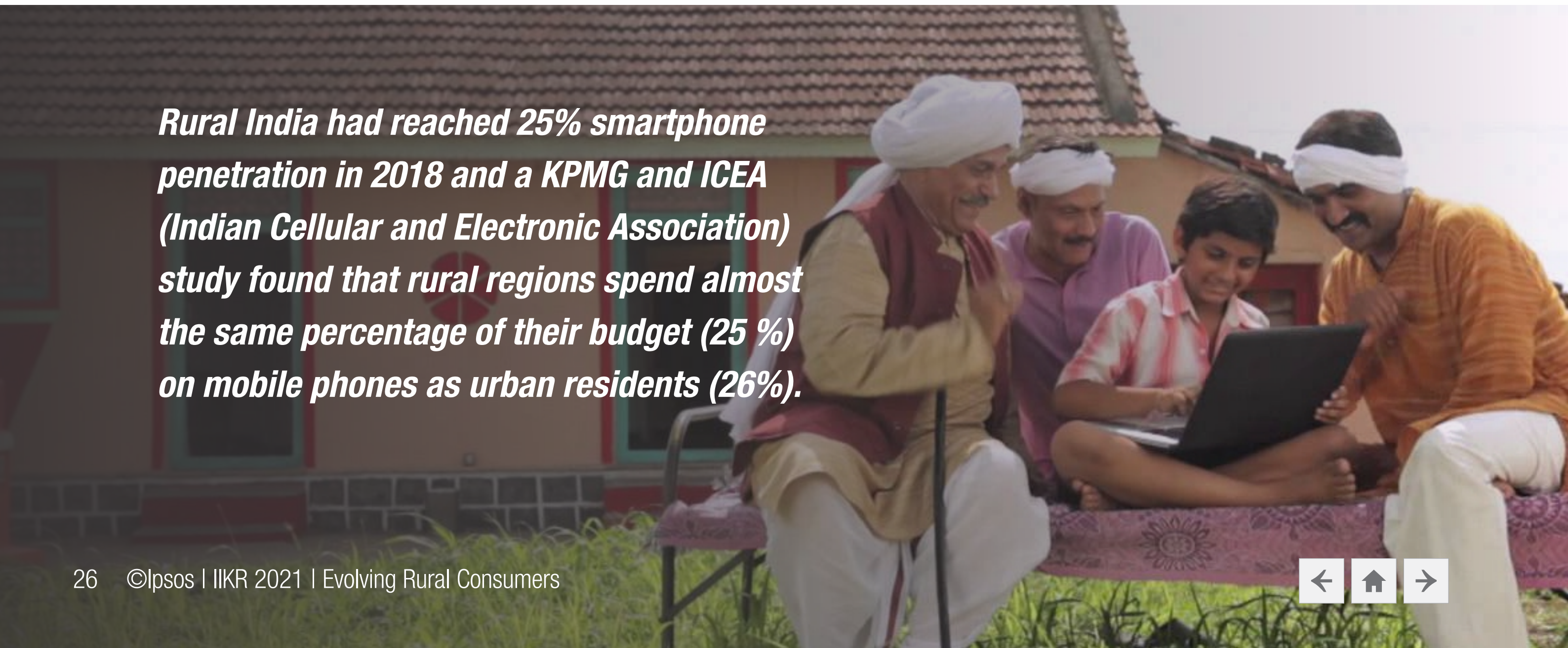
From a household perspective, more products are increasingly entering, be it basic household appliances like mixers, geysers (beyond the refrigerator, gas), air coolers and even air conditioners, defined by the prosperity of the household.

Children's education is another essential in the CORE, unlike past years where the kids were pulled out of school in the face of financial or other constraints. Investments in schooling, private schools, tuition and even boarding schools are on the rise.

3. The Youth Finding Their Voice

The dynamics are changing at a family and a wider level. While the authority still resides with the elders in the family, the youth have found their voice, empowered by better information and means to express opinions. They are sought out for their views and their influence is expected to increase in the coming times. The decisions could be smaller ones like which brand to buy, or bigger ones on how to update agricultural practices. As long as there is no direct confrontation of collective values, there is a movement towards progressive thinking in small ways and mindset change is visible.

This is not universal across different regions in India, yet it is a sure sign of winds of change in different parts of the country.



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4. The Definition of Value

What is the right way to gain the rural consumer's loyalties for a new player or category? Most of the Rural markets have largely been about communicating the product benefits as clearly and simply as possible and this is the starting point to understand how value is measured. For rural markets, lowest price and sachets are not the only strategy to tap into. While price points need to be matched, beyond that a clear understanding of the benefit is important.

At Ipsos we have seen different articulations of benefits from what we see in urban markets since the context and benchmarks are quite very different. One of the most important and significantly long-standing dimensions is the 'durability' of the product or its performance and not just the 'sasta'. A recently heard an anecdote from a woman who uses a brown washing bar to clean her clothes can be an eye-opener. She likes the benefit of cleaning and she feels the cleaning is gentle compared to other brands which promise white cleaning in one wash, for example. She believes that the blue bar (as she called it) could be harsh on her clothes and her interest is in prolonging the life of her clothes. This articulation and context are something we do not think of in urban markets.

Movement is from loose to packaged is not across categories. In categories such as food grains for example, the primary driver is not the cheaper price, but the bigger value placed in checking quality and/or freshness of produce when buying loose rather than buying packaged which cannot be checked at point of sale nor returned in case not good. The cheaper price only adds to the overall Value equation.

Another force in the rural markets is the presence of strong entrenched local brands in some categories. With implicit trust, comfort, satisfaction with experience, the task for a new brand might prove to be difficult without first understanding the drivers and benefit expectation.

5. Digital, the Growth Catalyst

Underlying all the changes and progress is the Digital medium, accessed on the smartphone.

Today, Voice and Video are helping the rural consumers circumvent the literacy barrier that existed when they could not read or Chat/ Text.

Vernacular language offerings on digital media have grown in the last 5 years. Today the Google search page is offered in 9 Indian languages. Understanding the needs, marketers are offering their websites, tele calling and other services via vernacular. While English remains an aspirational language and a language to convey status and progress in school or at work, everything else is enjoyed via vernacular languages. TV channels, Radio stations, video and audio streaming apps, the strong community radio network is making all kind of local content available in the local language, gaining huge favour in semi-urban and rural India.

This space has a lot more space to grow and will attract more investments and offerings in the coming years, connecting with the rural audiences in a bigger way.

Key Takeaways for Businesses:

The one key and biggest takeaway for any business eyeing Rural for its success is to have a Rural First Thinking. To succeed in rural markets, one needs to do 3 key things:

1. Understand the rural consumer and create for them based on their unique needs
2. Communicate with them in their language with situations that they can relate to
3. Make it convenient for them to access and buy

Since many of the brand/marketers may be starting out or having rural as the centre of their growth strategy now, we would recommend understanding rural consumers in more depth. We haven't discovered them as well as we (think we) know the urban consumers. Rural consumers are not just poorer cousins of Urban consumers, and they are not evolving in the same way. While there are similarities, we need more understanding of how they are different. The layers of complexity can be understood better if we approach rural areas as a mini culture to be explored. This means we meet not only the 'consumer' herself, but her family, other key opinion leaders around her village like the schoolteacher, sarpanch, health worker, have a look at the shops and markets to truly understand and contextualize what we learn from them.

There are also many do's and don't's to navigate through so we can form the right rapport to soak in the most information from our rural visits.

That Rural India holds potential is established. We need to plan and execute to discover the right insights to build and give them products and brands that they will connect with. The sure way to growth.

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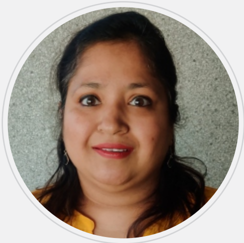

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Health & Well–Being Redefined

- Superfoods, Diet and Well-Being
- Digitalization and Well-Being

CHANGE

SUPERFOODS, DIET AND WELL–BEING

By Monica Gangwani

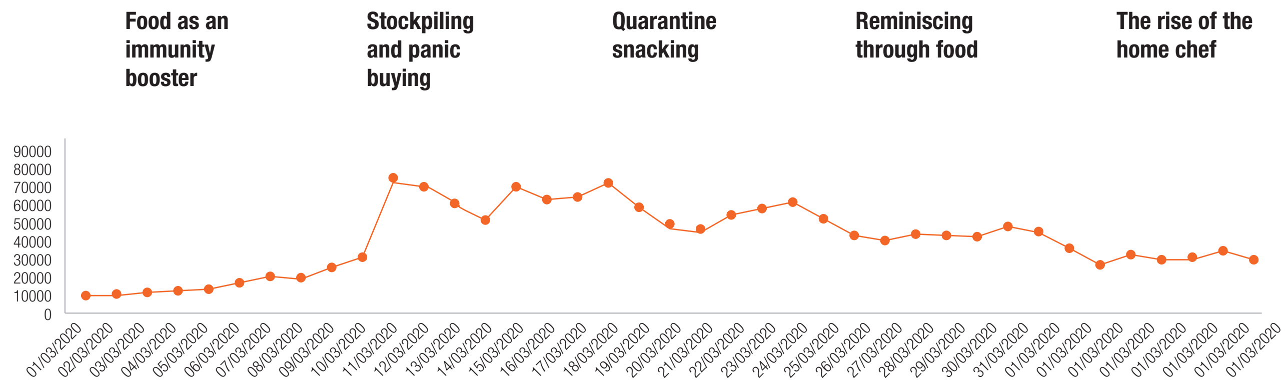
With increasing aspirations toward health, the choices of Indian consumers are full of contradictions. This creates many opportunities for marketers to offer benefits along the indulgence-health continuum.

Introduction

Indians have a love affair with food! A country of 1.3 billion people has as much diversity in its food habits as it has in its people. Food plays a strong part of Indian culture and tradition and unites people despite culinary differences. There is an emerging trend of people looking for avenues to build and maintain a healthy lifestyle by proactively choosing the right food products to meet their diet and health goals. As a nation, India continues to improve on all indices of health, such as quality and longevity of life. Indians are living better, longer and have healthier life spans - food choices are an important part of that. A recent study found that the spend on healthcare goods and services grew by 14% over the last decade to touch Rs. 5 trillion in 2018. With the COVID-19 situation, the focus on healthy eating and building self-immunity has risen further.

The pandemic has brought the virtues of home food back in focus. People are rediscovering their cooking skills and the rise of home chefs - people who earn an income through food supplied from their home kitchens - is creating a new booming business. Over the past few months, we have been monitoring global English-language social media conversations about the COVID-19 pandemic. Conversations about food have focused on key themes including 'food as an immunity booster', where fear drove people to seek some form of control over the situation by taking measures they perceived as preventative. 'Quarantine snacking' is another theme which reflects a broader, long-term trend we see from social media - clean eating vs. indulgent eating - but it has become heightened as a result of the crisis (see Figure 1).

Figure 1 English-language conversations online around food



Source: The impact of COVID-19 on how we eat, May 2020, Ipsos

Holistic Health Goals

What health means to people has been redefined, and not just due to COVID-19. Health is no longer just good health or longevity but now encompasses sustained physical vitality and mental alacrity. There is new-found awareness of personal health goals being as important as career and other goals. With longer and more stressful living, as well as lifestyle-related diseases on the rise, people believe that health cannot be taken lightly. Annual health check-ups are becoming de rigueur for millennials and young people, not just the middle-aged and the elderly. The emphasis today is on holistic and sustainable health management, gyms, yoga and meditation retreats, and rejuvenating spas. Marathon runs, walkathons, detox programmes, and health-related workshops in holiday resorts are growing in popularity, along with a preference for natural and organic products. These are all indicators of this quest for healthy living.

Nutrition - A Key Factor

One of the most significant manifestations of this aspiration for better health is in changing food habits. Today's digitally connected consumer stays informed of new diets and fads, about macro and micronutrients, calorie counts and portion controls. Even Gen Z are becoming extremely conscious about what they eat. The Isobar-Ipsos survey in India on Gen Z shows that 78% consider themselves conscious eaters and ensure their meals are balanced, while 56% follow a specified diet, with intermittent fasting being one of the most popular. Even during the COVID-19 lockdown and restrictions, Gen Z were taking definitive steps to strengthen their immunity by eating healthy foods and fruits (62%), more so than their efforts to maintain proper hygiene (52%). Despite healthy eating, Gen Z have gained weight during lockdown (74%) but they remain conscious of their diet, eating healthy and avoiding oily food (47%).

Social media analysis shows us there is a small but growing adoption of vegan diets, along with subscription-based diets like Keto, calorie-counted meals and low-carb meals. While taste remains the main driver for preference across categories, it is tempered by strong nutritional-based claims to bolster the health promise. This has prompted food and beverage manufacturers to reduce salt and sugar in their products, including Maggi reducing salt in their recipe and Coke and Pepsi lowering sugar and replacing it with stevia - or by launching healthier alternatives. Even Cadbury chocolate now comes with a 30% reduced sugar variant. Similarly, in the snacking category, which is heavily skewed in favour of traditional deep-fried products, we are witnessing an emerging preference for baked offerings and substitutes like oats in various flavours, energy bars, foxnuts (makhanas) and other healthier options.

It is not surprising therefore that health and wellness has been on the agenda of major food companies. Modern retail outlets offer an array of products for the conscious and discerning consumer meeting specific dietary requirements. Restaurants and food chains are also introducing healthier options in their everyday menus. Packaged food and beverage manufacturers continue to reduce the fat, sugar and salt content of their products and combat the stiffer compliance norms under consumer and government pressure.

Eating Right Especially in Times of Covid

The extended lockdown in India has meant that consumers have reposed their confidence in home food. Men and women have re-discovered the delights of home cooking. The Indian kitchen is witnessing an influx of healthy ingredients - many of them exotic in nature; unsaturated cooking oils, skimmed milk, sugar substitutes, low fat dairy products and lean meats. Our breads are being preferred with whole wheat grains and our rice sans polish. Urban households choose multi grain atta (flour) over regular atta, either packaged or made with a mix of specially bought grains (which are ground at nearby flour mills for the atta to retain freshness). Traditional flours such as amaranth, nachni, makai, jowar and bajra have gained popularity because of their low glycemic index and additional nutritional benefits. People today are demanding their products are made from these super-flours instead of traditionally used refined wheat flour. Focus on healthy eating also means being conscious of food sourcing. An increasing section of consumers are showing a preference for organic and 'straight from the farm' natural produce. A global 28 country Ipsos study found that the APAC region is significantly more likely to associate natural with 'authentic'.

Overall, the emphasis at home is to keep food simple and healthy with minimal oil, sugar and salt. New entrants like oats, millet and quinoa come with strong health claims and are becoming increasingly popular. The unfancied yet nutritious breakfast offering, Oats and Daliya (broken wheat), has bucked the FMCG sluggish trend and witnessed double digit growth. Carbonated drinks with empty calories are losing favour to fresh/old pressed juices, flavoured water, smoothies and milkshakes. The success of brands like Ocean, Raw Pressery and Keventers is a case in point.

Immunity building as a promise has also increased in many products ranging from teas to ingredients like turmeric. Content discovery and advertising platform Taboola7 found a 39% increase in pageview traffic to stories related to health claims about turmeric and immunity-boosting foods during the lockdown (to 5.6 million views). The AYUSH Ministry prescribing Ayurveda and immunity boosting food has led to renewed focus on drinking kadha (a liquid concoction of Indian spices, sometimes drunk with added tea leaves) and eating supplements like Chyawanprash (an ayurvedic recipe of an immunity building mixture). Superfood turmeric (haldi) has been taken up in many recent product launches like haldi milk from national and regional brands like Amul, Mother Dairy and Nandani. DairyDay, a small local manufacturer, launched haldi and Chyawanprash ice-creams.

Among the health food products, fortified/functional packaged food has gained favour, encouraging many consumers to upgrade to value-added products. With the conscious search for obtaining optimum nutrition, 'more good' with strong ingredient stories have managed to convince consumers to loosen their purse strings and pay a premium often to the extent of over 50%. Examples are fortified biscuits, breakfast cereals, multi-grain atta, green tea and healthy edible oils.

An increasing section of consumers are preferring organic and 'straight from the farm' natural produce. A global 28 country Ipsos study found that the APAC region is significantly more likely to associate natural with 'authentic'.

Superfood turmeric (haldi) has been taken up in many recent product launches.

Safety First

Safety and hygiene expectedly will be top of mind for customers, with contactless dining the new mantra for all brands. Dominos has introduced 'Zero Contact Delivery' across all of their 1,325 restaurants in India.

Based on a recent consumer survey by restaurant tech platform, Dineout, Indian diners are now ranking safety assurances and premier hygiene as top factors when it comes to choosing a restaurant to dine in. The survey, conducted in April 2020 across 20 cities, revealed in a post COVID-19 era, 81% of diners will prefer digital menus at restaurants while 77% will continue to want to dine out.

The survey further discovered that 23% of people would prefer continuing with delivery/takeaway. Six months later, the COVID situation continues to be grim. Even as restaurants and dine outs reopen slowly, safety concerns remain paramount for customers and it will take a long time for eateries to work at full capacity.

Another trend that is likely to play up is about a 'no sharing' policy. Pizza brands are considering individual box packs for consumers to savour their respective portions without any safety and hygiene fears. Clearly the Indian consumer today wants his food to provide safety beyond being tasty and healthy.

Contradictions Galore

While we talk of the trends towards healthy eating, holistic health and immunity building, we should also consider the 'snacking and indulgence' phenomenon we see in most households. Around 10% of Indians consume fried foods daily and 36% weekly, according to the recent National Family Health Survey. Trends to the Table, an Ipsos survey in India on online food ordering, shows that despite a claimed preference for healthier food options, in terms of orders, Biriyani tops the chart and is a favourite across regions.

This contradiction is even more pronounced during major festivals in India. Conscious eating is set aside to make space for traditional festive meals and sweets - which is all a part of socialising, celebrating with family and making exceptions to one's diet.

Modern lifestyle pressures also often push consumers towards comfort food that works as a 'pick me up'. Consumers are looking to manage their emotional well-being and treating themselves with indulgent food is one way of managing bouts of stress. During the lockdown period, the Ipsos Essential Tracker showed how urban Indians are hopeful and optimistic about the lifting of lockdown on one hand, while dealing with financial worries and health anxieties on the other. This emotional tug-of-war has manifested in many ways such as insomnia and overeating.

While dining out is still restricted, there is no stopping delivery of restaurant and 'home style' food. The food delivery business is booming and serving the need for both indulgence and convenience. Some fine dining restaurants in 5-star hotels have also started deliveries of their gourmet cuisine. To reassure customers, many are noting down their safety precautions and some provide the temperature of their chef and of the packing and delivery staff.

Conscious eating is set aside to make space for traditional festive meals and sweets - which is all a part of socialising, celebrating with family and making exceptions to one's diet.

Key Takeaways

The Consumer Health Awakening

The pandemic has forced consumers to re-evaluate their lives and their daily habits. Rising consciousness of preserving their health has meant consumers are making conscious choices when it comes to food and nutrition. The new empowered consumer wants to take charge of their own health. They are tough and demanding of products and their health claims. They understand what they eat is an essential contributor to better health, immunity and living well. They aspire to a disease-free, safe, better quality of life for themselves and their family.

Mirror this Evolution Through Brand Purpose

Brands need to start getting into future scenario planning and identify large macro trends that will drive consumer behaviour in a world grappling with fears of safety and hygiene.

Marketers of brands and services will need to take grasp of this changing mindset. They need to take a close look at the brand purpose and how that is relevant to the consumer and their evolving needs. The need for brands to be caring and empathetic will be stronger than ever before.

Offer New, Innovative Channels

Businesses will have to critically examine business models to get closer to consumers in terms of playing a meaningful role in their lives. Innovative brand offerings (healthy meal kits for example) and new distribution models which get products and services to the doorstep and offer greater convenience and value (from farm to home delivery for instance) will be most sought after.

Healthy Not Abstemious

An interesting data point showed pasta and noodles to be among the largest food categories consumed during the lockdown. Blame it on convenience or craving but it presents an interesting paradox in the context of the larger desire to eat healthy and embrace a fitter lifestyle. Suffice to say, consumers will seek to balance health with indulgence as they navigate these trying times. The overarching need for self-preservation will drive mindful consumption and brands positioned on strong health credentials (without compromises on taste) will inspire greater trust and affinity. Brands will need to find ways of addressing these twin demands of health and taste.

This article on **Superfoods, Diet and Well–Being** is authored by

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DIGITALIZATION AND WELL–BEING

By Rinku Patnaik

This article explores the aspects of digitalisation engulfing people emotionally. The amplification last year due to over-reliance on digital media is concerning. Read about the coping mechanisms deployed by people, and examples of brands addressing the need for mental well-being.

Introduction

Our life has become increasingly digitalised to the point where we are always connected and perpetually "on". We are connected through cables and multiple gadgets, and Wi-Fi signals are our constant companions. In India, the current number of internet users stands at 696 million and is projected to rise to 974 million by 2025. Most of these people are accessing the internet through their smartphones, with the smartphone user base estimated to reach 829 million users by 2022.

Due to the COVID-19 pandemic, digital life has been amplified and our relationship with technology is being pushed to different territories and newer extremes. As a result, people are recognising that the way they use the internet and social media is causing feelings of stress and leaving them overwhelmed. With the current situation this risk threatens us more as one must do everything from home. Concerns about the impact of screen time have been pushed aside to fulfil daily tasks and roles - be it in work, education, entertainment or self-enhancement - and there are more school-age children using the internet today than ever before.

Focusing on India, this paper explores the various aspects of digitalisation that are engulfing people emotionally - including how they were already overwhelmed pre-COVID and how its amplified now. We also touch upon the coping mechanisms and means to deal with this, highlighting examples of brands which are addressing this precise consumer need.

