

BRAND BEAUTIES

BRANDS WINNING OVER THE
UK PUBLIC DURING COVID-19

JUNE 2020

OUR QUEST

It now goes without saying that C-19 is the biggest force for change most of us have ever seen, but how is it impacting our views on brands?

We set out to understand three things:

- Which brands are the UK public feeling most positive towards?
- How much of an impact has a brand's response to C-19 had on these feelings of positivity?
- What do people expect from businesses at this time?

Our data's from a nationally representative survey and six in-depth video interviews, conducted 6th to 12th May 2020. As it's only a snap-shot, we won't know how enduring our findings will be, but it's none-the-less thrown up some juicy insights.

We plan to conduct further waves in the coming months to track any changes and deepen our understanding of what drives brand positivity and strong customer relationships in the C-19 (and hopefully, post C-19) world.



WHY POSITIVITY?

We considered several metrics to gauge brand health and concluded that positivity is our best bet.

Why?

It's simple, instinctive and unambiguous - people don't have to think too hard to answer it - so an ideal way to identify Brand Beauties.

It's neither too emotive, like 'love', nor too rational like 'preference'.

It can be asked of both brand users and non-users, the former a measure of brand connectivity (in commercial terms akin to satisfaction or loyalty), and for non-users a measure of warmth (in commercial terms, low hanging fruit or acquisition targets).

And finally, it's a non-specific, 'fat' measure, allowing for any number of reasons behind it, so gives us something meaty to explore quantitatively and qualitatively (and for those with statistical bent, it's an ideal dependent variable for drivers analysis).



THE FOOD RETAIL SECTOR IS KNOCKING IT OUT OF THE PARK

It could've gone either way, but it seems food retailers have the nation's hearts and minds, with a whopping 80% of us feeling positive about the sector. People think they've risen to the significant challenge of keeping us fed in a safe and orderly way.

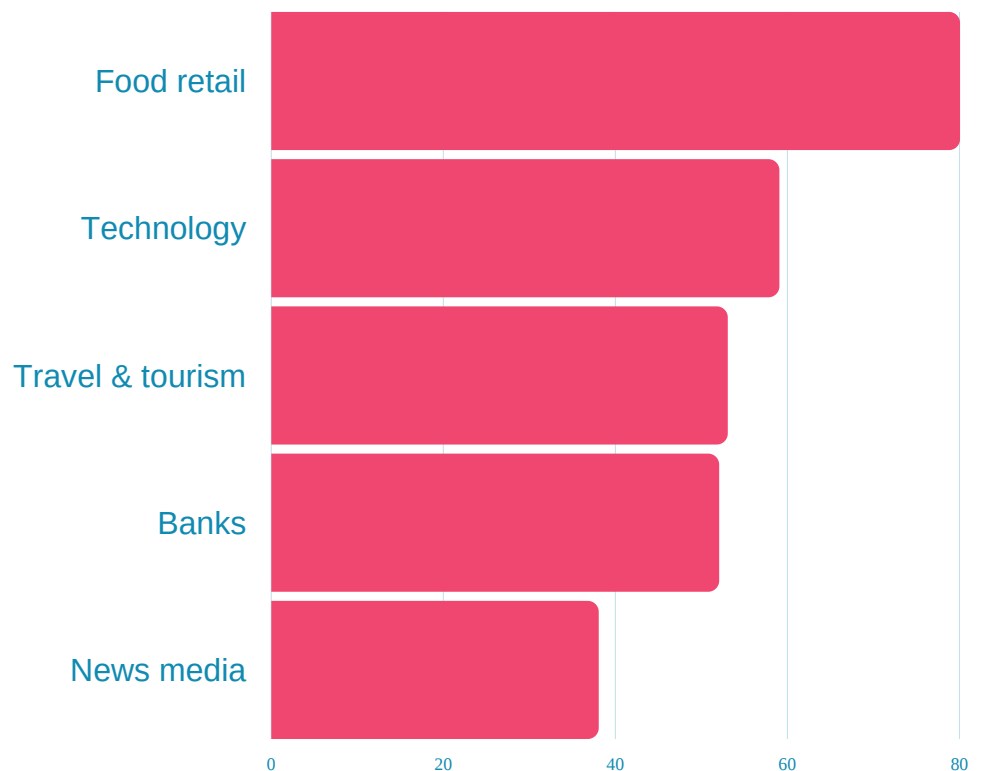



FIGURE 1: PERCENTAGE WHO FEEL POSITIVE TOWARDS EACH SECTOR

Q BROADLY SPEAKING, HOW POSITIVELY OR NEGATIVELY DO YOU FEEL ABOUT EACH OF THE FOLLOWING BUSINESS SECTORS? (BASE: 502)



“Food retailers have functioned well, performing a civic duty, coping with high demand, supply chain problems and new challenging safety guidelines for staff and customers.”*

At the other end of the scale lies the news media, with only 38% positivity. To some extent this is because the news itself has been so negative, but our research also revealed considerable dislike and mistrust of the sector, a trend seen in other studies well before C-19.

“There’s a lot of scaremongering in the news, with some established newspapers and individuals whipping up a lot of fear.”

“*I feel for sorry for the travel companies, I don't feel negatively towards them.*”

We expected the travel and tourism sector to fare worse, given many of us are fighting for refunds, yet over half of the UK are feeling positively towards it.

Looking a bit deeper, we find that much of this positivity is being driven by the under 35s, who may well be more upbeat about their own holiday prospects than older people, while holding fewer gripes towards the sector itself.

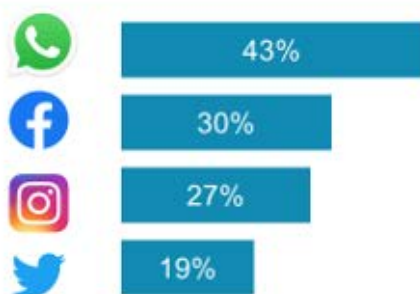
The under 35s are also shoring up the positivity towards banks, with 60% feeling positive towards them compared to just 46% of the over 55s. This is an encouraging statistic for a sector that typically struggles to engage people.

OVERALL POSITIVITY SHOWS SIZE AND SECTOR MATTERS

We asked people how positive they felt towards brands in four key sectors that we felt were most important to life in lockdown.

The larger brands in each sector achieve the best positivity scores, but overall there's higher positivity towards brands that feed and entertain us. Whilst there's little to differentiate between the banks, there's no denying that Tesco, Netflix and Whatsapp are the Brand Beauties of their respective sectors right now.

Food retail



Social media

Banks



Streaming entertainment

FIGURE 2: BRAND BEAUTIES - SECTOR FAVOURITES

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)

CUSTOMERS KNOW BEST



It gets more interesting when we look at positivity scores for customers versus non-customers. It stands to reason that the former give higher positivity scores as they experience the brand firsthand- and this is what we see across all four sectors.

In the food retail sector (see Figure 3 below), M&S at the premium end and Aldi at the discount end are voted best by customers, showing that they're successfully delivering very different propositions to their respective audiences.

It's interesting to note how well specialist greengrocers and butchers fare compared to corner shops and Spar, who've been much lauded during C-19 - indicating they have their work cut out to convert their shoppers into feeling positive about them.

Of all the food retail brands, Tesco enjoys the highest positivity amongst those who are not regular customers. This must be in part due to the size of its physical footprint and the high levels of familiarity it enjoys, but it is notably above its nearest rivals Sainsbury's and Morrisons