Digital Connectivity is a Double-Edged Sword

Digital connectivity has made it possible to reach anyone at any point of time through text messages, phone calls, e-mail, Facebook messages, Tweets and Instagram photos. We are now living in a world where one does not have to meet in-person for years, yet we can know every little detail about others through social media.

In the current context of the pandemic, digital connectivity has helped people across the world to lead a life seamlessly without stepping out of their home. People are remaining connected at work, with family and friends, and with the education system. They are buying groceries and paying utility bills online. COVID-19 has amplified the fact that people can function in an almost contactless world.

Hence, we are connected on multiple levels to many but, at the same time, disconnected at a human level. As a culture, in India the focus is on sharing and caring for each other and living in a community. Though the digital world can bring us together, we miss real life contact. The pressure to be seen to be doing the right thing and not being left behind has made our lives even more stressful.

On social media, people look for appreciation and engagement through likes and comments. Depending on the audience and the content, algorithms used by analytics companies like Hootsuite, Sprinklr and Simplify360 etc. can even guide people to choose the ideal time and day to post to achieve maximum engagement. With the pandemic and social distancing, the loneliness and disconnect has been further amplified.

Factors Impacting Mental Well-Being Prior to Covid-19

The fast pace of urban life inspires and provides an escape from the monotony, yet at the same time it comes with its own set of problems. In India, the migration to cities from small towns and rural areas has resulted in a more stressful city environment with ever-increasing traffic congestion and noise and air pollution, which can trigger health complications and anxiety.

In these hectic lives of ours, we are continually focused on meeting our goals and fulfilling our ambitions. People are trying to maximise life and get the best from it in the shortest time.

Ipsos' annual Global Happiness Survey shows a gradual decline in the happiness quotient year-on-year.

Interestingly, Ipsos' annual Global Happiness Survey shows a gradual decline in the happiness quotient year-on-year. Compared to 2011, the percentage of those saying they are happy in 2020 has fallen by 14 points globally. In India, we have seen a dip by more than 20 points compared to 2011 and an 11-point drop compared to 2019 (see Figure 1).

In India, we have seen a dip by more than 20 points compared to 2011 and an 11-point drop compared to 2019.

Figure 1 % very happy + rather happy

	Dec–11	May–13	Mar–17	Feb–18	Jun–19	Aug–20	Change Since Dec. 2011	Change Since Jun. 2019
Gobal Average	77%	77%	61%	70%	64%	63%	-14%	-1%
Chaina	78%	79%	84%	85%	82%	93%	15%	11%
Northerlands						87%		
Saudi Arabia	83%	74%	75%	76%	78%	80%	-3%	2%
Canada	85%	83%	81%	81%	86%	78%	-7%	-8%
France	84%	81%	68%	77%	80%	78%	-6%	-2%
Australia	86%	84%	72%	82%	86%	77%	-9%	-9%
Great Britain	79%	81%	71%	78%	82%	76%	-3%	-6%
Sweden	80%	87%	74%	81%	75%	74%	-6%	-1%
Germany	76%	77%	71%	68%	78%	73%	-3%	-5%
Belgium	80%	80%	71%	80%	73%	71%	-9%	-2%
United States	85%	83%	80%	82%	79%	70%	-15%	-9%
Poland	75%	72%	66%	71%	71%	68%	-7%	-3%
India	89%	87%	78%	83%	77%	66%	-23%	-11%
Brazil	77%	81%	56%	73%	61%	63%	-14%	2%
Italy	73%	68%	53%	60%	57%	62%	-11%	5%
Malaysia				69%	52%	62%		10%
Turkey	89%	83%	58%	60%	53%	59%	-30%	6%
Russia	61%	62%	56%	62%	47%	58%	-3%	11%
Japan	70%	69%	62%	60%	52%	55%	-15%	3%
South Korea	71%	62%	48%	57%	54%	54%	-17%	0%
South Africa	79%	83%	59%	72%	59%	52%	-27%	-7%
Mexico	78%	80%	43%	67%	59%	46%	-32%	-13%
Hungary	43%	52%	48%	48%	50%	45%	2%	-5%
Argentina	68%	67%	48%	56%	34%	43%	-25%	9%
Spain	63%	57%	43%	53%	46%	38%	-25%	-8%
Chile			41%	71%	50%	35%		-15%
Peru			36%	54%	58%	32%		-26%

Source: Ipsos Global Happiness Survey

For Indians, there could be many factors driving this decline in happiness, even though the economic parameters of the country do not really reflect a downward trend. Possible factors include India's rapid urbanisation over the last decade, lack of employment opportunities, and increasing concerns around the safety and security of women.

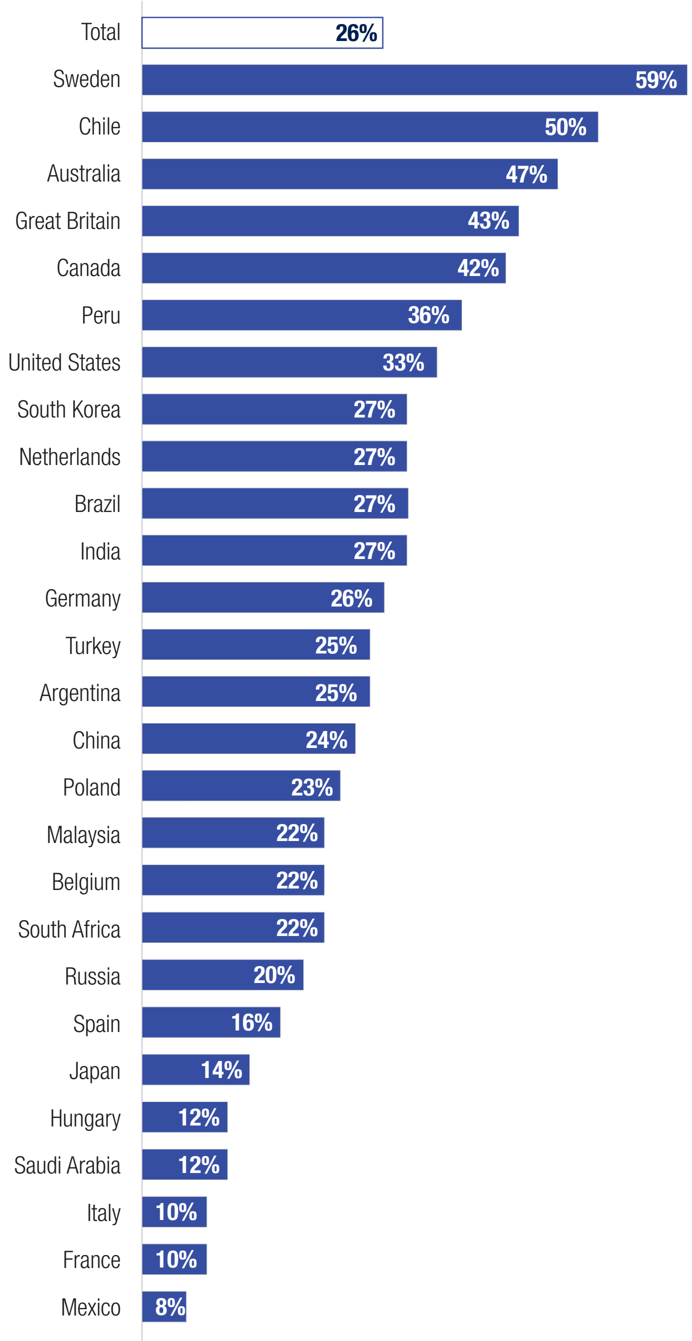
Ipsos Global Health Monitor 2020 show that mental health remains a key health concern for the public and is ranked 3rd overall after Coronavirus and Cancer.

The Impact of the Pandemic on Mental Well-Being

Findings from the Ipsos Global Health Monitor 2020 show that mental health remains a key health concern for the public and is ranked 3rd overall after Coronavirus and Cancer. Interestingly, scores for many illnesses have dropped this year but mental health, at an overall level, is consistent with 2018.

In 2020, 26% across 27 countries say mental health is one of the top health problems facing people their country today (see Figure 2 below).

Figure 2 Mental Health is one of the top health problems across countries



Base:20,000 online adults aged 10-74, September 25th - October 2020

Source: Ipsos Global Health Monitor 2020

The feeling of being overwhelmed is not restricted to a certain life stage. With the advancement of technology, we encounter products that may be designed to make our life simpler but not everyone adapts with ease. The older generation can struggle to keep up with the younger generation. There is stress in every form be it in the workplace, relationships, education or social media. Ipsos' Global Health Monitor also highlights that mental health appears to be a more prominent issue for younger people (31% of under-35s vs. 26% aged 35-49 and 21% aged 50-74) and there is a gender skew towards women who are likely to highlight mental health as a key issue (31% vs. 22% of men).

In the current context, when mobility is restricted, there are different aspects making different groups of people feel overwhelmed. For example, children are caught in a vacuum of trying to adjust to online/distance learning and being isolated from their friends. For working adults, there are financial worries about jobs and income, with the lack of certainty about what lies ahead adding to their anxiety. Meanwhile, senior citizens with the adherence to social distancing and restricted mobility due to being in the vulnerable segment has further added to feelings of loneliness.

As per NIMHANS, 1 in 5 adolescents suffer from some mental health issues in India. More generally, a pre-COVID report from the World Health Organisation found that 7.3% Indians suffer from mental health issues and this is expected to go up to 20% in the next couple of years. In addition, the WHO suggests that, by 2030, depression will be the single biggest cause of ill health.

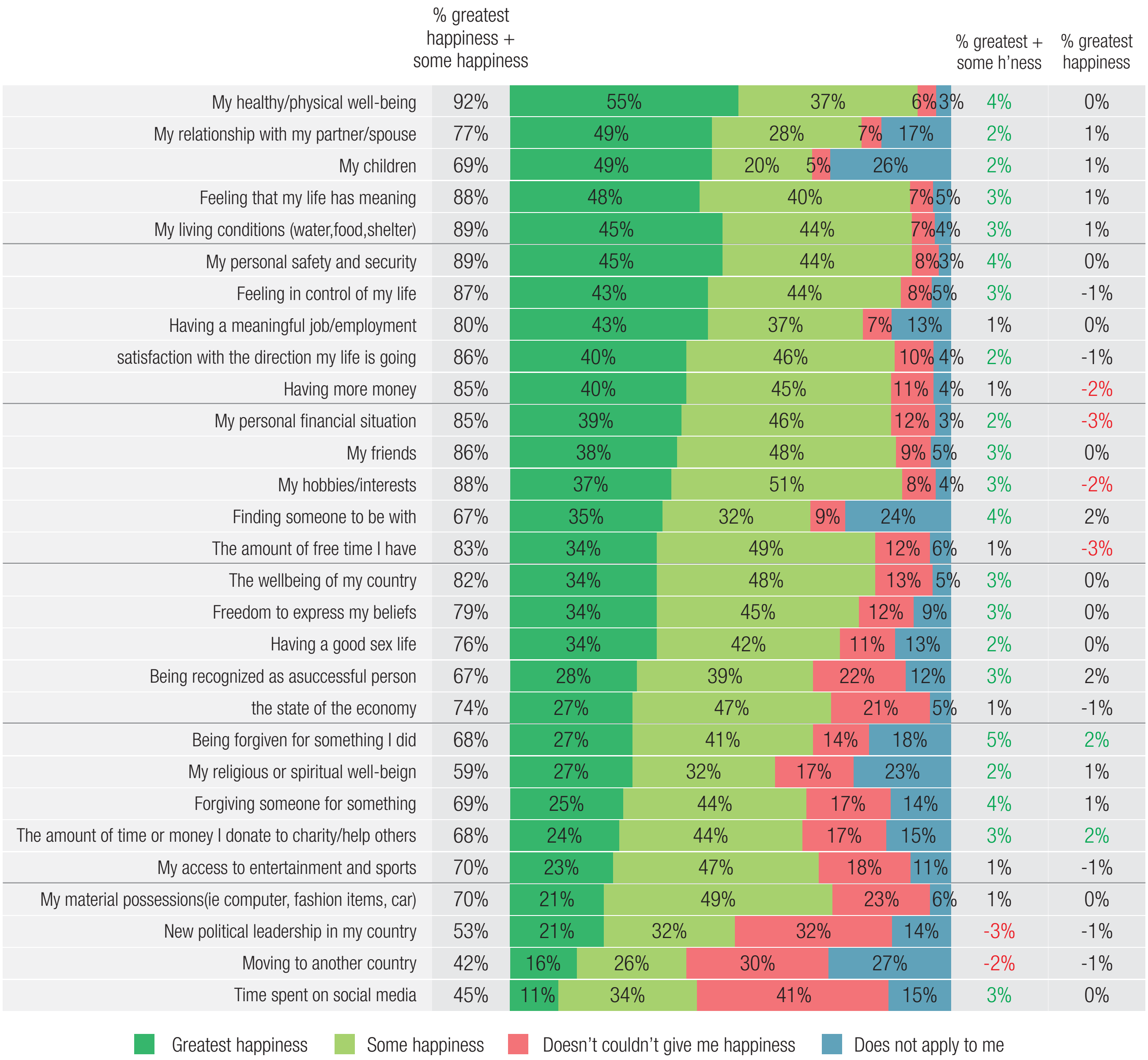
Bigger (or More) is Not Necessarily Better Anymore

With a recent ASSOCHAM survey in India showing that up to 50% of corporate employees feel the stress, it is no surprise that taking a sabbatical in the initial years of corporate life - or taking a break to follow a passion or do something meaningful - is a growing trend that young people are adopting to manage the complexities of life.

We are also seeing a shift towards a desire for curated information. Usage of apps like InShorts, a news app that presents the latest news from multiple sources in a short 60 words or less format, is gaining popularity among Indians. Mindfulness and meditation apps are also seeinga surge in demand and are aimed at helping increase focus and patience while reducing stress and anxiety.

However, it is paradoxical that people who seek a break from long screen hours are logging in daily on their gadgets to find focus and relaxation. But the world has changed, we are living in unusual times, and people are adopting virtual guided meditation techniques to find tranquillity. This is also reflected in Ipsos' Global Happiness Survey 2020, with health and well-being the number one factor for happiness, while time spent on social media ranks lowest -both globally and in India (see Figure 3).

Figure 3 Personal Health and Well-Being Rank the Highest



Base: 19516 online adults aged 16-74, 18-74 or 19-74 across 27 countries

Source: Ipsos Global Happiness Survey 2020

Indians have realised the value of the age-old practice of yoga and its benefits for both physical and mental alertness. This is further popularised by the Indian Prime Minister positioning yoga as a universal exercise through the campaign of 'hum fit toh India fit'. There is also the resurgence of analog games like Jenga, Scrabble and Mah-jongg.

The trend of slowing down emerged a little earlier in the Western world, and life in many Indian cities is now similar. The hectic pace and stress of city life, and the emergence of nuclear families in India, further adds to the daily stress. Indians are consciously taking steps to slow down and manage life efficiently.

In the last couple of years, Marie Kondo's philosophy of de-cluttering has gained widespread popularity, so much so that Netflix capitalised on it. It advocates minimalism - curating our homes and keeping only the items that 'spark joy' and add value to our lives.

Slowing down does not mean doing everything at a slow pace. Rather, it's about prioritising and knowing which situation requires people to rush. This is set to become even more prominent given the pace at which we lead our lives is not sustainable. We will see people embracing quality over quantity and enjoying a slower, simpler and happier life by de-cluttering both mentally as well as physically. This is again reflected in the World Mental Health Day 2019 study, where a majority people in all countries including India (64%) say mental and physical health is equally important.

Indians are consciously taking steps to slow down and manage life efficiently.

How are Marketers in Certain Sectors are Capitalising on this Trend of Slowing Down?

- Meditation apps like 'Calm', 'Headspace' and 'Tide' promote mindfulness and can help people achieve calmer days and better sleep. While meditation is not a novel concept in India - our country is known to be an institution of spiritual living - these apps make it easy to learn and perfect the skill. Importantly, some of these apps have decontextualized meditation to fit in with modern, busy lives making it attainable for more people. Like the global growth of this sector, India is seeing more downloads and usage of meditation apps.
- Gyms are no longer only solely about building muscle or losing fat - they also focus on holistic fitness routines which address both physical and mental needs. Mind.Fit, the yoga chain from Cult.Fit, markets itself on being a place to de-stress and find a connection between mind and body to reach overall wellness goals. In the absence of access to gyms for physical exercise, the Mind.Fit equivalent has gained huge popularity as it allows people to inculcate into their routine while being at home. This sector has seen a sharp spike during the pandemic where people across age-groups manage stress, emotions and anxiety through these online classes. Providers offer an array of options to choose from, from practice seated meditation to Zazen to chanting mantras to box breathing and visualisation. We have also seen the rise of numerous wellness TV channels, with content specially created for the well-being of viewers.
- Wellness tourism is on the rise. Holiday and travel providers are competing to provide the perfect untainted getaway spot and no-agenda holidays. During the pandemic, resorts have positioned themselves on well-being through various activities.
- Spas and detox centres are mushrooming across town classes in India, promoting ways to relax and improve mental well-being. We are also seeing the emergence of luxury high-end spas like Ananda Resorts promoting the combination of ancient Ayurveda and yoga with modern therapies in the natural Himalayan locales. With the restrictions currently imposed due to pandemic, consumers are waiting for these to open.
- Wearables that monitor daily steps and remind people to take a walking break are more popular than ever.
- Simplified food devices such as Vitamix and Instant pot are a growing cooking trend, helping people to avoid chaos in the kitchen.
- Cafes and restaurants are encouraging conversations between customers through a no-phone policy, whereby they offer a discount on the bill if everyone on a table surrenders their phone for the duration of their visit.
- Ayurveda formulation capsules that help calm down, like Dabur Stresscom, are on the rise.
- Awareness of mental well-being. Brands are consciously talking about mental well-being either through providing platforms that offer curated content designed to manage moods, such as MyHappiness, or campaigns that focus on mental well-being, such as Future Generali's 'health inside out' campaign.

Conclusion

As a wise man once said, 'Stress does not come from what is going on in life, but from your thoughts about what is going on in your life', so how we manage and work around it is the only way.

Although wellness has long been an integral part of Indian culture, Indian consumers are more conscious than ever of the importance of mental health in their overall well-being. They not only want to look good but feel good too, and the pandemic has further heightened the need for better mental health to cope with the stress.

The pandemic has transitioned the wellness sector into the cusp of transformation and there is a lot that will fuel growth in this sector in India. We are witnessing a shift in people's lifestyles, who are more conscious of safeguarding their wellbeing with an increased preference for work/life balance. Given that remote working is here to stay, consumers are allocating time for self-care.

Alongside a healthy diet, nutrient supplementation and activities for mindfulness, brands need to think innovatively to address consumers' needs. The wellness space can cut across various product and service categories and there is ample potential that can be tapped into. We are already seeing new product launches in capsule formats to combat stress and enhance mental well-being, along with Meditech products like breathing sensors that measure the cognitive and emotional state and help to empower people to take care of their well-being.

Given the pandemic, consumers are anxious about overall health and financial/job security and are not as concerned about daily chores as they were pre-COVID. With the right message and product, there is an opportunity for any brand to build deeper connections with the consumer and support them to make their life better.

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Adapting to New Realities

- Shopping Rewired
- Innovation in Crisis
- Science of Behaviour Change

SHOPPING REWIRED

By Geeta Lobo & Punit Mittal

Shopping, though a routine, is an opportunity for consumers to unwind along with a sense of positivity. However, given the pandemic, the priorities have shifted from rejuvenation to preservation. Retailers are also responding by changing their game to fit into this new system and stay relevant to their customers.

The Emotional Context of Shopping

It is well established that shopping has a deep-rooted emotional context and is not a simple act of acquisition or replenishment. In general, it is associated with satisfaction, happiness, excitement and even a sense of achievement. The evolution of the retail industry from simple ‘stock and serve’ outlets to delivering complex experiences to shoppers through offline (physical) and omnichannel formats has ridden on the emotional payback from shopping more than its functional aspects.

‘Whoever said money can’t buy happiness simply doesn’t know where to go shopping”

- Gertrude Stein

The Neuroscience of Shopping

The positive feelings elicited by the shopping experience follow the release of two main neurotransmitters: serotonin and dopamine. Serotonin regulates our mood, relieves anxiety and is associated with a feeling of well-being. Dopamine plays a key role in the brain’s reward system and pleasure centres, which are activated when we experience something new, exciting and pleasant. Importantly, it enables us to learn from the positive experience and reinforces behaviour, as it is also activated in anticipation of that reward.

The shopping experience presents many opportunities to leverage positive feelings that come from anticipation, which makes it a favorite for the reward system and for dopamine.

The Pandemic and its Impact on Shopping

It would be fair to say that the COVID-19 pandemic has been the one of the worst collective emotional experiences for the global population. It has significantly disrupted most of our routine activities. The weekend trip to the shopping mall, a quick stop at the neighbourhood store, eating out with family and friends or watching the latest movie at a theatre - activities which we would otherwise undertake without much thought – now need careful planning and serious consideration, if they are possible at all.

Being in a persistent state of alarm and constant vigilance, as we are with the virus, triggers activity in the amygdala (the part of the brain responsible for memory, decision making and emotional response). In this situation, described by Daniel Goleman, Californian author and science journalist as an “amygdala hijack”, we perceive numerous potential threats, which locks us into a fight or flight mode of response. This can transform a typical shopper from a carefree, pleasure-seeking animal into a harried, hypervigilant creature that avoids taking chances and craves security. In the current circumstances, the dopamine dominated experience of shopping becomes a threat, and a behaviour that we would learn to avoid.