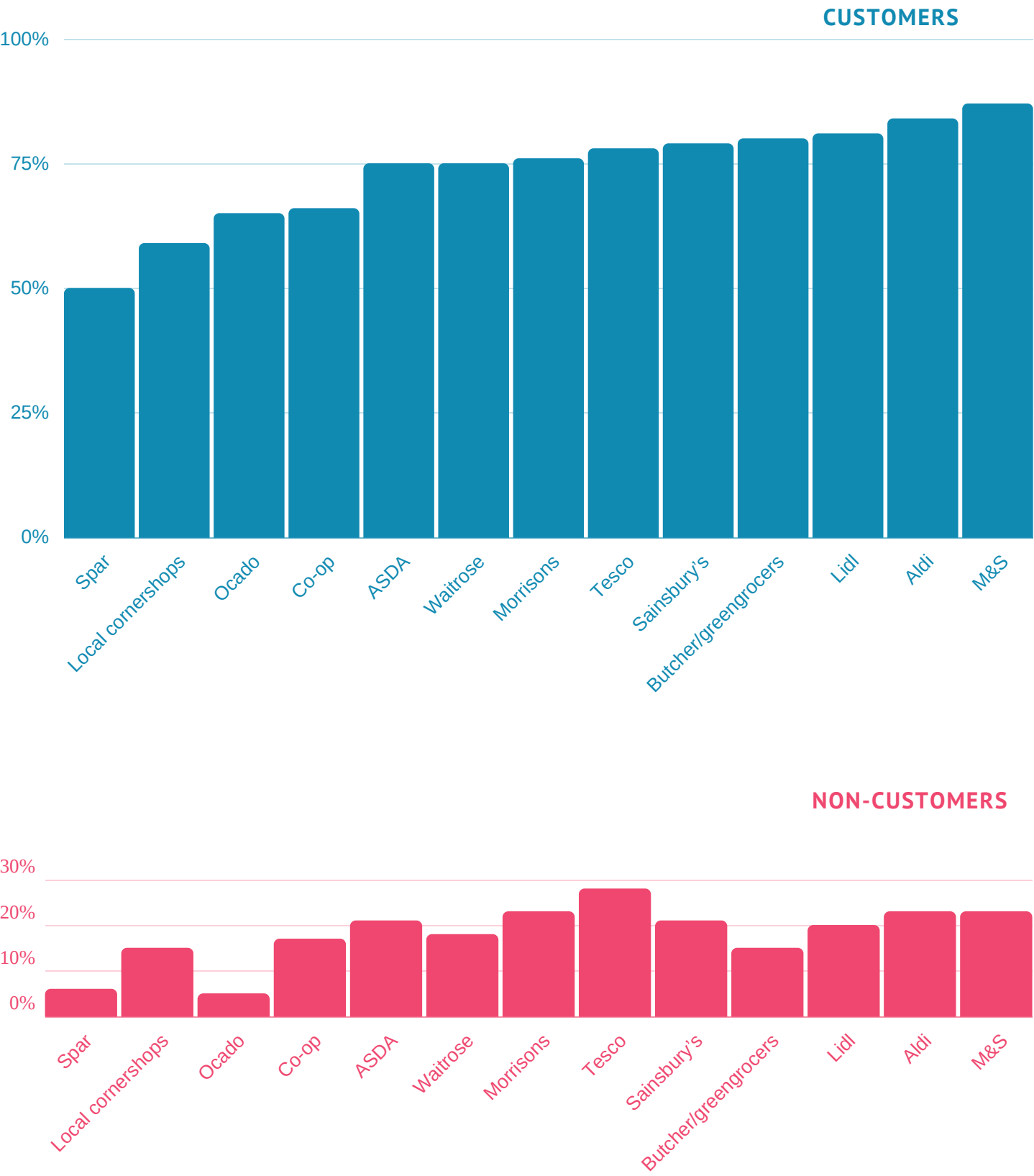


FIGURE 3: FOOD RETAILER BRAND POSITIVITY
Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)



If we look at customer positivity towards banks there are some dramatic variations between brands (see Figure 4 below). Starling leads the pack, with Monzo and First Direct reaching the same levels as some traditional high street brands (Barclays, Nationwide and NatWest), confirming that banks don't need a bricks and mortar presence to please their customers.

Halifax emerges as something of an outlier, as it registers the highest positivity score amongst non-customers, while performing most poorly amongst its customer base. This indicates that, while it is relatively successful at making a positive impression with the general public, its customer experience leaves something to be desired.