Precautions and added measures taken at stores to enforce social distancing and ensure sanitized environments, intended to reassure the shopper, can actually further reinforce this subconscious state of alarm. The places which drew you in to explore for enjoyment now send messages of caution and remind you of the hazards all around. The pleasure of shopping is now being subject to a severe stress test. The positive feedback loop from the once enjoyable leisure pursuit of shopping has been critically disrupted. No wonder that less 10% urban connected shoppers are willing to visit a mall.

Shoppers have responded to the new reality by displaying behaviours, which although potentially temporary, may cast long shadows by way of new habits and mindset changes.

The places which drew you in to explore for enjoyment now send messages of caution and remind you of the hazards all around.

Figure 1 Nervous shoppers (Essentials)

Source: Ipsos Global Essentials Report

We are noticing five salient behavioural changes among shoppers across sectors:

1. **Mission focus:** The urge to go back to the safety of our homes makes us prioritize availability. Completing the task of shopping and acquiring the required category in the most efficient way supersedes brand preference. Availability is paramount.

2. **High on autopilot:** Brand experimentation and exploration have been particularly curbed. Known brands provide a sense of comfort and assurance of performance and people may seek those brands first.

3. **Upsizing (hoarding):** This has largely been the case for the food and grocery sector, where more is better. Given the uncertainties about continued access to products and the need to minimize trips, buying more than you need seems like a rational response, especially for consumables. However, the early stages of the pandemic saw panic hoarding of products which defied rational explanation.

4. **Selective upgrade:** In specific categories where quality is paramount, consumers have shown a high inclination to upgrade. This is true for essentials, health and hygiene products.

5. **Self–help:** Social distancing and keeping to oneself in public spaces has become a second nature. With this comes the reluctance to seek help from retail staff.

Offline retail has borne the brunt of most of these behavioral changes. In recent years we had seen rapid evolution and transformation in offline retail to combat the challenge from e-commerce. Many offline retail formats transformed to enhance interaction, engagement and experience. The emotional payback of these changes was what enabled a boosted reward from the act of shopping.

However, the pandemic has disrupted the feedback loop especially for offline shopping. To cope, brands and retailers need to redraw plans to make the new controlled shopping environments as rewarding as the pre-pandemic ones.

The pandemic has disrupted the feedback loop especially for offline shopping. To cope, brands and retailers need to redraw plans to make the new controlled shopping environments as rewarding as the pre-pandemic ones.

Retailer Response Strategies

Retailer response to this crisis will be on the axes of **Differentiation, Duration** and **Delivery**.

Differentiation

Ways to create a uniquely engaging experience, within the constraints of a controlled environment will be the key.

Secure browsing

Facilitating exploration even before a shopper enters the store would be a game changer. Be it through virtual view of shelves or catalogues, consumer's dopamine receptors need to be befriended again. An interesting example is of The Book Hive, an independent bookstore in the UK. They have given window-shopping a whole new dimension as the store plans to display multiple books, front and back, through its full-length glass windows. Customers will not enter the store but will be able to place orders, ask for recommendations and purchase books through this window.

New Omnichannel experiences

Technology enables the possibility of engaging the shopper even before they are in the vicinity of the store. Reliance Brands, India's largest luxury retailer, implemented a unique approach. They reached out to potential clients with WhatsApp catalogues later followed up with a video call to showcase the products. This offers something close to the real experience of exploring a product range and shoppers can engage with store staff before finally making their purchase. Such tactics will be vital for categories where identifying the right product for a need necessitates extensive interaction with products, such as in fashion and for high-end durables. These are categories where, so far, offline retail has been able to hold its ground because of an experience advantage. For offline retailers, innovation on this front that leverages their traditional strengths will be essential for survival. This will create a new opportunity for offline players to gain further ground.

Re–prioritization of senses in experience design

In-store floor plans and layouts will need to be re-imagined for a low contact world. We could draw inspiration from famous Finnish architect, Juhani Pallasmaa, who says: "Vision reveals what touch already knows… Our eyes stroke distant surfaces, contours and edges, and the unconscious tactile sensation determines the agreeableness or unpleasantness of the experience."

Duration

Value takes on a different meaning in these times. For a shopper, it is no longer just related to the product. Making sure that the time and effort spent shopping is worth it is as essential as the money spent on products. Enabling shoppers to do more within a limited window of interaction will give the right to claim a premium. Amazon Go Grocery is a classic example where the shopper can quickly browse, grab and leave with the total cost automatically being charged to Amazon account.

Virtual fitting rooms are an excellent way to maximize the experience. There are no concerns of stepping in a regular trial and our 'try and buy' behaviour doesn't get severely challenged.

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Delivery

Lastly, if shoppers cannot visit a store, then the store needs to reach out to shoppers. Ways for retailers to do this could range from provide home delivery of products to facilitating a pure omnichannel shopping experience. For example, D-Mart, India's leading brick and mortar retailer, launched its online service which allowed the shopper to pick up their order from its nearest store.

E-tailers whose business model is anchored in access and convenience have started implementing a differentiated approach to deliveries to win trust and improve conversions. This includes re-framing returns and extending choice. Lenskart prescription eyewear retail chain now delivers a few selected eye-wear frames for trial at home before deciding. All this with no pressure of purchasing - you can easily reject after trying it out.

Brand Response Strategies

The crisis also has retail strategy implications for brands There are three key areas brands need to focus on: **Availability, Assortment** and **Assimilation**.

Availability

Being present where the shoppers are never goes out of fashion and becomes even more critical in these times. Availability must be channel agnostic and brands would need to be present across the medium shoppers intend to shop.

It would be fair to assume that amongst consumer-packaged goods, brands with a stronger distribution network have been less impacted during the lockdown. We also saw innovative strategies being adopted to reach the shopper. Whether they collaborated with food delivery services, e-pharmacies or F&B organized players, brands forged new alliances to ensure their reach.

Assortment

In a self-service setup, shoppers would want to spend the least time possible in product selection. Planograming has to aid not just auto-pilot behaviour but also make upgrading a lot easier. For traditional stores, decision tree rules would help maintain the right assortment and help with quicker selection. In a scenario where shoppers avoid touching products, clutter free and clear display arrangements will also help to drive category momentum.

Assimilation

Lastly, simpler packs that clearly communicate branding and the 'Reasons to Believe' becomes of paramount importance. What a shopper assimilates of the brand promise in a short time-span could make the difference between being put in the basket or being left on the shelf. Additional cues on health and wellness, convenience or even enjoyment (or at least stress alleviation) are the emotional codes that shoppers today are looking for.

Accepting a New Reality

In adapting to the altered retail realities, shoppers have forgone old rituals and will acquire new habits. Although the blunted shopping experience leaves us craving for previous times, there is a great opportunity to create differentiators in these new realities that will serve brands and retailers through this extended period of our 'new normal'. While shoppers may wander unsettled down the aisles or wait patiently in queues missing the good old days, it is time we look for new triggers to get our favorite neurotransmitters, dopamine and serotonin, back in play.

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INNOVATION IN CRISIS

By Krishnendu Dutta & Preetie Kotur

Innovations need not come to a stand-still during a crisis. Here are some smart ways for marketers to align their innovation to their consumers' psyche so they turn to them even during a crisis.

Opportunity Lies in Crisis

The underlying wisdom, in the popular misconception of the Chinese word for 'crisis' to mean both Danger and Opportunity, is well recognised. In the event of the COVID 19 pandemic, we saw this construct played out quite convincingly for consumers and marketers alike. While the lockdown plunged many consumer lives into crisis, intense activity was initiated in the FMCG sector to innovate and renovate existing portfolios.

Characteristics and Trends

The year 2020 saw a record number of new product launches, the largest proportion coming from the preventive healthcare space. We saw repurposed positioning of existing portfolios and line-extensions from existing, trusted trademarks become the norm. E-commerce saw an unprecedented growth, used both strategically and opportunistically by many sellers, while media spends significantly shifted towards digital.

The Indian FMCG giants surpassed global players, as was evident from a plethora of launches by Dabur, ITC, Marico, Godrej to name a few. The differential levels of in-market success of these new launches threw up an opportunity to review literature available on consumer choices in times of crises, to help solve two critical questions - i) which of the launches would have a higher probability of success & (ii) which ones are just short-term wins and which more sustainable.

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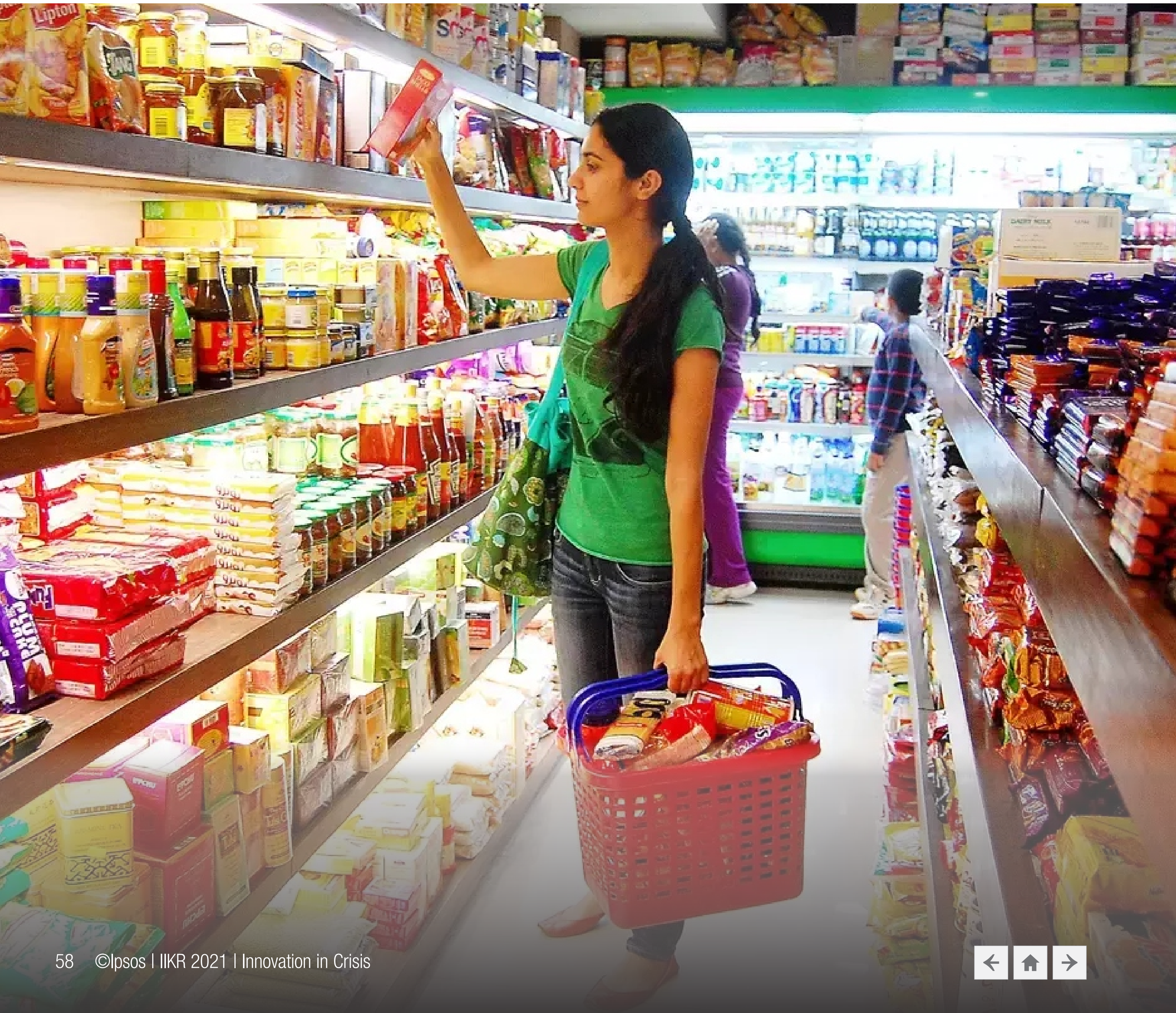


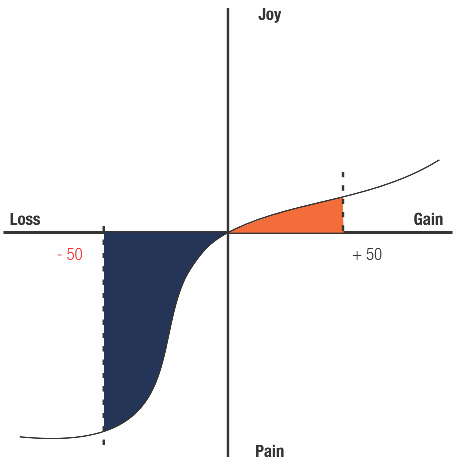
Consumer Adoption of New Options

Prior to the pandemic, consumers were flooded with choice. Decisions were made in split seconds and very often in favour of the familiar instead of risking something new.

Using Ipsos' extensive experience on how innovations are chosen or rejected and the recent learnings in Behavioural Science principles, we notice the following heuristics and biases at work:

"Prospect theory shows that people tend to make decisions with particular biases, and understanding those biases provides fascinating insights into what influences consumer purchase decisions."

Ref: **Daniel Kahneman & Amos Tversky**, 1979. Prospect Theory: An Analysis of Decision Under Risk



PROSPECT THEORY

Consumers evaluate innovations relative to their current habits. Perceived LOSS switching to new products have much larger impact on Perceived GAIN.

STATUS QUO BIAS

Habit is strong, any changes from the status quo are often viewed as LOSS. Consumers have strong tendency to not want to change.

Once again, drawing from the vast research experience of Ipsos on Innovations, if we split our analysis by 'normal' times and 'crisis' times, we discover some interesting nuggets:

1. During a Crisis, consumers evaluate their current choices more stringently

Relevance of current preferred choice (indexed)

Normal times = 100

Crisis times = **94**

2. During a Crisis, new propositions show higher than average Trial Performance :

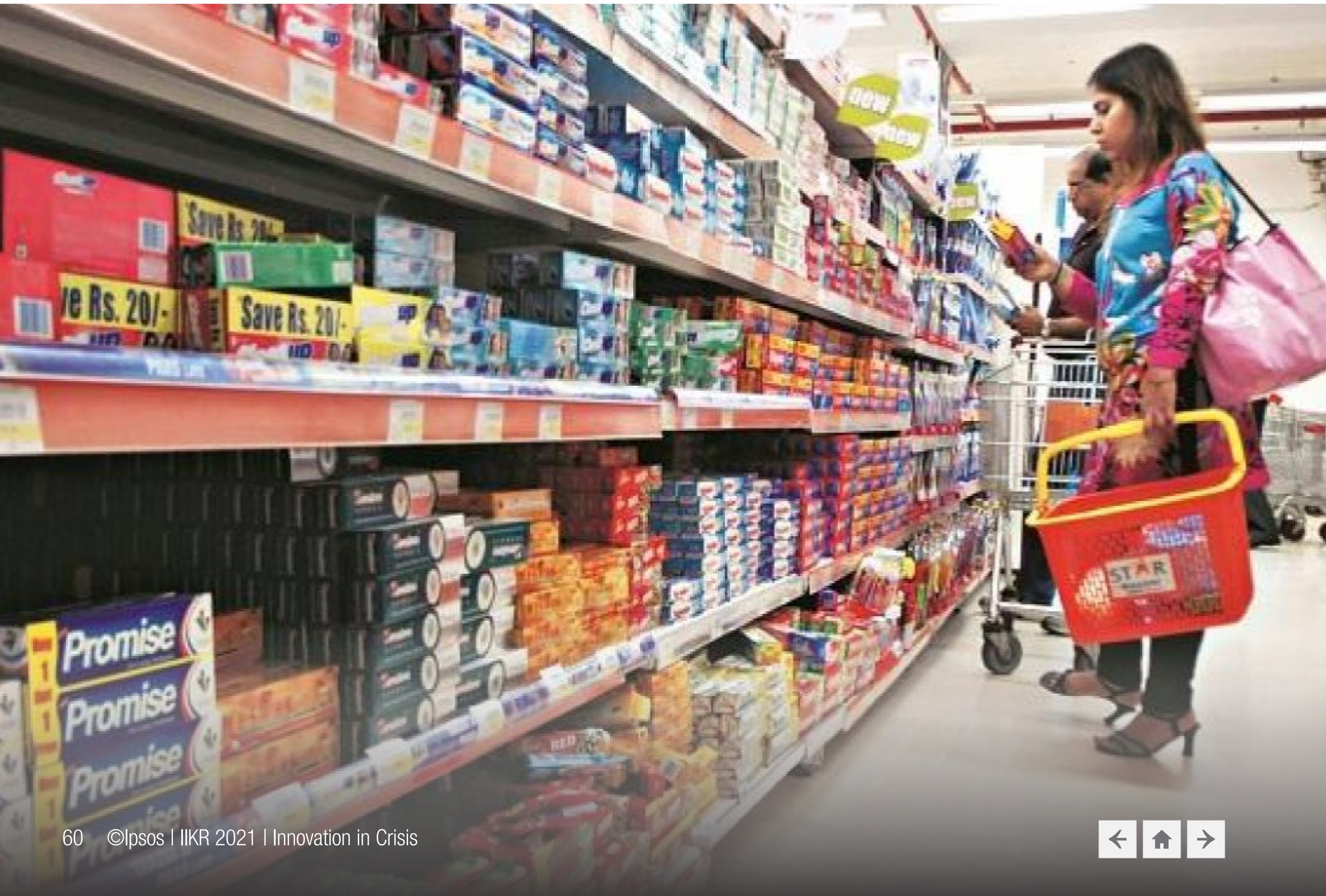
% Higher than Par Trial (Indexed)

Normal times = 100

Crisis times = **115**

So, should one conclude that crisis does indeed create opportunity?

Yes, one can conclude that crisis does create opportunity albeit it is subject to specific conditions such as 'value' propositions being more likely to find favor during crisis times than 'premium' innovations. The Prospect Theory and Status Quo Bias would continue to play out as the 'higher than average' trial performance would be reserved for Line-extensions of a trusted brand rather than an entirely new trademark launch. Additionally, it is critical to assess both the immediate potential as well as the sustainability of the innovation as the crisis would likely end after some time.



What are the key questions around sustainability of the innovation?

Some of the key questions that can influence the sustainability aspect are as below:

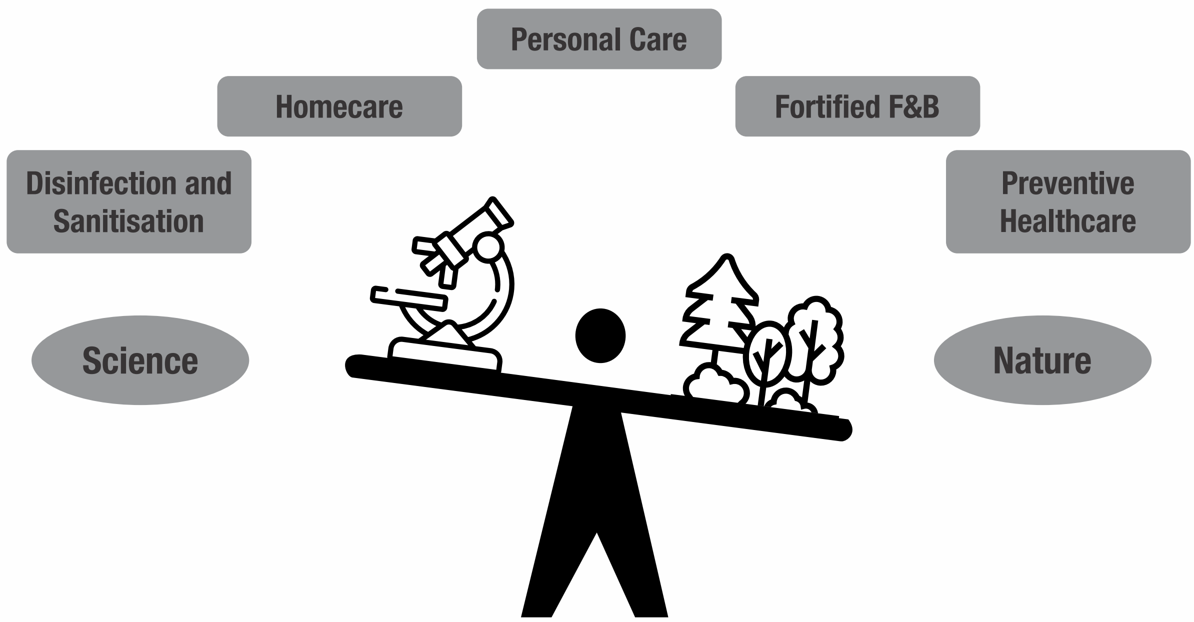
Consumer	Marketer
Is it going to continue to be available where I shop?	If I have launched only in E-com, do we have plans to extend to brick and mortar retail in the future?
Challenge to growth & sustenance 1 : Consumers return to the habit of picking things from their regular kirana or modern trade store.	
Will I be able to manage my budgets if I continue spending on it in the future?	Is the value proposition sustainable or very topical? Is the need itself going to subside with the crisis?
Challenge to growth & sustenance 2 : Consumer need may subside with the crisis	
Are others around me also going to be using it as much?	Sustained multi-media messaging to be important?
Challenge to growth & sustenance 3 : Widespread adoption and word–of–mouth could become future influencers	

The Nature vs. Science Conundrum

During crisis, the "Nature vs. Science" question provides an interesting narrative. Our learnings at Ipsos point out an interesting balance (see graphic below) in the context of the category or a space in which an innovation is launched.

Natural offers and benefits often succeed by providing consumers a familiar weapon to fight an unknown enemy.

Natural offers and benefits often succeed by providing consumers a familiar weapon to fight an unknown enemy.



Can Packaging also Play a Role?

Syndicated Trends Research across multiple countries by Ipsos shows that unlike their global counterparts, Indians tend to put higher emphasis on 'hygienic' packaging and products manufactured and packaged in India. This is also supported by the aatmanirbhar sentiment being propagated today.

Indians tend to put higher emphasis on 'hygienic' packaging and products manufactured and packaged in India.

When comparing household products of similar quality and features, which two of the following are most important to you when making a final purchase decision?

	ALL	AU	BR	CA	CH	DE	SP	FR	IN	IT	JA	ME	RU	KO	UK	US	SA
Products are offered at a lower price enabling me to save money	47%	50%	47%	55%	28%	36%	40%	37%	33%	44%	49%	48%	57%	46%	59%	55%	64%
Products are made in [COUNTRY]	42%	59%	21%	54%	35%	39%	46%	59%	47%	46%	45%	34%	29%	40%	31%	41%	42%
That products that are packaged using hygienic packaging	29%	20%	38%	16%	57%	19%	34%	13%	53%	22%	20%	44%	18%	34%	18%	23%	36%
Products come in eco-friendly packaging	24%	20%	22%	18%	51%	30%	18%	31%	38%	19%	12%	24%	16%	23%	22%	17%	22%

Final Conclusions

Crisis spells opportunity for innovations, but only under specific conditions that need to be borne in mind when designing innovations:

- 'Value' offerings are more likely to find favour than premium offering as consumers seek empathy from their brands of choice
- Line extensions of trusted brands are more likely to work better than completely new launches
- There are interesting learnings to note from the Nature vs. Science conundrum based on the category that is innovating
- Specific to India, an environment friendly packaging should not compromise on 'hygiene' or 'value' to consumer while an Atma-nirbhar (Make in India) badge would provide an added edge
- It is important to consider and plan for sustainability of the innovation beyond the crisis period, consumers may slip back to previous behaviour once the crisis is passed. Thus, an omni-channel presence might work better even though e-commerce presents an immediate and attractive opportunity

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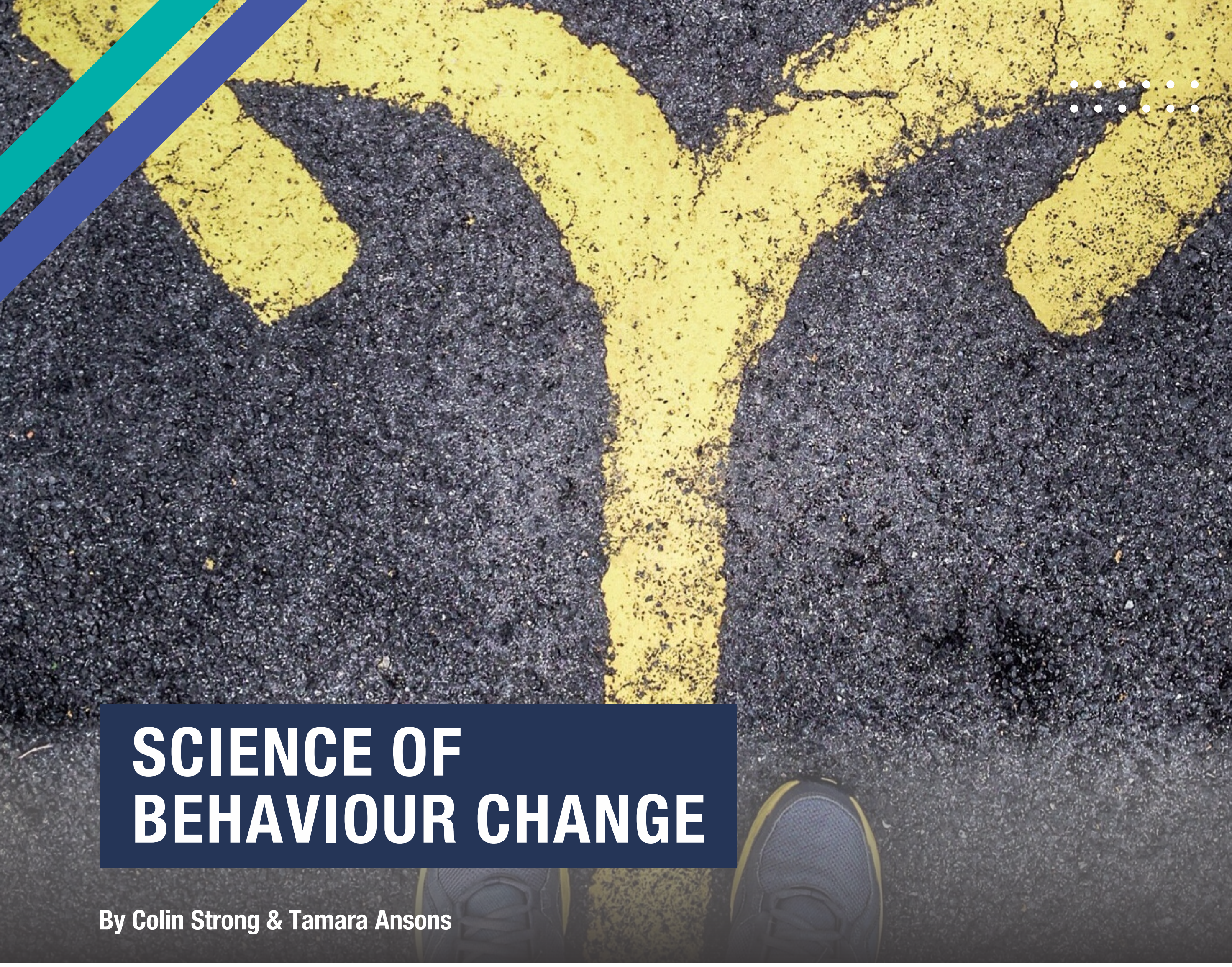


SCIENCE OF BEHAVIOUR CHANGE

By Colin Strong & Tamara Ansons

Last year has seen behaviour changes due to safety, hygiene, lockdowns, health and financial anxieties and so on. In this paper we discuss the principles and practice of tackling behaviour change challenges in a world that remains unpredictable and changeable.

The Relevance of Behaviour Change Today

Governments, businesses and individuals are all interested in behaviour change. It is relevant to all parties, for a range of different reasons, and has become increasingly important as the familiar methods of changing behaviour have been challenged. Certain governments are typically less willing to introduce legislation to curb individual behaviour, while the traditional levers of influence for brands, such as TV advertising, have weakened as media channels have proliferated.

At the same time, there is an increasing need to navigate change as we face significant challenges from trends such as climate change, digitisation, ageing populations, mass migration, and now, COVID-19.

While the ultimate goal of many organisations inevitably relies on some form of behaviour change, it is only relatively recently that this has started to become a discipline in its own right.

This document sets out Ipsos' approach, providing an introduction to the principles and practice of tackling a behaviour change challenge.

A New Way of Thinking

In a predictable external environment, we learn ways to navigate the world and then relax, confident in the knowledge that the habits we have established in this context will serve us well. Simply put, if I have already worked out what brand of cereal bar I like, then I don't need to have an internal debate each time I go to buy one. This way, my capacity is freed up for the more unexpected encounters in my environment. As Obama famously explained why he only wears grey or blue, "I don't want to make decisions about what I'm eating or wearing because I have too many other decisions to make".

The difficulty comes when we enter a period of significant change: we have less of an opportunity to master an environment that is rapidly changing. So, how we look to understand consumer behaviour today must account for this different dynamic.

Behavioural science has traditionally focused on the way automatic mechanisms underpin behaviour. Our behaviour can, in theory, be "nudged" slightly in one direction or another, or we can build habits that free us up for other things. But, in an unpredictable environment, this way of thinking has much less value. Even if new automatic and less considered behaviours are built, how well-equipped will they be to deal with a changing environment? It is clear that what might have worked in yesterday's more stable environment will not work so well today.

The changing nature of our environment has meant that people are necessarily more proactive as they engage with the world around them. If the fundamentals of the world are stable and predictable, we can act in ways that are routinized and habitual. But once this certainty has eroded, we must more actively engage with our environment.

To this end, we now need to focus less on the mechanisms that are more automatic in nature (e.g. system 1, nudges, habit). Although they still have their place, they are not always sufficient to fully understand drivers and patterns of human behaviour. This is causing the discipline of behaviour change to rapidly emerge as a leading way to "diagnose" behaviour and then offer a flexible framework of intervention activities to address it.

In this way, behaviour change is adopting a much more holistic perspective of human behaviour than traditional, more automaticity-based models.

The changing nature of our environment has made people less reliant on routine as they engage with the world around them.

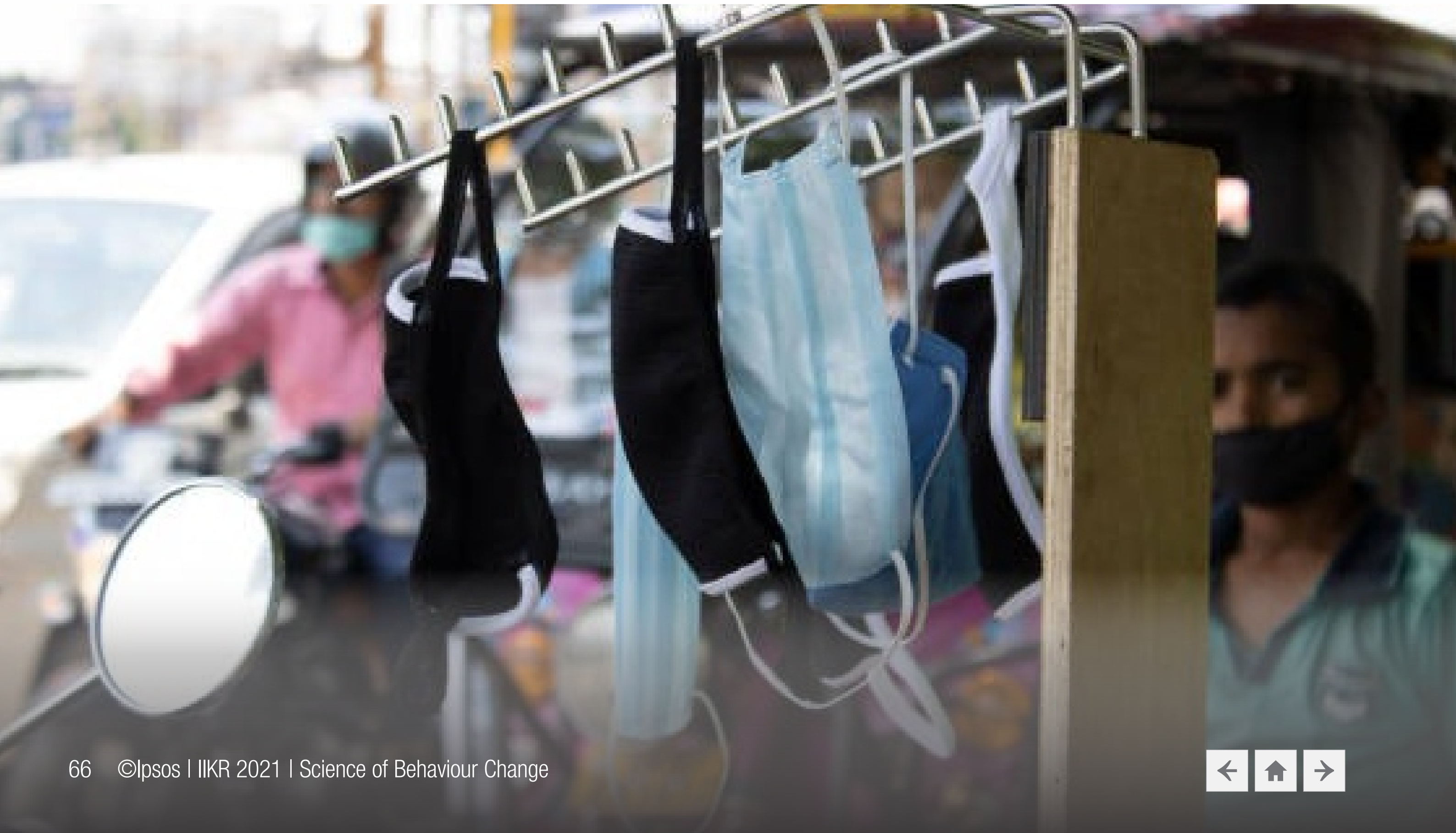
From Theories to Systems

If we can first understand the behavioural dimensions that shape behaviour then we already have a very effective means for changing behaviour as we can design interventions (such as marketing communications) with these dimensions in mind. For example, if littering is underpinned by the dimension of social norms (we assume that everyone else is littering) then we need to address this social norm as part of our intervention to change this behaviour. This could involve placing signs (a form of intervention) to show that most other people do not litter, thereby correcting the belief about the normative behaviour..

There is a huge number of possible theories that we can draw on to help identify behavioural dimensions, meaning more targeted interventions can be selected, refined and tailored. The challenge is knowing which theory to choose, as illustrated by a recent book which identified over 80 possible theories of behaviour change. The difficulty is that selecting the one most suited to a particular challenge requires wide knowledge and expertise that is not always readily accessible. In addition, and problematically for the practitioner, theories that help us understand behaviours are often silent about which interventions to prescribe to actually change behaviour. While understanding behaviour is important, we clearly need to be able to then help people to enact behaviour change.

To overcome these challenges, we must move away from theories of behaviour change towards systems. Firstly, systems have the advantage of integrating the huge range of different theories to avoid the issues we have just mentioned. This means we can then use a single framework to understand the levers of behaviour, confident that it will offer a comprehensive view across a wide range of issues. Secondly, systems of behaviour change point to ways in which the desired outcome behaviours can be achieved. This is significant as many approaches are available for diagnosing behaviour, but far fewer offer guidance on how to link this through to designing interventions to change behaviour.

Problematically for the practitioner, theories are often silent about which interventions to prescribe to actually change behaviour.



The Behaviour Change Wheel

In a review of the academic and practitioner literature on behaviour change we find that one system offers the best response to the challenges we have identified: The Behaviour Change Wheel (BCW), developed by Professor Susan Michie and colleagues. It is comprehensive, theory-based, evidence-backed and links the problem to intervention design.

At the heart of the BCW is the system of behaviour called "COM-B". This means that for any behaviour change (B) to take place, people need to have Capability, Opportunity and Motivation:

1. Capability involves psychological dimensions (e.g. the knowledge and skill to perform an action) as well as physical dimensions (strength and stamina)
2. Opportunity includes both social (e.g. norms) and physical (e.g. resources) enablers
3. Motivation includes "reflective" (e.g. conscious decision-making) and "automatic" (e.g. emotion and habit) processes.

Beneath these are fourteen sub-dimensions or "domains", including knowledge, skills, memory, emotion and social influences, among others. The COM-B system is linked to a further layer of nine intervention functions including education, persuasion, training and modelling. Finally, these intervention functions are mapped against policy categories, including communication, marketing and guidelines.

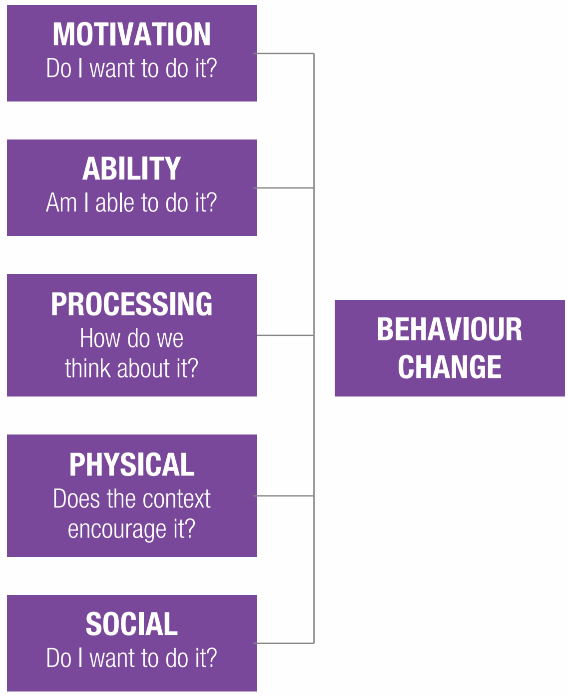
While the BCW has clear value, there are two main ways in which the system could be optimised for a range of more commercial applications (the primary focus for BCW is public health):

1. Identifying the sub-dimensions. The domains can be tricky to spot in behaviour, making it difficult to establish what is sitting underneath.
2. The intervention guidance can be too general, raising challenges for implementation.

Introducing MAPPS

Ipsos has created a behaviour change system called MAPPS. There are a number of stages to MAPPS, but it is fundamentally a model that sets out the key dimensions that are important for behaviour change:

Figure 2 MAPPS behaviour change framework



Source: Ipsos

In much the same way as COM-B, this model helps us to ensure we are covering critical behavioural dimensions. The key difference is the presence of additional Social and Processing aspects. These reflect the importance of social norms and cultural values as well as the adaptive processing element of behaviour: the degree to which we slow down to consider something or execute it automatically.

There is further granularity to the MAPPS model, as set out in Figure 3.

Figure 3 The meaning of MAPPS

MAPPS DIMENSION	MAPPS CATEGORY	WHAT A BARRIER LOOKS LIKE
Motivation	Outcome expectations	"I don't think it will work"
	Emotion	"I don't feel like doing it"
	Internalisation	"I don't want to do it"
	Identity	"I'm not that kind of person"
	Self–efficacy	"I don't feel able to do it"
Ability	Capability	"I don't have the skills to do it"
	Routines	"It's not part of what I usually do"
Processing	Decision forces	"It doesn't fit into how I think about it"
Physical	Environmental factors	"My environment doesn't support it"
Social	Social norms	"I don't think others expect me to do it"
	Cultural norms	"I don't see it as part of how I live my life"

Source: Ipsos

The MAPPS framework is at the heart of our behaviour change system. But to get the full benefit, and to move from problem through to solution, it is useful to understand the way in which it operates. For this, we follow a "Triple D" process:

- **Diagnosis:** Use MAPPS to identify and decode the barriers.
- **Design:** Pivot from understanding the behaviour to development of interventions.
- **Deliver:** A smaller number of interventions are prioritised to for prototype development and testing.

Diagnose

One of the most common errors in behaviour change work is jumping to assertions about which interventions are needed before making a proper diagnosis. Prior to any attempt to develop interventions, a rigorous understanding of the mechanisms underlying behaviour is needed.

For an accurate diagnosis to take place, it is necessary to identify the role of the MAPPS dimensions in facilitating current behaviour. This stage is very common in market research projects which specify a problem and conduct research to inform understanding. As such, it is helpful to use the MAPPS framework to design survey questions, develop topic guides, or curate existing materials.

Design

Each of the dimensions of the MAPPS model has implications for intervention activity. The key intervention design principles are:

- **Understanding:** Build knowledge, help people see relevance and importance.
- **Feedback:** Provide positive or negative guidance, direction, or outcome expectancies.
- **Planning:** Develop and maintain intentions or skills needed to perform a behaviour.
- **Restructure:** Change the environment to enhance or remove influences.
- **Connect:** Allow connections to be formed or make them available as informational sources.

The MAPPS system sets out the way in which the dimensions that we have diagnosed to shape behaviour relate to design principles that can be used to develop interventions. Using this approach, we can start to develop interventions that are more likely to succeed as they are directly related to an effective diagnosis of the issues.

Case Study: Managing Safe Re-engagement During Covid-19

Public and private sector organisations alike are trying to understand how to encourage people to safely engage in the economy and society during COVID-19. Ipsos conducted a 27-country study applying MAPPS in order to find ways to enhance comfort with re-engagement to facilitate behaviour change.

The survey found that, at the time, six in 10 were comfortable resuming 'normal' activities. The MAPPS questions were analysed with this comfort measure as an outcome variable.

This showed that the most important characteristics for encouraging re-engagement were:

- **Managing outcome expectations:** Help people to understand and navigate risk in a safe way.
- **Self–efficacy:** Help people to feel confident about their ability to manage risk.
- **Routines:** Help people develop new patterns of behaviour.

The table below shows the way in which the dimensions underpinning re-engagement activity led directly through to a set of intervention designs. These are now being reviewed by teams across Ipsos in collaboration with governments and NGOs.

Figure 3 The meaning of MAPPS

Outcome expectations	**Feedback:** Help people see the impact of their actions on risk mitigations.	**Feedback:** Assistants at shop exits offering sanitiser and guidance on applying it.
Internalisation	**Understanding:** Helping to build a sense of mastery by building knowledge.	**Understanding:** Provide opportunities for people to try different protective equipment to learn how they feel and work.
	Feedback: Providing guidance on the feeling of mastery through feedback received.	**Feedback:** Provide audio reminders as people move through a retail store, such as to maintain social distance.
	Connect: Looking to others to build a sense of mastery.	**Connect:** A collective of hospitality workers can share ways of operating while maintaining social distance.
Routines	**Feedback:** Provide guidance on behaviour to correct or maintain it.	**Feedback:** Provide mnemonics for people to remember simple guidance when they are out.
	Planning: Developing and maintaining intentions or new skills to support a behaviour.	**Planning:** A leaflet that provides steps and equipment needed when planning shopping trips safely.

Source: Ipsos

Deliver

There is an important difference between the purpose of an intervention and its delivery mechanism. We may recognise that there is a need to build knowledge using the intervention design principles of 'Understanding' and 'Feedback', but these could be delivered in a number of different ways, for example through a digital app, advertising, or outbound calling.

Marketers typically have a huge range of delivery mechanisms available to them. The best known is the TV commercial but there are many others including Point of Sale materials, the use of social media influencers, sponsorship and partnership deals, changes to packaging, and even changes to the product itself.

The final stage of the programme involves prioritising the different interventions, typically aided by plotting the ideas along two axes: the degree of impact and the ease of implementation.

From here, is it possible to formulate more detailed design guidance and develop a testing schedule, which could be done through randomised control trials or longitudinal testing using online communities.