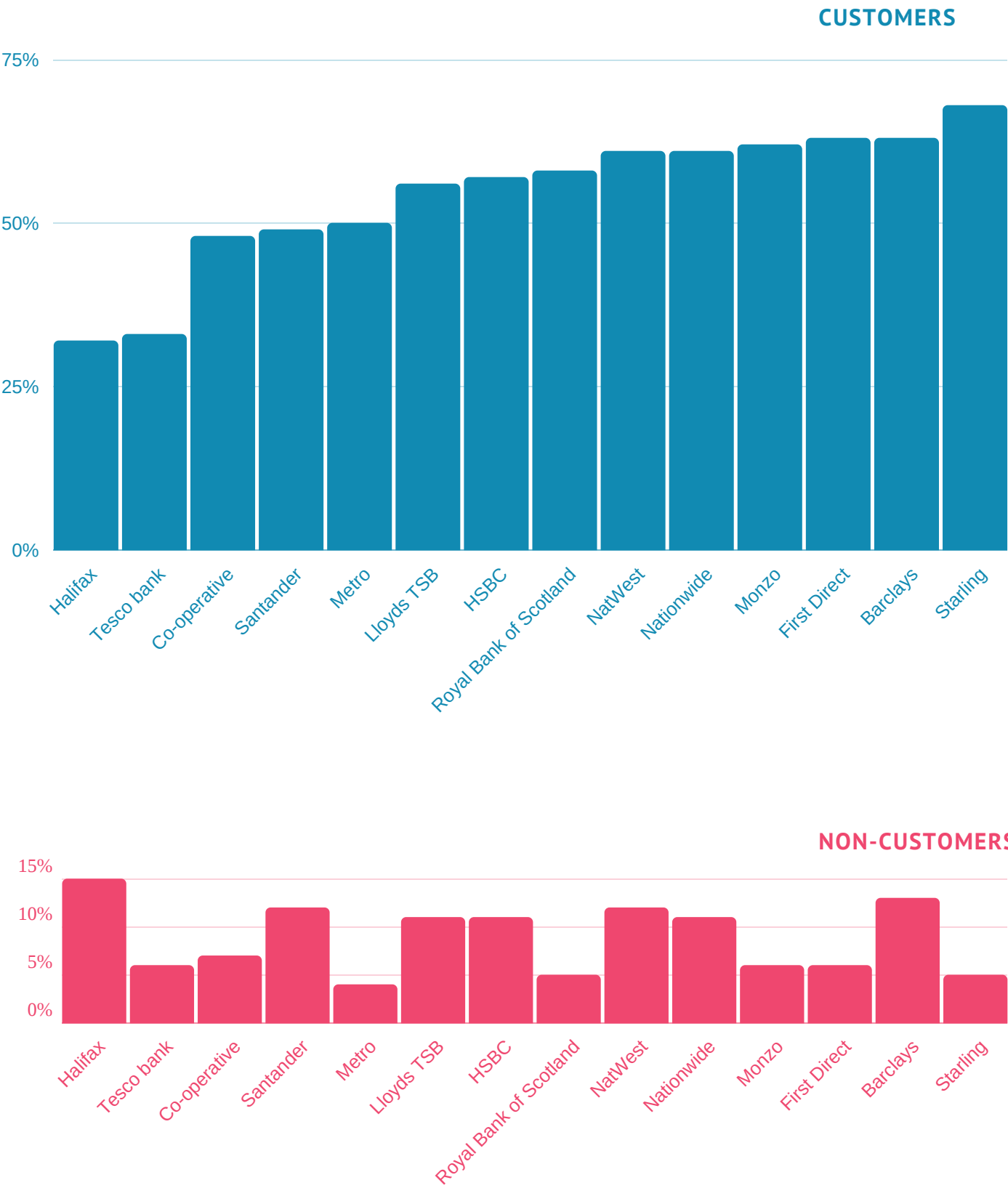
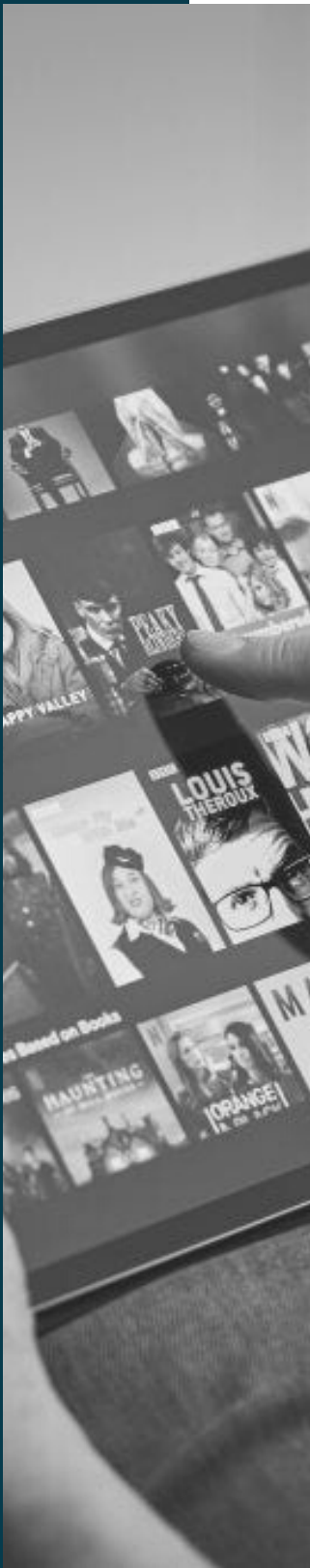


FIGURE 4: BANK BRAND POSITIVITY
Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)



When it comes to streaming entertainment, Netflix wins hands down, with 84% of customers feeling positive about it. However, Amazon Prime and BBC iPlayer are giving it a run for its money. Disney Channel has an astonishing positivity score which is very likely driven by its well-received new streaming offer Disney+. Great timing, Disney.