Conducting the research in this clear and systematic way offers a 'systems thinking' approach to behaviour change. Just as a doctor would not decide on the treatment or its format before a proper diagnosis and assessment of the best way forward, we need to follow each stage of diagnose, design and deliver in order to see the results of effective and enduring behaviour change.

Behaviour Change: from Theory to Practice

Helping people to navigate ways to change behaviour to reach positive outcomes is one of the world's most significant challenges - for governments and NGOs, but also for brands, employees and all of us as individuals. Traditional notions of human behaviour suggest that we are largely passive, receptive to changing incentives, with our behaviour being 'shaped' by more automatic processes. While this may be the case for incremental changes in environments which are stable and predictable, it is becoming clear that we need holistic approaches as people need to navigate a fundamentally changing environment.

The Ipsos approach is built on a body of work that has a track record in delivering not just minor and incremental behaviour change but more substantial change that is sustained over time. Market research has changed our world by offering a way for us to understand behaviour. By extension, MAPPS offers a bridge for us to cross the chasm between understanding and practice to deliver sustained behaviour change, linking accurate diagnosis to effective interventions.

As the world remains unpredictable and changeable this behaviour change framework is likely to have many useful implications in the future.

MAPPS offers a bridge for us to cross the chasm between understanding and practice to deliver sustained behaviour change.

Applications

The research protocols set out in this paper can be applied to a number of situations and behaviour change challenges, but the main ones tend to be:

- Addressing a problematic behaviour (e.g. failing to recycle)
- Tackling something that is not being done enough (e.g. infrequent purchasing of cleaning materials)
- Establishing new required behaviour (e.g. using concentrates in fabric care)
- Seeking to maintain a new behaviour (e.g. maintaining fitness activity in lockdown)

Ipsos uses MAPPS for a wide range of public and commercial sector activities, including financial wellbeing, vaccination behaviour, cyber-security, recycling, public transport and cosmetics.

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Nationalism on the Rise

- Resurgent Nationalism

RESURGENT NATIONALISM

By Geetika Singh & Parijat Chakraborty

A fascination of the 'foreign' and 'new' co-existing with a nationalistic fervour - how do these sentiments pan out in this huge country of 1.36 billion people. Read on to find out.

Xenophilia, Innate Fascination for Things Foreign

As human beings, we all are born xenophiles - with a natural affinity for things that are new and different. During infancy and childhood, we are attracted to everything that stands out as being different. The quest to learn and interact is extremely high and this trait aids the process of learning new things and exploring unknown territories. In developed society, this is a particularly true characteristic of the younger population. Needs that drive Xenophilia are often accompanied by a desire for the exotic, and associated feelings of anticipation, thrill, and excitement that one could experience while exploring the 'new' and 'unknown'.

In India, the fascination to own and experience international brands can also be seen as a reflection of this trait. Marketers have for long successfully exploited this inclination in lifestyle categories such as fashion, by use of an international name for their Indian origin brand, such as Monte Carlo, Hidesign, Peter England, John Miller etc. which use foreign models, music, locales for mass communication. This ensured high intriguing value. Good brands of perfumes, burgers and pasta are almost expected to mention French, American and Italian associations to make customers believe in its pseudo-authenticity.

Needs that drive Xenophilia are often accompanied by a desire for the exotic, and associated feelings of anticipation, thrill, and excitement that one could experience while exploring the 'new' and 'unknown'.

Strengthening Drivers of Xenophilia

Easy access to technology, cheaper internet, means of transportation and globalization are converging the world in one's palm and leading to a rise in Xenophiles. The latent urge to explore the unknown has been facilitated by these levers and that too in an affordable manner. In categories such as fashion, lifestyle and media, the accentuated trend is pretty visible. For example, one sees an increase in consumption of international OTT content, edutech etc. wherever curiosity and affinity for the foreign and alien is extremely high. New languages were also learnt during the pandemic. According to the 2020 Duolingo Language Report released in December, Korean was one of the top 5 languages learnt globally with Indians being at the forefront.

A similar example is that of the travel industry which would otherwise have been a beneficiary too, had COVID not muted its performance last year. Albeit slow, it is expected to show signs of revival. Evidence is visible in virtual tourism, tourism economy making efforts of revival, encouraging 'staycations' and working off-base. In fact this trend was spotted early into the pandemic and reported by newspapers such as the Hindustan Times.

The Seeming Coexistence of Contrary Trends

In an increasingly interconnected world, this fascination for things foreign is fueled by access and exposure to things that lie beyond one's national borders. Growing global connectedness can be expected to strengthen this trend. Ironically though, in this increasingly globalized world we now see a contradictory trend is emerging. In many countries, there is a revival of a nationalist fervor. We have tried to examine this incongruity and offer some explanations.

India has seen a unifying thread in the past 7-8 years, despite strong regional fervor. The main reason for this rise of traditional nationalism is the recent change in socio-political context of the country.

Diverse Traditions United by Nationalism

The classical definition of Nationalism is a movement that promotes the interest of a group, which can be a nation, part of a geographical nation, religion, or further smaller groups of people. In the case of traditional nationalism, the behavioral manifestation of nationalism is in the form of practicing and promoting traditional practices and cultures.

India is an extremely diverse country with differences in traditions noted every few hundred kilometers. In fact, every region here contains the diversities of a typical country. Indian communities have been generally happy boasting about their respective traditions and culture, at times even belittling those of others. Even in modern India, today, it is quite prominent. Regional movements have further consolidated this sense of ‘us’ & ‘them’. Fragmented political parties with franchises from single state, caste or group, had further fueled it.

Therefore, it is not about a single theme of nationalism. Numerous groups of people separated by differences in region, religion, caste, socio-economic classes etc., make for an interesting mosaic. But the common characteristic is to have high regard for their respective traditions. In India the concept of nationalism is more hooked to traditionalism at regional level, rather than a unified national narrative. It can probably be called, uniquely, Regional nationalism.

The Forces Driving Nationalism

India has seen a unifying thread in the past 7-8 years, despite strong regional fervor. The main reason for this rise of traditional nationalism is the recent change in socio-political context of the country. In the new era of Indian politics, traditional nationalism got a strong boost with the right wing parties coming strongly to power. It turned out to be the binding force that could consolidate voters in this otherwise very diverse country.

The change in the political environment in the early part of the decade has clearly led to a specific manifestation of nationalism, connected to the central theme of Hindutva. The narratives of the right-wing movement leveraged and boosted the pride for age-old traditions and vilified western practices. This attack was generally subtle to develop a large voter base and at times, even becoming strident and aggressive.

The Government also did its job of fueling it further. Ayush Ministry is one prominent example. Setting up cow shelters is another. Repeat mention of our past glories and traditions by government officials and key political personalities in official and unofficial events added further weight to this momentum.

Reinforced Love for Tradition in Recent Times

In a country with high poverty and low literacy, it is very common for people to hold on to existing traditions instead of venturing into new and often expensive western solutions. However, the sudden increase of worshipping traditions in the past decade is particularly interesting, especially in the chaos caused by the Covid pandemic. The lack of consistent and definitive solutions based on science (in the pre-vaccine phase) during the pandemic helped reinforce the fervor for traditions.

Earlier in the decade, anchored in the traditional nationalism wave, Patanjali spread like wildfire and became a household name in no time, with astronomical growth in its revenue over 3-4 years. All traditional FMCG companies suffered significantly with loss of market share and revenue within months of the launch. Many companies followed suit. The market soon got flooded with products and services from traditional schools like Ayurveda, Unani, Kabiraji, Astrology, Palmistry etc.

Traditional nationalism was also evident in many other contexts. Spiritual tourism growth was reported by WARC in 2018, and the holy dip at Kumbh had a record number of over 40 million+ attendees. Yoga sessions started in every colony. Old festivals, which had lost adherents, started getting celebrated with a lot of fanfare and enthusiasm.

Explaining the Paradox

Co-existence of contrary realities is a sign of a complex society. With both xenophilia and nationalistic fervor strengthening it would be interesting to see which of these prevail. We feel that what dominates would depend on these two factors.

1. Volatility in the environment

2. Specific category context

Volatility in the environment: Covid impacted the traditional nationalism sentiment both positively and negatively, more so the former. High number of confused and nervous people followed what the traditional schools suggested as a remedy from this fiend, while some preferred to follow the simple practices suggested by modern science.

The uncertainty created by a volatile and adverse environment drives us to seek the comfort of known and familiar, with logic taking a back seat. Instead of questioning what is good and what is not, for both old and new, the need for security can force us to return to the familiar. At such a stage, the believers do not have an openness and analytical mindset to objectively assess the new.

Co-existence of contrary realities is a sign of a complex society. With both xenophilia and nationalistic fervor strengthening it would be interesting to see which of these prevail.

Specific category context: If we observe closely, in categories where Indian practices, beliefs and habits form the base of a product category, the force of xenophilia gets muted, while wherever the category has been introduced by say, a western culture, has seen a rise. The former is evident in the case of health practices, physical and personal care by the rising inclination for Ayurveda and Yoga. We have all seen the increase research for various 'natural' and 'ayurvedic' ingredients in FMCG and consumable products.

The net impact of Covid has further fueled the nationalism sentiment. Probably the current wave of traditional nationalism has reached its peak now. However, no sharp drop is expected in the near future. Events, either by default or design, will continue to give some fresh oxygen to this. We are most likely to see a plateau now, with some fluctuations in the sentiment level. Also, we cannot rule out a completely new wave of traditional nationalism in future, riding on newer challenges of modern life or an unprecedented factor like Covid.

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Going the Digital Way

- India's Data Dilemmas
- The Evolving Social Toolkit

INDIA'S DATA DILEMMAS

By Geeta Lobo, Anthony D’souza & Piyush Dixit

With increasing use of apps and social media, Indians are becoming conscious, and anxious, about their data privacy. While the awareness and knowledge levels are not as high as mature markets, nevertheless, brands need to demonstrate that they are data responsible to be viewed as trustworthy.

Overview

In this paper, we examine the attitudes of the digital Indian to sharing data. We start by looking at the affinity Indians have for digital technology, their salient data anxieties and the conflicting mindset this creates.

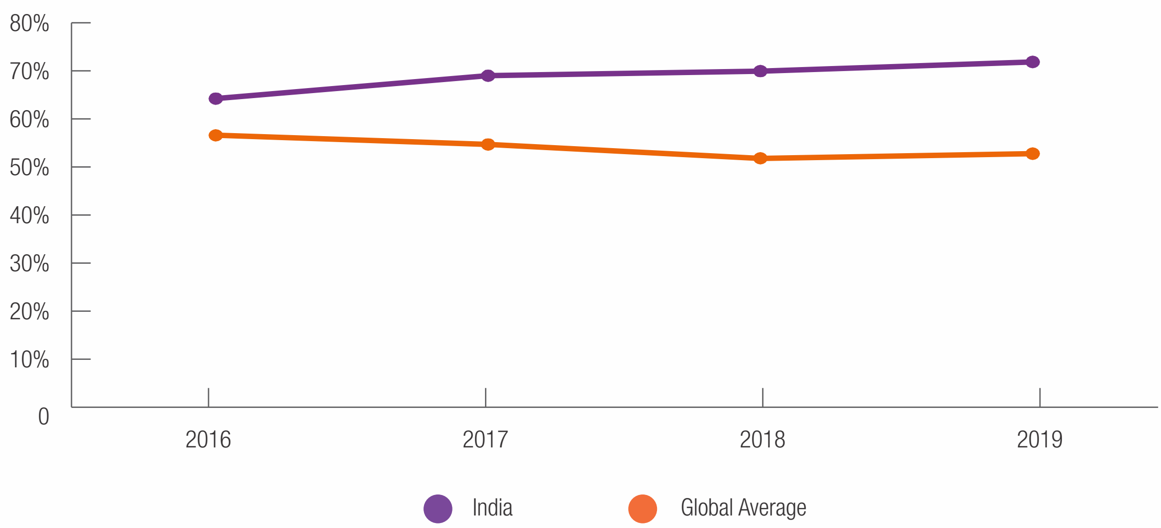
We have also highlighted the implications of this mindset for brands, especially those which offer digital services.

Growing Anxiety

Research has shown that there are between sixty to ninety apps installed on the average Indian smartphone and this number is constantly on the rise. When we download an app, usually we allow access to our contact list, messages, picture galleries and messenger images. Our shared data, however, does not just stop there. There is a lot of passive information accessible to the app providers. We could also be sharing our exact location at any given point - our residence location or our frequent haunts - and maybe even some sensitive financial details.

Permissions by themselves may be harmless and even useful in providing users with a good experience. However, not all of this data is in our control, much of it is not even in our possession. There is an increasing recognition of the power of this data and growing anxiety about its misuse. In a connected world, this data becomes a ready resource to be harnessed for furthering the objectives of those who control it. This often comes at the cost of the individual who not just risks material loss but can face a loss of privacy, autonomy and even identity. Data anxiety is the worry of losing control and possession of data which is critical and confidential as we work our way through the connected world.

Figure 1 How concerned are you about your online privacy compared to one year ago? (% saying they are concerned)



Source: 2019 CIGI-Ipsos Global Survey, Internet Security and Trust

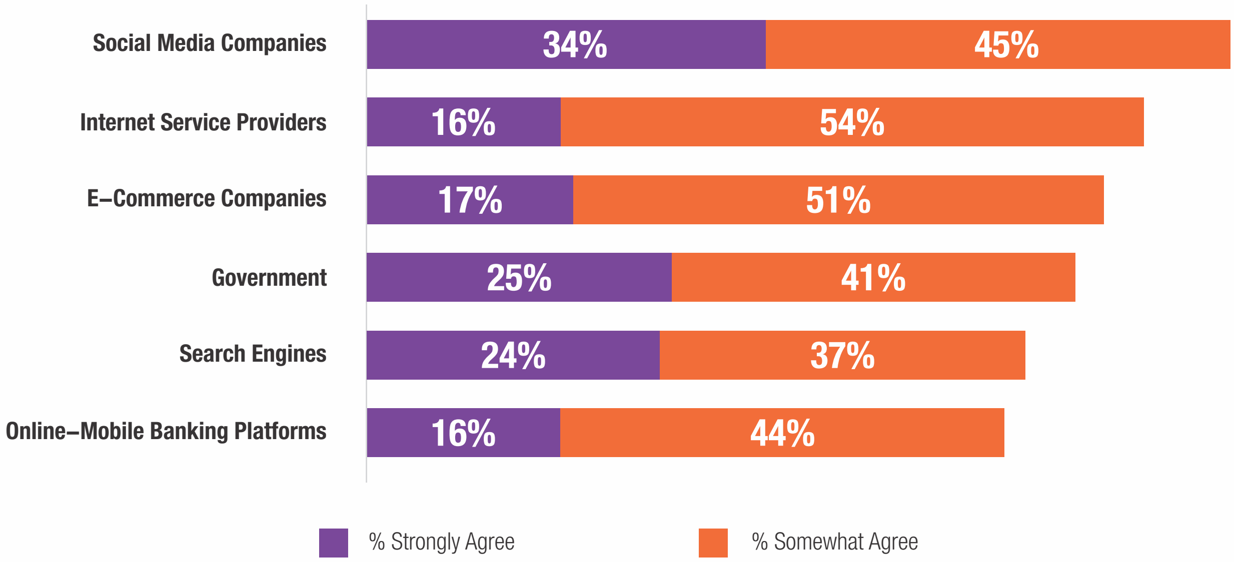
In mature markets the biggest concerns are about loss of privacy and autonomy. The digital trace left behind online can be leveraged to influence opinion, choices and behaviour. These concerns have led to regulations and safeguards such as GDPR coming into force in the EU. In India, though the awareness and knowledge of the hazards are limited, anxiety about becoming data theft victims is rising. A recent Ipsos survey of attitudes to internet security and trust reveals that the concerns of online privacy among Indians is very high and growing. The proportion of those who are concerned over online privacy has risen from 65% in 2016 to 73% in 2019.

The Social Media Dilemma

People are particularly distrustful of social media platforms compared to other players. Banks and financial services are trusted more because they are believed to have stringent security systems and policies towards ensuring data protection. Privacy, though a concern, is still not a barrier to entering the digital world as is evident from the rapidly growing base for social media platforms. Social media users in India have more than doubled in the last five years, growing from 168 million in 2016 to 376 million in 2020.

People are willing to continue using them, hoping that necessary action will be taken by the platforms in future to ensure data privacy. Incidents like the Facebook-Cambridge Analytica data scandal have not made it easy either, raising a disturbing concern for many that their personal data is not safe and cannot be trusted with big companies.

Figure 2 To what extent do the following contribute to your distrust in the internet?



Source: 2019 CIGI-Ipsos Global Survey, Internet Security and Trust (perception among Indians)

Fears of Financial Fraud

Though banks and financial institutions are well regarded when it comes to data protection, there is still considerable anxiety about the potential of a material loss. This includes worries about theft of critical financial information while conducting cashless transactions, especially online. Indians have always been wary of financial technology, be it credit card transactions or online banking. Part of this is due to the history of financial data theft, be it phishing, data skimming from ATMs or credit card fraud. Indians' innate discomfort with online financial transactions is evident from the fact that, in India, E-Commerce grew sharply only after Cash-on-Delivery (CoD) was extended as a payment option. In India, for nearly 80% of online shoppers, CoD is still the preferred mode of transaction, compared to 23% globally. In fact, close to 95% of transactions in India are cash transactions.

Big Brother Complex

"No one likes to see a government folder with their name on it"- Stephen King's quote seems apt to explain the growing anxiety in India with sharing information. The extensive data collection and data integration that the state is undertaking is a great source of unease. Though reliable data is the critical foundation for e-governance and efficient implementation of many welfare schemes, the growing appetite that the Indian state has shown for its citizens' data is now causing serious concerns. Any attempts to gather sensitive information from the population at large is always a contentious issue. Caste information collected in the population census or the National Population Register (NPR) are all data gathering exercises which have been controversial. The worries in this context go beyond concerns about privacy. The most salient concerns are about constant vigilance, loss of liberty and even extend to identity loss with exercises like NPR. This was also evident in the recent 'Aarogya Setu' fiasco. This contact tracing app sponsored by the Indian government had few takers, until it was made mandatory for anyone resuming work from an office and those living within a COVID-19 containment zone. The government later had to step down from this stringent stance and roll back to merely recommending the use of the app – once the concerns over privacy and possible misuse of banked data reached a crescendo.

The current data protection laws in India are very narrow. The IT Act 2000 does not address the need for a stringent data protection law being in place. It only contains a provision regarding cyber and related IT laws in India and delineates the scope of access that a party may have. The IT Act and the Personal Data Protection Bill, which were introduced in Parliament in 2006, are yet to see the light of day. In fact, recently proposed legislation meant to protect data rights, the Data Privacy Act 2019, while regulating use of data by private players gives the government wide ranging powers to exempt its agencies for reasons of national security or law & order. The integration of the citizen's biometric identity data with other data such as transactions, communications or location data potentially creates a powerful database which could get misused to infringe on citizens' liberty. Though there are no salient cases of misuse, other than alleged tapping of conversations of political opponents, the possibilities itself create a lot of anxiety. To add to the worries, the recent reports of a data breach at the Unique Identification Authority of India (UIDAI), which holds sensitive biometric data of the population at large, have raised concerns about the security of such data and misuse by unauthorised elements.

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Uneasy Times Ahead

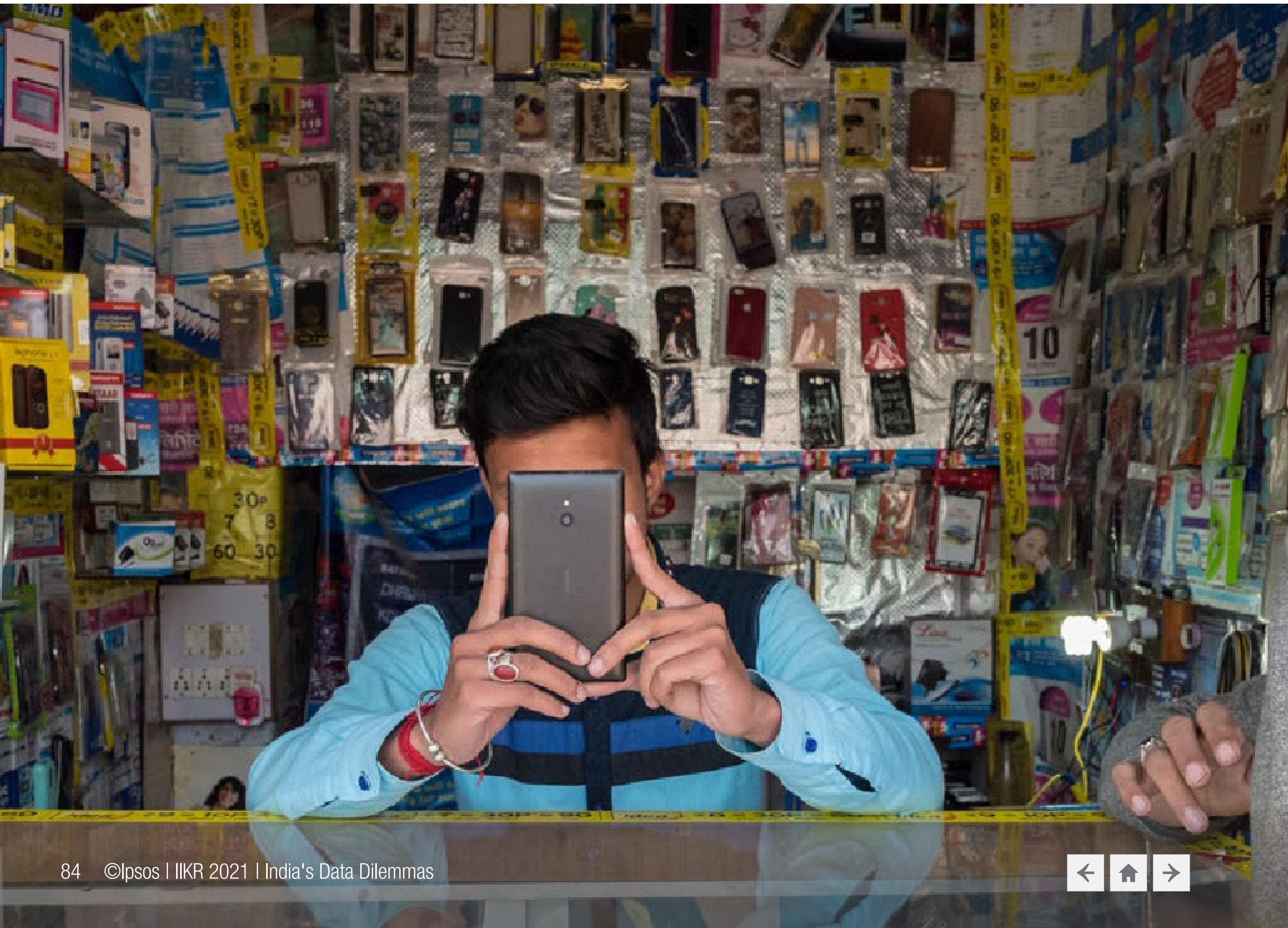
Ironically though, Indians can be expected to become increasingly data conscious in the years ahead, partly due to various legislation aimed at protecting the data rights of citizens. Even the wider base of Indians who may have otherwise been willing to blithely give up their data to private players, in return for attractive digital services, cheaper data access and a wide array of convenient solutions, will likely become more aware and vigilant.

The proposed legislations for securing citizens' data rights will curtail the powers of private players. There are guidelines in the Data Protection bill about the procuring, processing and retention or storage of such data. Already, localisation of what is deemed to be sensitive data has posed challenges for large telecom and technology players. For example, the central bank in India, the Reserve Bank of India (RBI), requires payment data of Indians to be stored exclusively on local servers.

This has led some global players including Mastercard, Visa, PayPal, Google and Amazon to push for some relaxation.

These regulations will also limit the extent to which data analytics can be used to inform marketing and communication for brands.

Stronger regulations and legislations that protect citizens' rights to their own data can quell some of this anxiety. But many of these conflicts could also put citizens and the state on opposing sides of the table. On the whole, growing awareness and data consciousness in the coming years can be expected to strengthen anxiety about sharing data both in India and across the world. Deployment of advanced technology based on artificial intelligence is likely to fuel this insecurity further.



Data Responsibility - The New Mantra for Brands

The impact of this trend on the BFSI (banking, financial services and insurance) sector is self-evident. In India, concerns of data security especially the need for secure transactions could dampen adoption of digital financial services. For brands across sectors, personalisation and targeted promotions will likely be impacted. It could also significantly influence the nature of participation in social media platforms.

Brands will now be expected to demonstrate that they are 'data responsible' to remain trustworthy, and this is particularly critical for technology brands.

Digital technologies have profoundly changed the way in which we do business, shop, work and live. In today's digitally transformed and connected world, data is produced in vast streams daily, at a mind-boggling volume and pace. Not surprisingly, a heightened focus on providing privacy to the consumer and protecting their data has become of paramount importance.

Brands will now be expected to demonstrate that they are 'data responsible' to remain trustworthy, and this is particularly critical for technology brands.

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THE EVOLVING SOCIAL TOOLKIT

By Pallavi Mathur Lal & Aman Mishra

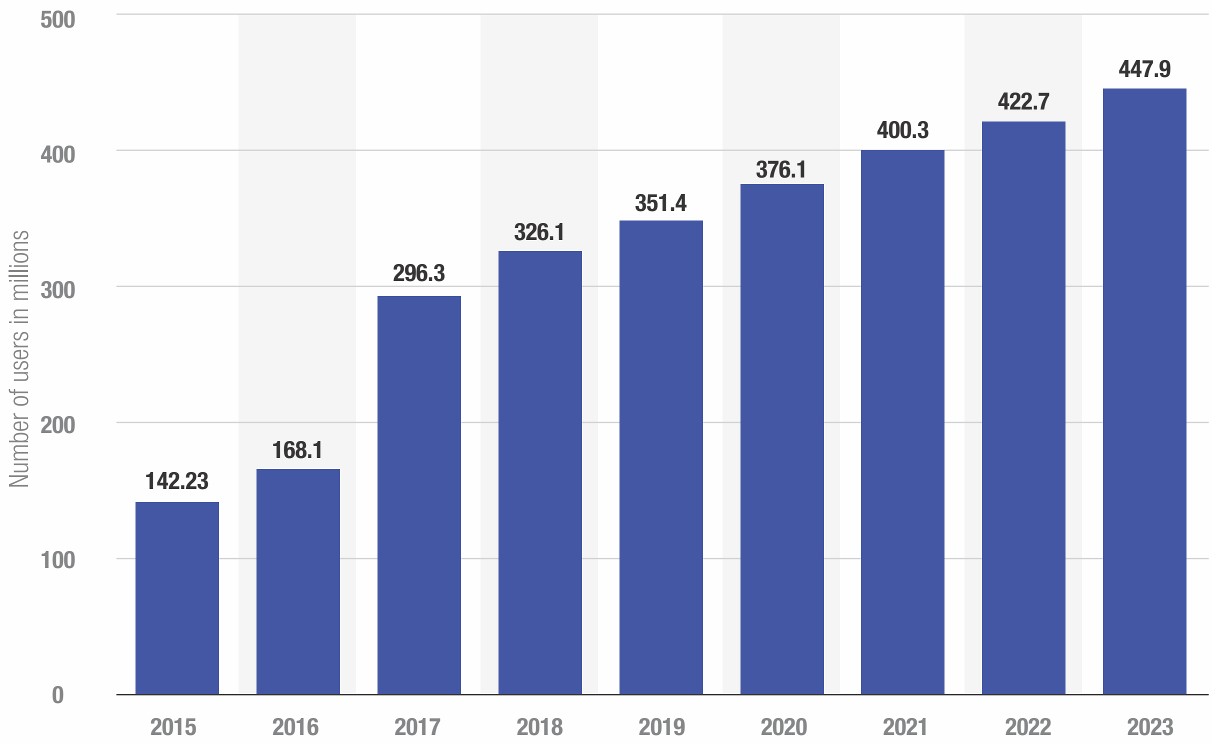
Social media has a goldmine of consumer data that can be extracted for consumer insights. This article explains opportunities present in the potent mix of social intelligence tools and human intelligence that promise to deliver the best-in-class consultation for businesses looking for insights.

Social Media Analytics in India

As the cliché goes, social media data can no longer be ignored in the connected world. Sample this: by 2023, approximately 450 million users will be on social media platforms (see Figure 1) - ergo, this comes as no surprise why marketers accord importance to social media; with most organisations putting dedicated social media teams to capture information and insights.

By 2023, approximately 450 million users will be on social media platforms

Figure 1 Number of Social Media Users in India



Source: Statista

How Social Listening Services Are Evolving

The data sources on offer continue to increase.

No longer do we see just the likes of Facebook, Twitter and Blogs making the cut as far as sources are concerned. For quality data, forums specific to the discussion topic and even product reviews are now a part of the set. Notably, social listening tools are also including media sources of newswires and news portals for a holistic media tracking activity for clients. Tools now even have provisions for integrating primary research or survey data, into their existing platforms.

Additionally, visual media is becoming critical for inclusion - Instagram, YouTube have become important to track, especially for consumer facing brands and services.

APIs are Evolving and Being Regulated

Storing all data in one place is critical, especially from the viewpoint of integration. Social media tool providers have their Application Programming Interfaces (APIs) ready for combining data from various networks with other sources. That makes tracking online reputation and customer care seamless. APIs continue to evolve with data restrictions in place and present themselves as the critical elements to better CRM efforts.

With GDPR regulations and data breaches looming large, social media platforms continue tweaking their APIs which result in curtailed data. Instagram no longer produces results beyond Jan 2019 as a default - unless hashtags are provided in separate modules.

Demographics Based Insights are Now Possible

Another evolution and development in the world of social media data is the growing interest in knowing which audience is best suited for messaging or targeting - under regulations though, it is possible only at an aggregate level. At the same time, even at the aggregate level, these tool-based insights are extremely valuable. These are based on specific demographic inputs such as age groups, locations, and interests. Outputs can include top media sources visited, habits, and brands preferred. For marketers, these are useful in understanding the digital behaviour and using the insights for targeting their audience more sharply and using the insights to build content, among other things. Ipsos-owned Synthesio provides such insights for targeting specific groups of consumers digitally.

Where are our Clients, the Marketers, today?

From 2-3 years ago, where our clients' understanding of social media analysis was still around Social Media Marketing and evaluating Digital campaigns, the needle has moved considerably today. Now, many more are aware that they need to glean insights from the prolific use of social media and forums, by their consumers. The frustration that we sense from many is about not knowing how to do this beyond the usual graphs depicting sentiment, share of voice and conversation trend lines. With all the information overload, clients have increasingly been looking for social listening expertise along with market research acumen to get actionable insights and Ipsos has stepped up and stepped in to make sense of brand conversations.

Clients who want the right guidance for their brand decisions have confidence in Social Intelligence Analysis. Clients' requirements from social media data now for instance, is more around how they can access data, the sources (whether these are the ones they know social media conversations are happening, etc.), and how they can convert the unstructured data into structured data.

Another evolution and development in the world of social media data is the growing interest in knowing which audience is best suited for messaging or targeting - under regulations though, it is possible only at an aggregate level.

Ipsos SIA in India... Consumer Insights from Social Data

So, while social media is booming with users and India's vernacular content and discussions go up, Ipsos India is upping the game by taking Social data from social 'listening' to 'Intelligence'.

In the 'Forrester Wave: Social Listening Platforms Q3 2018' Report, Lui and Chein, wrote:

"Social listening platforms are actively trying to advance the social intelligence agenda by investing in stronger analytics, deeper tech integrations, machine learning (ML), and products that facilitate cross-enterprise usage. As a result, competitive differentiation comes less from their current tech offerings and more from the ability to provide strategic guidance and drive social intelligence programs across customers' enterprises."

Interestingly, Synthesio, the in-house social data crawling tool of Ipsos has earned the distinction of being named the Global Industry Leader in the last four Forrester Wave reports. It is also credited with access to one of the widest sources of data beyond Twitter and standard social platforms.

With a strong base of consumer verbatims to work with, unstructured data becomes more structured in the hands of experienced researchers. Insight Services align the results to the specific business challenge of the clients for maximum impact. This goes beyond tool-based analytics- the researcher's skill and role shape the deliverables.

With a strong base of consumer verbatims to work with, unstructured data becomes more structured in the hands of experienced researchers.

Key Areas for Insights

Category and market exploration have been the most engaging areas for insights. An exploration of the social media space as a first-time exercise makes the most sense and helps to establish trust in this new method for consumer insights. Questions like - What are consumers saying about my brand? What are the key topics of conversation within my category space? Health and Immunity or telemedicine or entertainment options? - can be answered using social media conversations.

Reviews and ratings are also generating a lot of interest, especially since the lockdown and after, when reviews have become an even greater source of information; and research before buying a product online, in the absence of physical retail and the assistance of the sales staff in the store.

Data Capture Across Categories

Earlier on, social conversations were more on topics like Beauty, Tech, Automotive, where we noticed a higher volume of conversations. But now, compared to the last 2-3 years, we are noticing the range of conversations increasing around food (dining out, ordering in and home cooking) to personal care (grooming, hair and skin), entertainment (TV, OTT, shows and events, games and gaming, classes and other activities) to even health, immunity and doctor discussions.

Questions like - What are consumers saying about my brand? What are the key topics of conversation within my category space? Health and Immunity or telemedicine or entertainment options? - can be answered using social media conversations.

Advancement of Analytics Tools and Research Methods

SIA projects, which earlier used to be conducted on a smaller volume and scale, have now moved to handling much larger volumes of data by using different tools and analytics. Along the way we have developed the right mix of solutions, tools and talent.

- Text Analytics tools
- New Data sources such as product reviews
- Differentiated offerings of Trend Radar, Product Intelligence, CXSocial
- Acquisition of Synthesio and building in-house capabilities around the usage of Synthesio has established the social media expertise, which clients are finding highly strategic in decision making.
- Developing the right talent pool - A team with social media experts + seasoned researchers is the ideal combination for cutting edge advisory

Watch Out For...

Social media is transforming and some of the new developments are likely to alter the landscape further. We could watch out for some of these, in particular.

The Rise of the TikTok Alternatives

With TikTok banned as a result of the current geopolitical situation, several new apps have stepped in to fill the void. Local contenders include Mitron, Chingari, Roposo, TakaTak from MX Player, and Josh by DailyHunt. Even global players such as Instagram and YouTube have launched Reels and Shorts, respectively.

Vernacular Content in Focus

Vernacular, Voice, and Video are the buzzwords as the vernacular market on social media (and other media/ platforms) continues to explode.

ShareChat continues to attract non-English speaking Indian users. The emergence of these networks coupled with the ability to freely export content from them on established platforms such as WhatsApp and Facebook will ensure continued growth and demand for data stemming from these resources. MX TakaTak and Josh are advertising heavily during the popular IPL season currently.

Looking at the growth of vernacular video sharing platforms, social intelligence tools will need to extend coverage to these platforms and analytics are made available on such content as well.

With all these developments, and the dynamic nature of social media, clients will look forward to more insighting from this data source. We are looking at a space that will grow, new metrics and measures may come up, and it will be imperative for social intelligence tools to capture more data points providing more insights. Those metrics could be about video views, followers added, videos watched by the same set of followers, tracks that were played in these popular videos, top filters used, and whatnot. How clients would use these metrics to further their marketing objectives presents a great opportunity for further consultation.

Looking at the growth of vernacular video sharing platforms, social intelligence tools will need to extend coverage to these platforms and analytics are made available on such content as well.

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Evolving Ideals

- Cultural Values in Flux
- Clean, Green and Affordable

CULTURAL VALUES IN FLUX

By Ashwini Sirsikar & Jeevika Kapadia

Covid-19, an equal opportunity destructive force made no distinction between national boundaries, ethnic origins, economic status, spiritual beliefs or any of the myriad other criteria that people conventionally use to separate 'us' from them. This article explores a few societal trends that seem to be emerging in response to the pandemic using Hofstede's cultural dimensions framework.

Acceptable Authoritarianism on the Rise

In the beginning of 2020, the perceived swift, efficient and what seems to be a very successful suppression of the initial Covid-19 outbreak in China, seemed to stand in sharp contrast to the comparatively floundering response of the Western democracies across Europe and the US. The authoritarian societies were able to enforce fast, efficient and all-encompassing lockdowns whereas the more liberal societies with their laissez-faire attitude continued to leave the onus of dealing with the pandemic in the general public's hand. However, this was soon to change.

As the pandemic progressed, many countries discovered and bought into the virtues of being authoritarian.

Source: https://casework.eu/lesson/dimensions-of-culture/

As the pandemic progressed, many countries discovered and bought into the virtues of being authoritarian. With the pandemic showing no signs of abetting and many more complications around it following suit, soon the West was also quick to follow and abide by the lockdowns which had been so prevalent in the East. Europe was under a very strict lockdown for several weeks, and while protests against the lockdown continued, Coronavirus seems to have built a case for `acceptable authoritarianism'.

Collectivist Societies were Well-placed to Deal with the Pandemic

Interestingly, the variations in how different countries have responded to the pandemic and the relative success/lack of it, go beyond simple political or governance structure differences. These responses and their results also seem to be a reflection of the degree of individualism embedded within the everyday cultural fabric of societies across the world. Many open democratic societies in East Asia like Japan, South Korea, Singapore, and Taiwan as well as many in Scandinavia like Sweden, Norway and Finland seem to have implemented social distancing practices and medical infrastructure better. It can be explained through the spirit of collectivism and voluntary respect for authority that characterizes these cultures. Societies which followed the adage that 'not only do I have to keep myself safe, but I also have to keep others around me safe' seem to have performed better in dealing with the pandemic so far.

India leveraged this collectivist mindset and created the nation as a community. We saw the same spirit of collectivism and respect for authority reflected when India got out of the lockdown and offices and institutions opened. Compliance, alignment and following the rules set by the authorities has been a way of ensuring that people were safe and protected. Though the government has relaxed the restrictions, different sectors are individually still taking safety measures – this involved practice ranging from sanitisation, social distancing, wearing masks at work, to 'no outside entry' being allowed.

Though the government does not have regulations around work from home policy, a lot of companies are adapting the culture of work from home to ease the stress of their employees, there are continued restrictions around large gathering, resident apartments still have restrictions around cultural activities and door stop delivery.

The broader society believes that it is not only the job of the government to contain the pandemic, but it is an ask from the citizens to work along with the government to protect its own interests.

We have also noticed a change in the definition of indulgence. Indulgence now is centred towards self-love, self-care and an appreciation and gratitude for `what we have'.

New Definition of Indulgence

2020 did make us go through extremely challenging times for which none of us were prepared. The most obvious ways of indulgence like eating out, vacationing/travel and shopping were all curtailed. After a while people realised that they really did not miss any of these avenues of spending money and could do without many of these indulgences.

Staying and working from home led to a blurring of professional & personal lives. With the initial euphoria around learning new skills, spending time with the whole family at home dying down, challenges around lack of `me time', lack of `my space' and being overburdened with work surfaced. We have also noticed a change in the definition of indulgence. Indulgence now is centred towards self-love, self-care and an appreciation and gratitude for `what we have'.

The focus of indulgence has shifted from chasing materialistic symbols to focus on self and one's well-being. Many new year resolutions are revolving around leading a balanced life rather than working towards a promotion or an immense hike in salary. People are taking steps towards switching jobs which pay less but ensure a balanced life.

Power Distance has Widened

Power distance measures how a culture measures relationships between people. India has traditionally been a high power distance society with high degree of inequality in the society based on affluence, caste, gender and position of authority. COVID-19 had cocked a snook at all these differences and also upturned the power imbalances to an extent. The virus had not differentiated between the rich and the poor. However as the virus has progressed, the financial and social impact of the pandemic is most severely felt by the lower classes and women.

The harsh lockdown rendered many of the migrant and blue collared workers jobless. Many moved back to their villages to draw comfort and support from the familiar, However, soon the harsh realities of life and lack of work pushed them back to the cities. With the advent of online schooling and classes, the lack of an infrastructure and ability has put a brake on the lower classes aspirations. Education, which was an equalizer and provided hope for a better future, has been out of bounds for many for the last one year.

It is also widely believed that COVID has been a headwind for the women's empowerment movement. While in the initial days there was much talk about men stepping up to do household chores and narrowing the gender gap, soon things went back to their old ways. With the lockdown and work and schooling from home, the pressure on the women increased manifold. With schools and day care closed indefinitely many women had to give up their jobs. Oxfam Statistics show that domestic violence grew post the lockdown.

The financial and social impact of the pandemic is most severely felt by the lower classes and women.

The power distance is not limited to classes or to gender, there is a subtle power play which is evident amongst states in India. This is evident when one state takes pride in highlighting a lower number of cases over the other due to the specific steps they had taken to contain the virus. Or when some states make `Covid negative reports' mandatory for entering their state or seal their borders and adopt strict quarantine rules for `outsiders' it is a play on power. While on one hand states are taking steps to protect their own people, on the other hand each one is also trying to show their superior handling of the crisis via subtle power dynamics.

The pandemic though was considered to bridge the gaps of the power-distance, but it has only increased the gap further across different dimensions of the culture & beliefs.

Traditional Wisdom Bolstering Science

The tussle between traditional thinking & modern science has been there through the ages. But, from the viewpoint of how the world is responding to COVID-19, there is a blending of, and reliance on, both. Almost without exception, all countries across boundaries have based their response on what the doctors and scientists are advising them - resulting in near-universal acceptance of social distancing restrictions now being imposed across the globe. Consequently, another unique aspect differentiating this COVID-19 crisis from previous global disasters, is the case it is making for turning to science when it comes to staying safe in the modern world.

While adopting these new practices, people have alongside used any other avenues they have been familiar with. Ayurveda and yoga have made a huge comeback. The `kadhas', haldi milk etc have found acceptance even amongst the medical community as a safe and trusted way to build immunity. The pranayama practiced in yoga, is considered to be beneficial in improving lung capacity.

While they wait for the vaccines and follow the clear diktats of modern science, the comfort and re-assurance of falling back on the old ways has helped people tackle their anxieties.

Needless to say, while it has been close to a year, we would say it is still early days yet in terms of how the COVID-19 pandemic and the societal response to it is going to play out. Whether the world that emerges on the other side of this crisis is going to be quite different from the one that entered it or will we go back to our old beliefs and systems post the pandemic is a question that we need to ponder over. While we have listed a few of the early societal patterns that we have observed, it would be interesting to see the long-term impact of some of these changes.

The `kadhas', haldi milk etc have found acceptance even amongst the medical community as a safe and trusted way to build immunity. The pranayama practiced in yoga, is considered to be beneficial in improving lung capacity.

This article on **Cultural Values in Flux** is authored by

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CLEAN, GREEN AND AFFORDABLE

By Ian Payne, Greg Clayton & Alex Baverstock

Sustainability is important to consumers but value and now hygiene have become more important. To find success, new products and solutions need to strike the right balance between all three and not expect consumers to make uncomfortable tradeoffs.