Apple TV is the worst performing platform which should be a cause of concern for them. Customers seem to love the Apple world of tech and hardware a lot more than its current streaming content.

“There’s not enough content on Apple TV and I resent having to pay for everything, but I love the ecosystem so I forgive them”

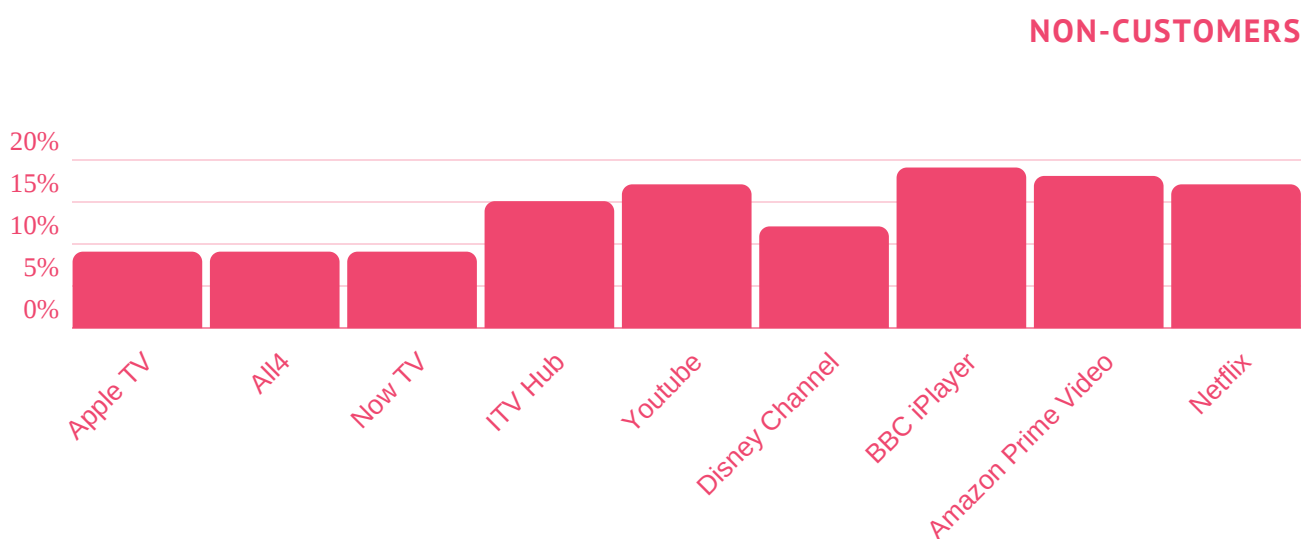
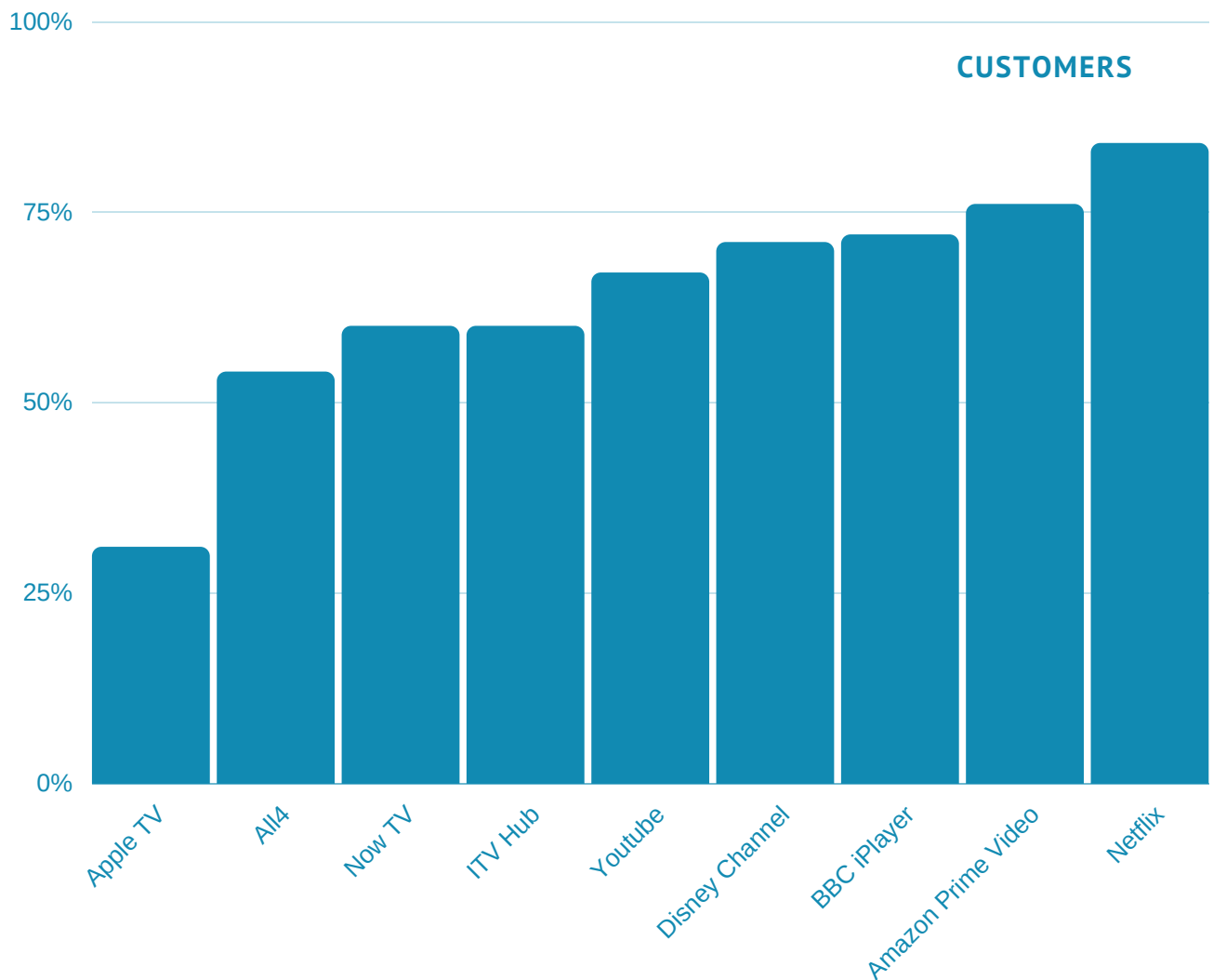