Context - Where We Were

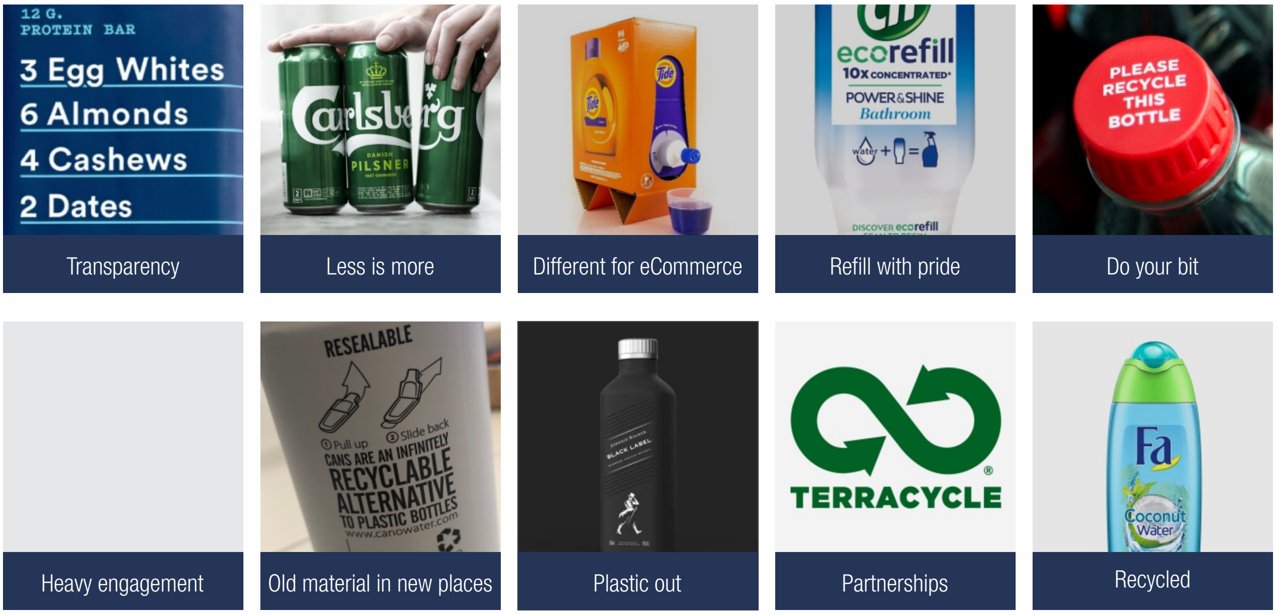
Corporate sustainability, consisting of environmental, social, and economic pillars - the 'triple bottom line' - is an important measure of the future viability of successful businesses. First popularized in the late '80s, the notion of sustainable development was a response to the conflict between globalized economic growth and the accelerating ecological degradation occurring on a global scale.

With this context, CEOs have long recognised the sustainability imperative as a key corporate goal, often reflected in commitments to address positive outcomes on specific UN Sustainability Goals. Plastic elimination garners most attention but innovation takes multiple forms. Improved end of life outcomes through compostable and biodegradable materials and better recycling infrastructure, carbon reduction emerging in brand communication and on-pack claims, improved functionality reducing food wastage and the breakthrough or rather re-emergence of refill and reuse systems; these all have the potential to deliver significant long term changes in the products we buy.

"Plastic has its place, but that place is not in the environment. We can only eliminate plastic waste by acting fast and taking radical action at all points in the plastic cycle."

Alan Jope, Unilever CEO

Figure 1 Commitments to change – and demonstrable action on these commitments – have led to a wide variety of different outcomes



Source: Ipsos

Of course, sustainable competitive advantage implies developing a business alongside - indeed, in advance of - evolving consumer and societal demands. It is clear from research that consumers recognise their role in avoiding detrimental environmental impact and expect businesses to take a lead in doing the same.

Waste is a significant issue for consumers. In early 2020, across 28 markets tested, Ipsos research highlighted 'dealing with the amount of waste we generate' as a top three environmental concern, almost as important as global warming and air pollution (see figure 3).

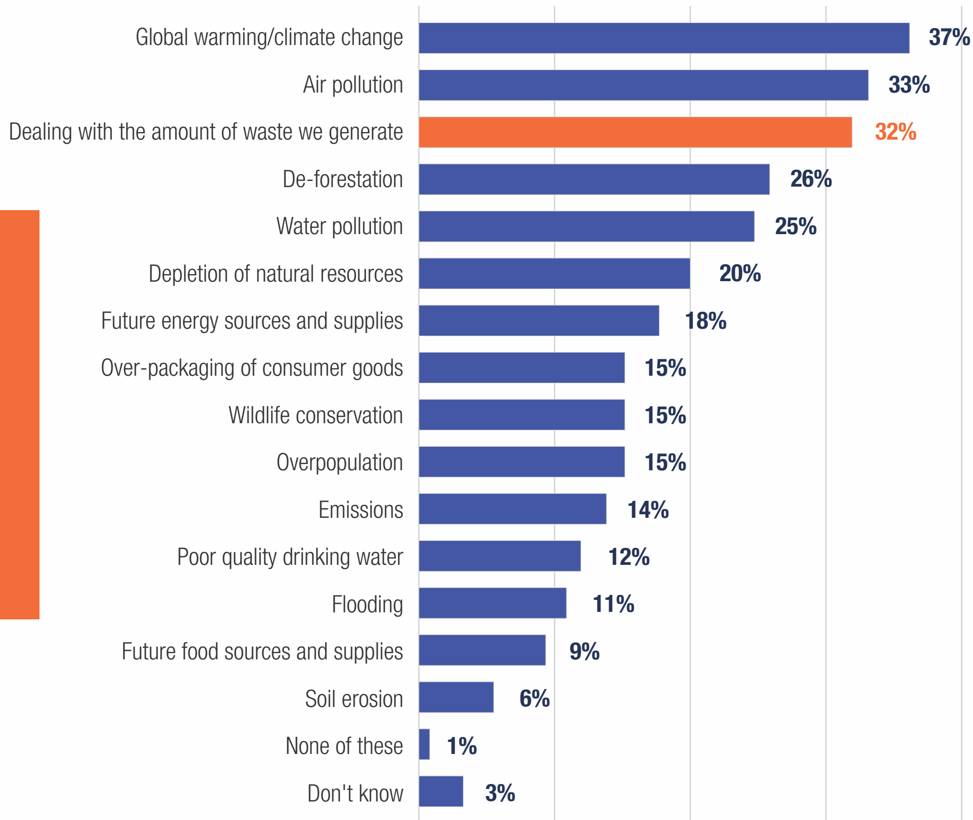
The topic of waste is also generating increasing active commitment and interest. There was a significant spike in Google searches around the term "plastic pollution" in June 2018 (prompted by World Environment Day 2018 among other high-profile events and stories), and the baseline of search behaviour around the term has been maintained over the last two years as people seek more information about this newly prominent concern (see figure 4).

Figure 2 Manufacturers should be obliged to help with the recycling and reuse of packaging that they produce

Base: 19,515 online adults under the age of 75 across 28 countries. Fieldwork dates: July 26th – August 9th 2019.

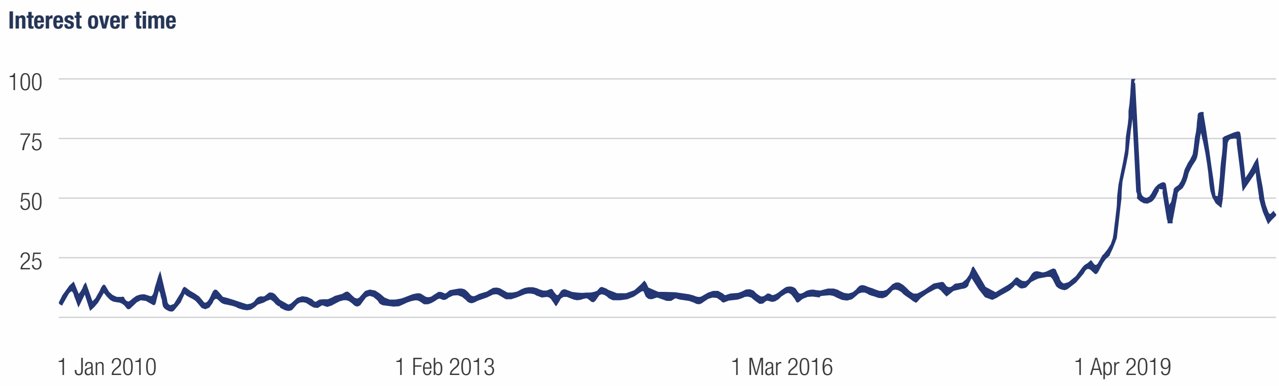
Figure 3 Top environmental issues around the world

In your view, what are the three most important environmental issues facing [COUNTRY] today? That is, the top environmental issues you feel should receive the greatest attention from your local leaders?



Base: 20,590 online adults aged 16-74: Fieldwork dates: Friday, February 21 to Friday, March 6, 2020

Figure 4 “Plastic Pollution” in Google Trends. Worldwide from 2010 to 2020.



Source: Google Trends

These attitudes have emerged in a period of relative socio-economic stability. The unparalleled global crisis of COVID-19 and inevitable subsequent recession may disrupt consumer attitudes and behaviours around packaging and sustainability in even more dramatic ways.

Immediate Impacts of COVID-19

COVID-19 has had a profound and immediate impact on the lives of generations who have never known scarcity or been subject to restrictions in freedom of movement. Government policy combined with public instinct for self-preservation have introduced significant lifestyle changes alongside a more pronounced desire for hygiene. The potential era-defining recession may prompt a significant shift in our purchase behaviour.

Pre-COVID, the extreme caution exhibited by some consumers would have seemed incredible; now these anecdotes (see figure 5) are less surprising as concerns around packaging and surface transmission have become more widespread. This, despite the available evidence suggesting transmission risk to be limited with consumers only recommended to adhere to "good hygiene practices, including regular and effective hand-washing".

As well as people's own concerns, retailers' actions have also influenced behaviour: food retailers closing fresh food counters, stores banning re-usable bags, restaurants turning to single-use plastic utensils.

Pausing the use of personal cups and "for here" ware, Rossann Williams, EVP and President of Starbucks' U.S. and Canada-operated businesses, pledged to focus on two main priorities; "caring for the health and well-being of customers and partners" and "supporting local health officials and government leaders" in their attempts to contain the virus.

Alongside consumer-targeted messaging and actions, there's an ongoing dialogue between industry and legislators with respect to 'single use' and existing plans for phased obsolation. For example, in the EU, the position of European Plastics Converters trade association (EuPC) is that the coronavirus pandemic has thrown Europe into "a completely different world where hygiene and consumer health will be the number one priority."

Figure 5 An extreme manifestation of hygiene concern

What precautions are you all taking during the global pandemic? My mum is bathing her Tesco delivery.

Base: 19,515 online adults under the age of 75 across 28 countries. Fieldwork dates: July 26th – August 9th 2019.

Furthermore, EuPC called on the European Commission "to lift all bans on some of the single-use plastics items" and postpone the deadlines in the directive "for at least an additional year". This has been echoed in the UK where the government ban on single-use straws, stirrers and cotton buds has been delayed until October 2020.

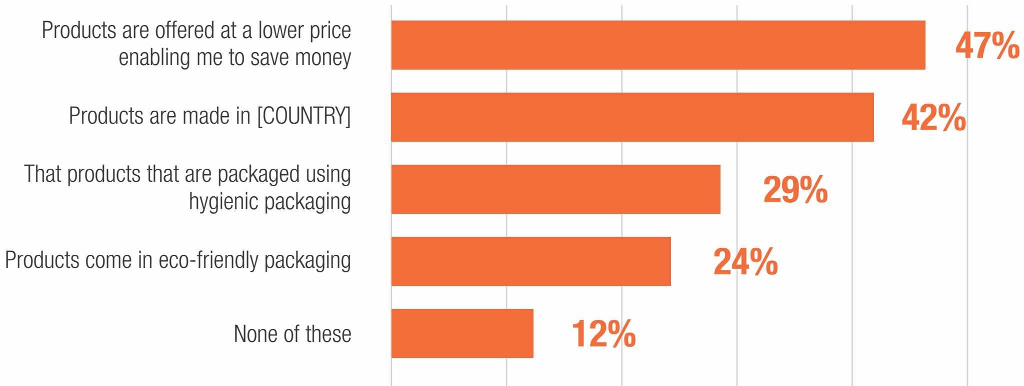
The emerging emphasis on hygiene and its impact on packaging sustainability, in terms of salience, attitudes and behaviour, is a new issue to be addressed by brands, retailers and the supply chain. And this is further complicated by consumer confidence being suppressed, which is likely to significantly impact consumer decision-making. A balanced context is therefore vital.

Consumer Attitudes

Research conducted in mid-May, with many people having experienced the peak of the COVID-19 outbreak, gives an indication of the multiple pressures that need to be addressed.

With all else equal, out of the four features tested, the top two stated drivers of purchase choice are provenance and value, notably ahead of both hygienic and eco-friendly packaging.

Figure 6 When comparing household products of similar quality and features, which two of the following are most important to you when making a final purchase decision?



Source: These are the results of an Ipsos survey conducted May 10th to 14th, 2020 on the Global Advisor online platform among 16,000 adults aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom.

Hygiene and sustainability are therefore secondary concerns across the 14 countries surveyed. This is unsurprising, particularly in a period of economic uncertainty, but nevertheless it is an important reminder on consumer priorities, and an indication of the risk to brands from retailer/own label products for which the two key triggers are relatively easily actionable.

This is particularly clear when considering country level data. Most markets tend towards the value metric. Brazil, India and China are noted for concerns on hygienic packaging, along with Mexico. China is notable for high claimed sensitivity to 'eco-friendly packaging'
(see figure 7).

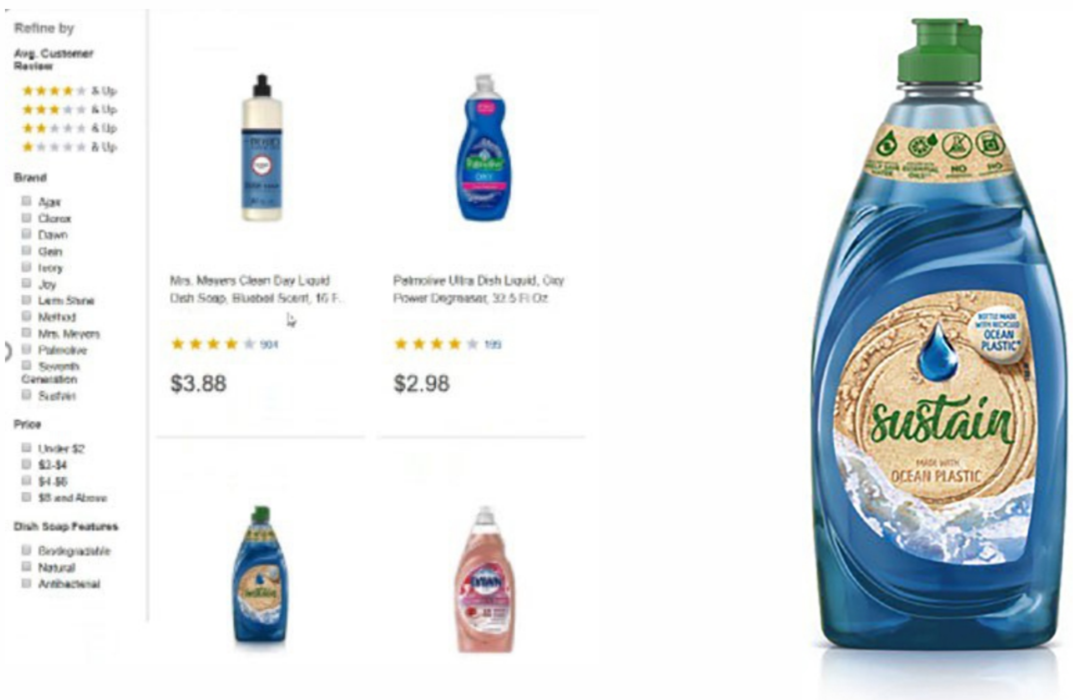
On this evidence, as brands continue their journey towards the 2025 goals and other similar change commitments, they do so in the knowledge that perceived compromise on pricing, to promote more sustainable choices, will continue to be a brake on demand. This is in line with research conducted by Ipsos in February 2020 which showed that positive sentiment can convert to positive behaviour only when there is no friction or compromise with cost.

Figure 7 When comparing household products of similar quality and features, which two of the following are most important to you when making a final purchase decision?

	ALL	AU	BR	CA	CH	DE	SP	FR	IN	IT	JA	ME	RU	KO	UK	US	SA
Products are offered at a lower price enabling me to save money	47%	50%	47%	55%	28%	36%	40%	37%	33%	44%	49%	48%	57%	46%	59%	55%	64%
Products are made in [COUNTRY]	42%	59%	21%	54%	35%	39%	46%	59%	47%	46%	45%	34%	29%	40%	31%	41%	42%
That products that are packaged using hygienic packaging	29%	20%	38%	16%	57%	19%	34%	13%	53%	22%	20%	44%	18%	34%	18%	23%	36%
Products come in eco-friendly packaging	24%	20%	22%	18%	51%	30%	18%	31%	38%	19%	12%	24%	16%	23%	22%	17%	22%

Source: These are the results of an Ipsos survey conducted May 10th to 14th, 2020 on the Global Advisor online platform among 16,000 adults aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom.

Figure 8 Ipsos Simstore trial for new environmental dishwash brand

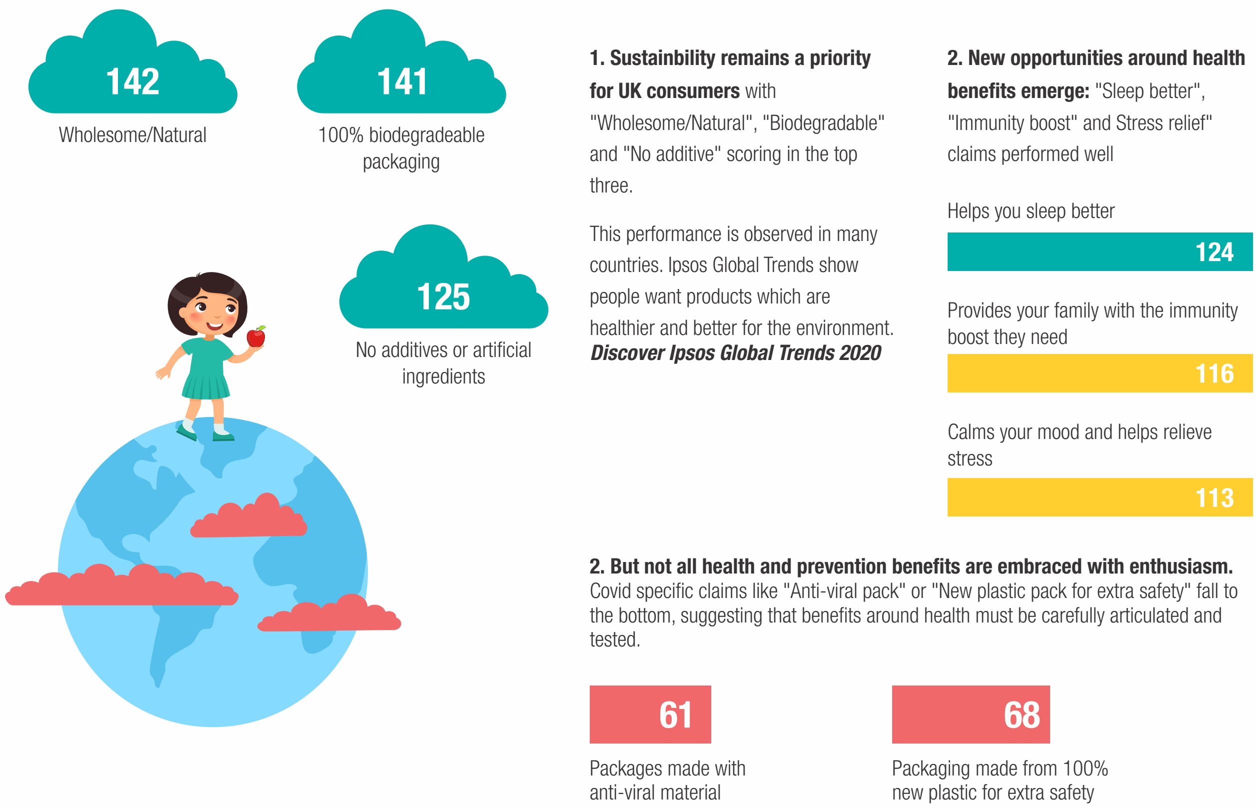


Source: Over 2,000 US participants were invited to shop the dishwash category in a familiar looking eCommerce channel. A new brand 'Sustain' was introduced with two versions (1) no environmental claims (2) with environmental claims, led by 'ocean plastic'. Additionally, three price levels were tested. The research showed that at parity pricing, more consumers chose 'Sustain' when environmental claims were present. However, with premium pricing there was no significant gain in trial.

Although consumers place other priorities over sustainability, the overall sentiment of doing right by the environment still stands. An initial indication of how consumers may respond to potential manufacturer and retailer actions during COVID-19 is presented in Ipsos research in the UK from May 2020. A range of food and beverage category claims - both established and new to the world - were tested, with the objective of identifying those that resonated most strongly with consumers in the context of lockdown measures and social distancing.

At a basic level, more familiar claims with positive messaging - doing better for the environment, eating and drinking more healthily, sleeping better - are much more persuasive than claims which are new to the world and arguably more opportunistic.

Figure 9 A range of food and beverage claims tested in the UK in May 2020



Source: Ipsos DUEL claims research tested on the Ipsos Digital Platform on 7th May, 2020, UK

Packaging is represented in several ways. The most aspirational - '100% biodegradable packaging' - benefits from sustained messaging and public debate around the negative sentiment towards plastics specifically, even if the reality of 'biodegradable' might be hard to achieve in practice. More novel hygiene benefits are not immediately appealing and risk being subject to scepticism from the general population.

As well as these specific examples, a more general view also highlights that consumers are supportive of positive action on sustainability in a post-COVID-19 world.

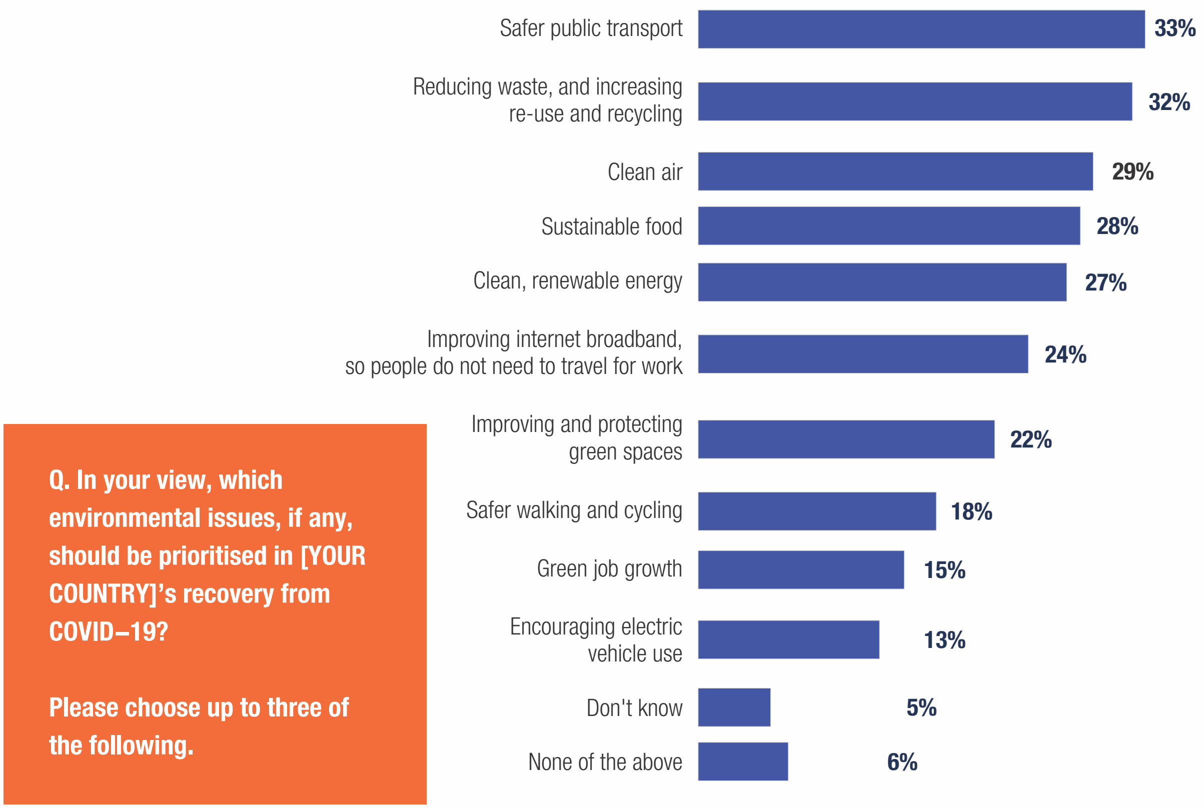
Figure 10 A range of food and beverage claims tested in the UK in May 2020

Classification	Claim tested	Promise
Priority (120+)	Wholesome and natural	142
	100% biodegradable packaging	141
	No additives or artificial ingredients	125
	Helps you sleep better	124
Rework (80–119)	Provides your family with immunity boost they need	116
	Calms your mood and helps relieving stress	113
	Made with Fair Trade certified ingredients	111
	Packaging made from 100% recovered ocean plastic	109
	Contains the best mix of vitamins your immunity system depends on	108
	Improves your cardiovascular system functions	106
	Helps the local community	106
	Helps with memory and cognitive functions	106
	Gives you the energy and strength you need	106
	Packaging uses less material and is better for the environment	106
	Packaging keeps food fresher for longer	106
	Helps you recover faster after illness	105
	Has a very long expiration date	104
	Remains fresh taste even when stored for a long time	103
	Made with organic ingredients	103
	Manufactured under the highest health and sanitation standards	99
	Improves your respiratory system functions	96
	High in antioxidants	94
	Made from carbon neutral packaging	91
	Completely plant based	90
	Packaging uses less material to keep price low	90
	Balance gut microbiome to promote overall health	87
	Made with non-GMO ingredients	86
Eliminate (<80)	Packaging "smart labelling" tells me if product contaminated	72
	With nutrients to help feel fresher after hours in front of a screen	70
	Packaging made from 100% new plastic for extra safety	68
	Packages made with anti-viral materials	61
	Packaging specially designed for home delivery	57

Source: Ipsos DUEL claims research tested on the Ipsos Digital Platform on 7th May, 2020, UK

On the face of it, this is a reassuring view. However, the challenge for manufacturers and retailers will be to continue to demonstrate leadership in the face of growing complexity brought about by the long-term impact of COVID-19, manifested in multiple seemingly conflicting ways. How do manufacturers stay on the path to a more sustainable future with a consumer base who, in a significant number, are visiting stores less, shopping online more, buying more meal kits, buying larger 'value' packs, are more concerned about hygiene, still want to do right by the environment but have a negative outlook on their own prosperity?

Figure 11 Across the world, safer public transport, reducing waste, and increasing re-use and recycling are the top environmental issues for a green recovery. Green job growth and encouraging electric vehicle use remain at the bottom.



Source: These are the results of an Ipsos survey conducted June 12th to 15th, 2020 on the Global Advisor online platform among 16,000 adults aged 18-74 in Canada and the United States and 16-74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the United Kingdom.

Manufacturer / Retailer Challenges

Consumer Behaviour

The short-term reality is that in June 2020, consumers are making significant behavioural adjustments - mainly with a view to mitigating risks to personal health. How do brands react to this and should this current behaviour play into longer term planning?

A rational response is that nothing should change with regard to how brands package their products, despite one in three consumers believing that COVID-19 can be spread by boxes and packages received from other countries. The US-based Center for Disease & Control (CDC) has stated that "consumers face a low risk of spreading the virus from products or packaging that are shipped over a period of days or weeks at ambient temperatures. With store bought packaging often having similar surface characteristics, the implication is that no matter how manufacturers package their products, the risk of COVID-19 transfer from products, already limited, is in any case dependent on issues outside manufacturers' control i.e., what happens in store.

Nevertheless, if disinfecting and washing products remains a significant behaviour, does this become a potential source of innovation? And will this innovation have a positive or detrimental impact on environmental commitments?

Figure 12 Recent innovation in beer category concern

Source: Albacher, Romania

A simple and intuitive 'innovation' for example, in beverages, would be for more brands to follow San Pellegrino's long-established premium cue of adding foil lidding which offers a protective barrier to the can mouth. While recyclable, widescale adoption would be a backwards step from an environmental aspect, particularly if it doesn't lead to better outcomes in terms of viral transmission.

Packaging-free Solutions

In the UK in 2019, Tesco and Waitrose both made national news for the introduction of 'packaging-free' trials in selected stores, with shoppers able to bring their own re-usable containers to stock up on cereals, pasta, and even beers and wines. Despite these being in only a handful of stores, more than one in three (36%) in the UK said they were aware of 'stores trialling packaging-free' initiatives', and 61% said they would consider using them if they were available near where they live.

However, during COVID-19 sales of loose products like fresh fruit and vegetables, cooked meats, and cheese have fallen while their packaged equivalents have increased. This is in part driven by retailer actions, but also by purchasers themselves - 20% globally have the perception that they have 'purchased products that are packaged using hygienic packaging'.

It remains to be seen whether consumers' acceptance of plastic packaging will be increased if it is associated with greater hygiene, both in enclosing and protecting products from contamination, and greater ease of cleaning.

Figure 13 Q In the last few weeks have you purchased products that are packaged using hygenic packaging?

Base: 16,000 online adults aged 18–74 in Canada and United States and 16–74 in Australia, Brazil, China, France, Germany, Italy, Spain, India, Japan, Mexico, Russia, South Africa, South Korea and the UNited Kingdom. Fieldwork dates: May 10th – 14th 2020.

Manufacturers and retailers may need to devote more time and resources to reassuring consumers that sustainability and safety needn't be in conflict.

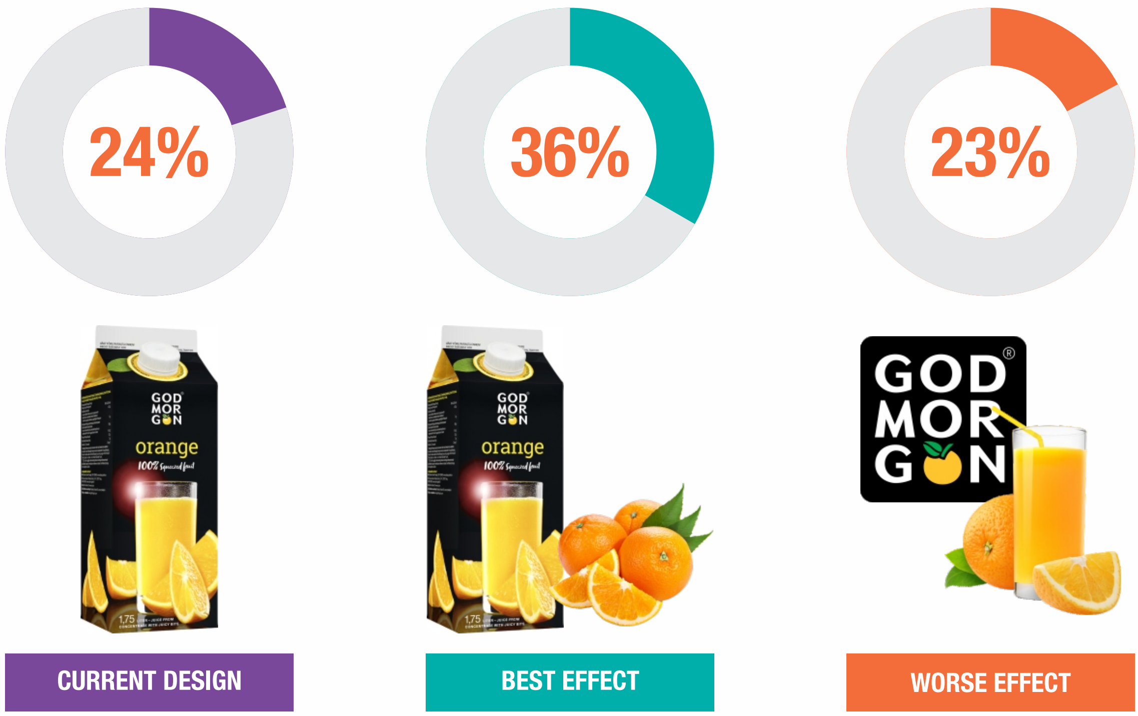
Recycling / Reuse

To many people 'sustainable' packaging is something that they believe can be recycled, and recycling is an action that most consumers feel ready and able to do. However, with some refuse and recycling collection services being disrupted by lockdown and social distancing measures, there is concern that this will result in more recyclable materials going to landfill.

Even without this challenge, recycling can be a complex matter for consumers.

If any disruption to recycling services remains, maybe we'll see a golden age of reuse of packaging. This has long been encouraged in emerging economies, and the Pfand scheme is deeply entrenched in Germany's environmentally-progressive society. Could the upcoming recession see a renewed focus on the reuse of materials in more developed markets?

Figure 15 How behaviour is impacted as a function of packaging execution online (% show share of choice for different designs when presented within an eCommerce category page)



Source: Ipsos research

Move to Online and Retailer Power

As indicated by the growth of online retailers, a direct consequence of restricted movement is that more people will shop online for groceries. This means that product choice is happening on-screen and not between physical products, which in turn means that packaging images need to operate effectively in e-commerce environments, on both large and small screen devices.

Consistent with Mobile Ready Hero Image Guidelines, Ipsos research conducted in Sweden has highlighted the dramatic effect in choice behaviour which can be achieved through optimisation of e-commerce packaging images and assets.

E-commerce retailers are in an increasingly strong position to dictate physical changes to packaging, not just the designs that are shown in their online stores.

For instance, Amazon's Frustration-Free Packaging (FFP) initiative encourages certain categories to provide primary packaging that is suitable for safe shipping without additional packaging materials, in some cases leading to ingenuity that benefits the retailer, manufacturer and the consumer.

The SARS crisis of 2003 provided the conditions for e-commerce retailer Alibaba to launch Taobao, now China's largest mobile commerce destination. It seems likely that COVID-19 will serve as another significant catalyst for e-commerce, making considerations of packaging for this channel even more important.

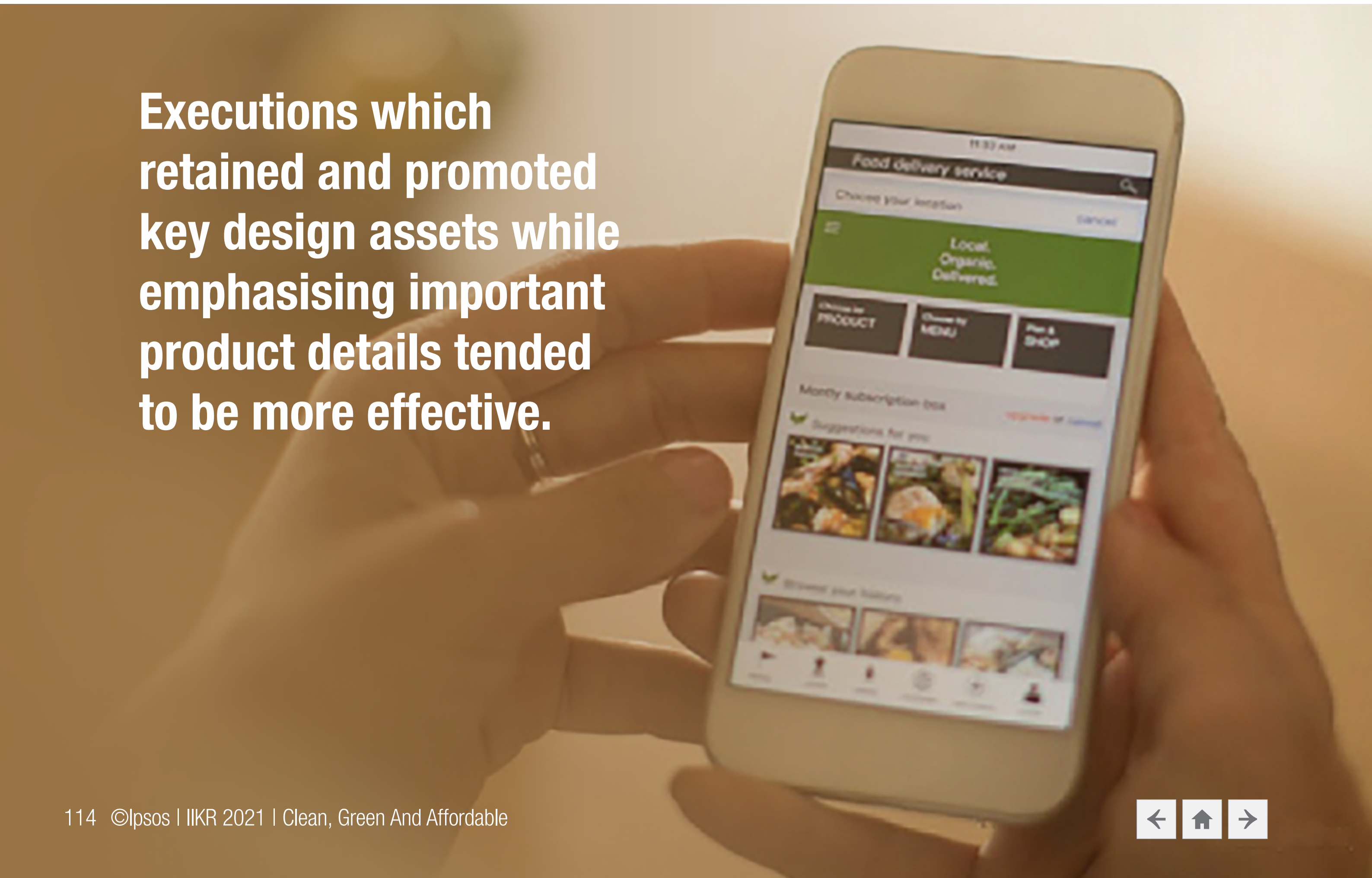
Executions which retained and promoted key design assets while emphasising important product details tended to be more effective.

Consumer Confidence

The impending recession is already significantly impacting on consumers' outlook on employment, their personal financial situation and their national economy - the Ipsos Expectations Index in April 2020 was four points lower than at any time in its 10-year history. Consumer confidence is a known lagging indicator that recovers slowly after an immediate crisis and these long-term effects threaten to make 'value' an overriding purchase decision factor for a significant period ahead.

An immediate indication of changing behaviour is a shift in spending towards store brands, hard discounters and online. For example, in the 12 week period ending on 22nd March, discount supermarkets in the UK, Aldi and Iceland saw double digit growth in sales year-on-year, with Lidl seeing a 17.6% rise on the same period in 2019.

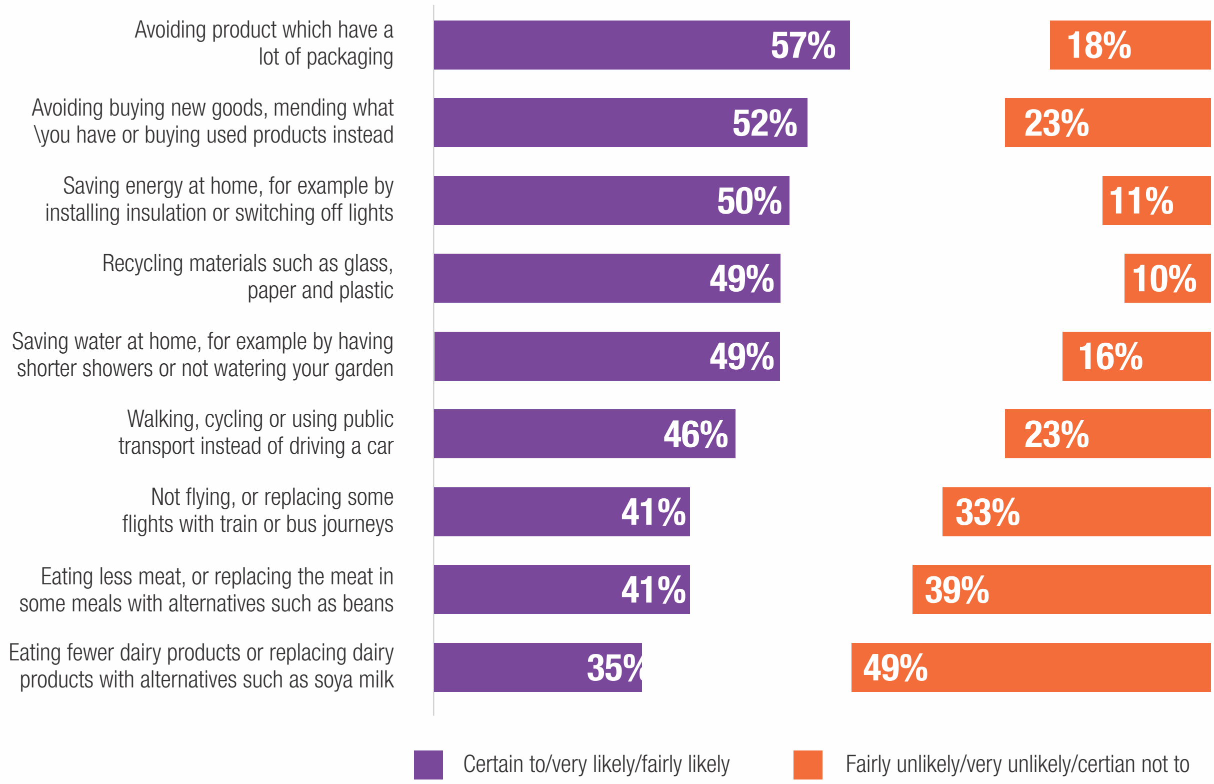
To what extent are we going to find that sustainability concerns are going to be cast aside when consumers are faced with these new economic realities?



Executions which retained and promoted key design assets while emphasising important product details tended to be more effective.

Figure 17 Willingness to take action on climate change - global data

Q. Thinking about things you might do in order to limit your own contribution to climate change, how likely or unlikely would you be to make the following changes within the next year?



Source: Base: 20,590 online adults aged 16-74: Fieldwork dates : Friday, February 21 to Friday, March 6, 2020

Conclusions

The potential tension that the COVID-19 crisis has generated between sustainability, hygiene, and value is clear. Many consumers around the world are going to be facing very immediate pressures on lower-order Maslow needs (health and disposable income), so the issue of sustainability risks being deprioritised in practice, despite the strength of feeling behind it.

By assuming positions of societal and ethical leadership, manufacturers can ensure that consumers aren't forced to make uncomfortable trade-offs between any of these factors. Product and packaging development will need to equally cater to the 'new normal' demand for strict hygiene, the immediate restrictions on household expenditure as well as the long-term societal recognition for sustainability if we are going to emerge from this crisis with humanity strengthened.

Sustainable business practices remain relevant even in the height of COVID-19 as illustrated by people's attitudes to health and the environment. In that context, those companies which can continue to drive better environmental outcomes in the face of reduced consumer confidence and increased sensitivity to hygiene have an opportunity to build themselves long-term reputational equity and better chances of success.

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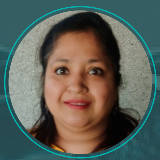

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About the India Knowledge Team

The India Knowledge Team works to curate and promote transversal learnings in the domains of consumer behaviour, market understanding and public opinion. It is run by a team of researchers across different service lines. The team works closely with the Global Ipsos Knowledge Centre to help disseminate the Ipsos points of view in the Indian market.

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