FIGURE 5: STREAMING ENTERTAINMENT BRAND POSITIVITY

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)



We were quite surprised at the low level of positivity towards social media platforms, most notably from Facebook users. Luckily for Facebook, it is the parent company of Whatsapp which seems to be making up for its poor score.

TikTok's worth a shout out here as the data below shows it's attracting the parents (just don't tell the teens!)

“TikTok's brought people together, kids in our street did a TikTok together for the clap on Thursday, now people our age are signing up”

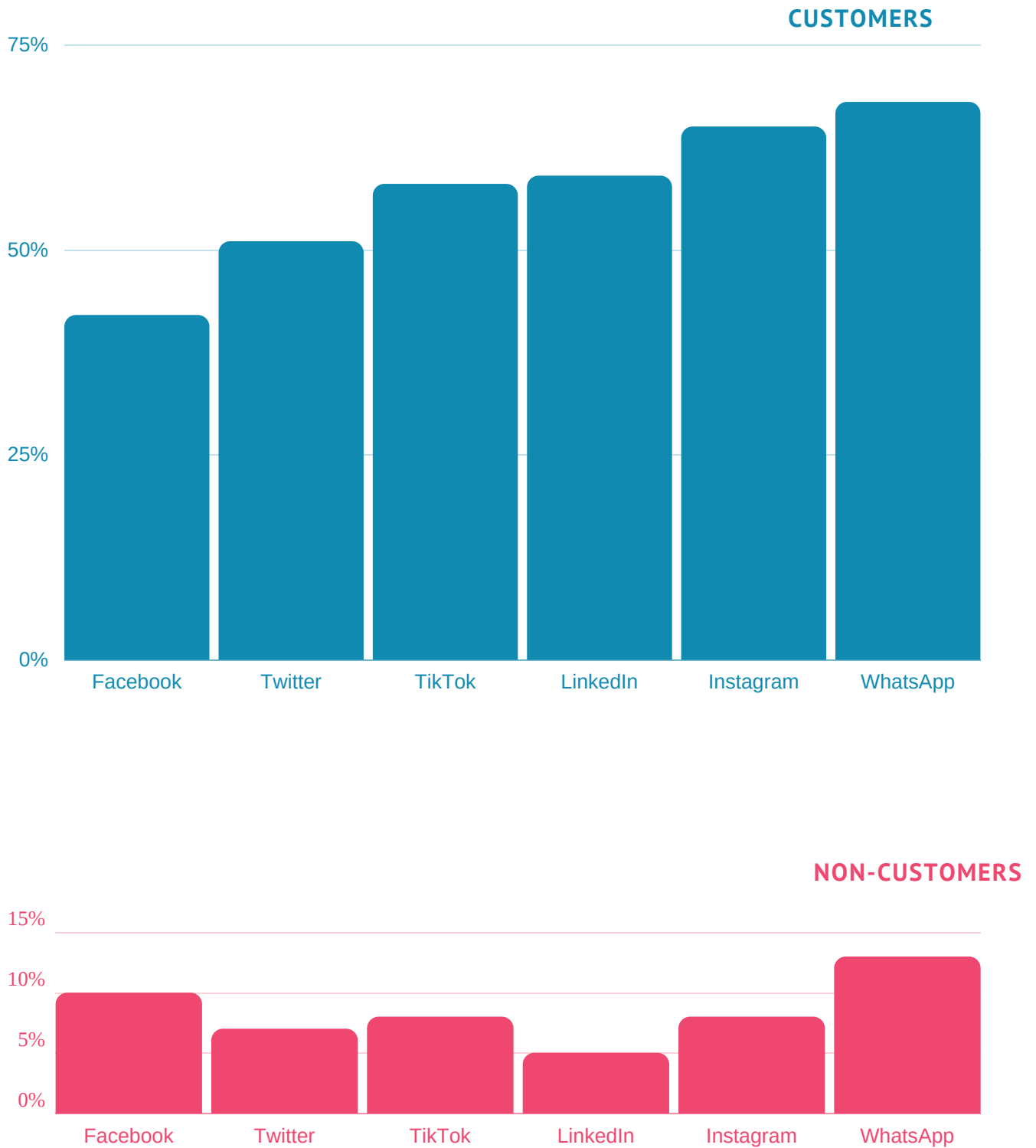


FIGURE 6: SOCIAL MEDIA BRAND POSITIVITY

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)

DISTINCTIVE BRANDS LOOK BEST POSITIONED FOR GROWTH

To understand which brands are best positioned for future growth, we looked at levels of positivity amongst non-customers relative to the size of their customer base (we call this their ‘halo positivity’).

Brands enjoying halos of over 1.0 have a greater number of positive non-customers than current customers. Conversely, brands with halos between 0–0.9 have fewer warm non-customers relative to their customer base.

Looking at food retail (see Figure 7 below), we can see that Tesco has the most customers but its brand halo of 0.2 is small – there is relatively little additional brand positivity for it to tap into in order to drive growth. In contrast, the premium brands are far better positioned for future growth with Ocado, Waitrose and M&S all enjoying brand halos of over 1.0.

In the banking sector, The Co-operative Bank enjoys the largest halo. Its ethical standpoint gives it a clear identity and may explain why the brand is viewed with some warmth. Starling Bank is also well positioned for growth, and is at the front of the pack of challenger fintech banks.

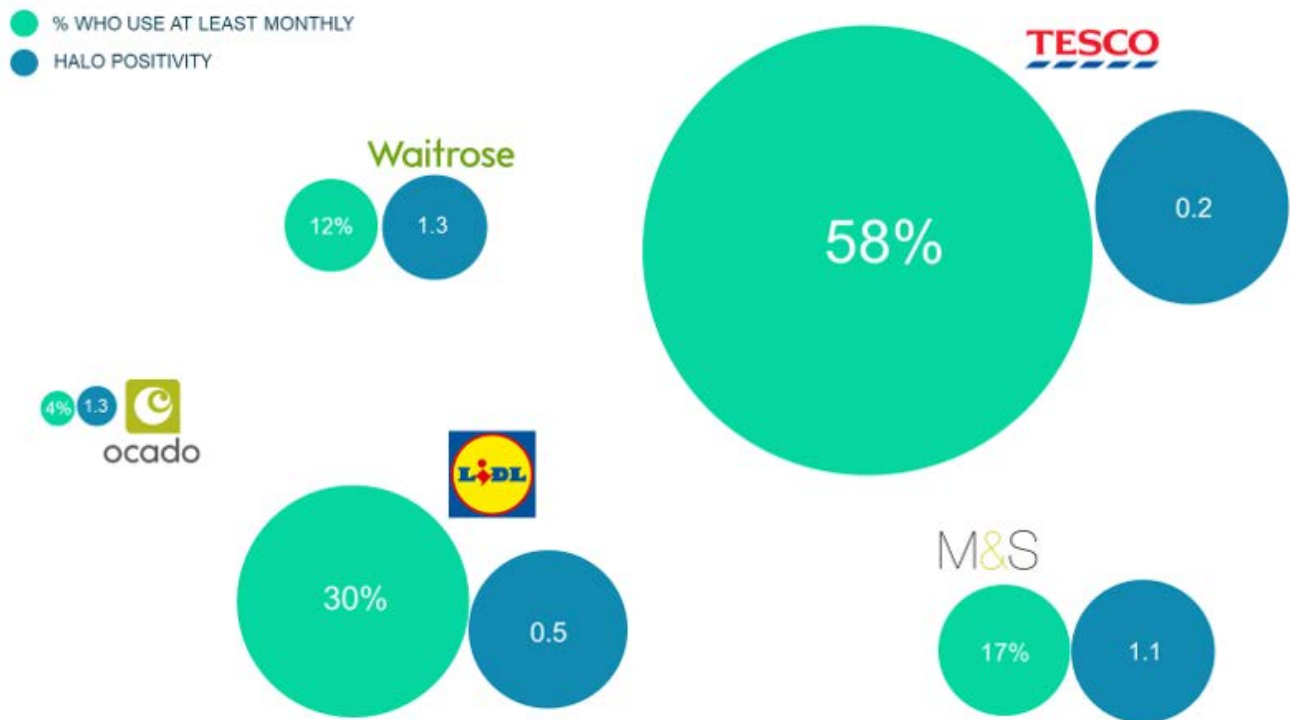



FIGURE 7: SUPERMARKET HALO POSITIVITY



FIGURE 8: BANK HALO POSITIVITY

COVID-19 BRAND BEAUTIES



“NHS is an amazing big monster machine, but they’re doing an amazing job”

We also asked the public to think more specifically about brands who have responded well to C-19 across any sector, and two clear beauties merged.

Firstly, our love affair with NHS has got deeper with many spontaneously citing it as the brand that has responded best to C-19 (obvious, really). There’s no doubt today’s heroes are ordinary, hardworking, courageous healthcare workers, which, for the moment at least, trumps superficial celebrity culture.


Despite some cynicism from our younger interviewees, brands that have chosen to help NHS workers - notably EE, Costa and Uber - have been positively received by the public, so shoring up some, perhaps short term, brand goodwill.

“Amazon have helped to deliver essential supplies and have employed thousands of workers who have been fired from previous companies”

Secondly, Amazon, the marmite of all retailers, is perceived to have responded very well to C-19, largely because it has maintained business as usual, keeping deliveries as speedy and safe as possible.

But significantly, there's also a perception that they're changing their ways in regards to staff – raising their wages, introducing C-19 safe practices and ultimately bucking the trend by increasing headcount rather than furloughing. Will this good impression last and is it enough to reverse their tarnished bad employer image?





“Tesco is the hero of quarantine. They responded to a twitter complaint I made privately and came to my mum and dads rescue.”

When we asked the UK public to think about the food retail sector, Tesco was the standout responder to C-19 (see Figure 9), with customers believing it has put good measures in place and is genuinely looking after its staff and customers well.

“Tesco have hand cleaning products by the door as you go in. They have lines and arrows on the the floor and screens between the tills to keep you safe.”

Aldi also scored highly, with many customers noting the speed with which it reacted to the crisis, and its efforts to support the vulnerable.

“Aldi have been brilliant at prioritising elderly and NHS staff also keeping social distancing perfectly.”

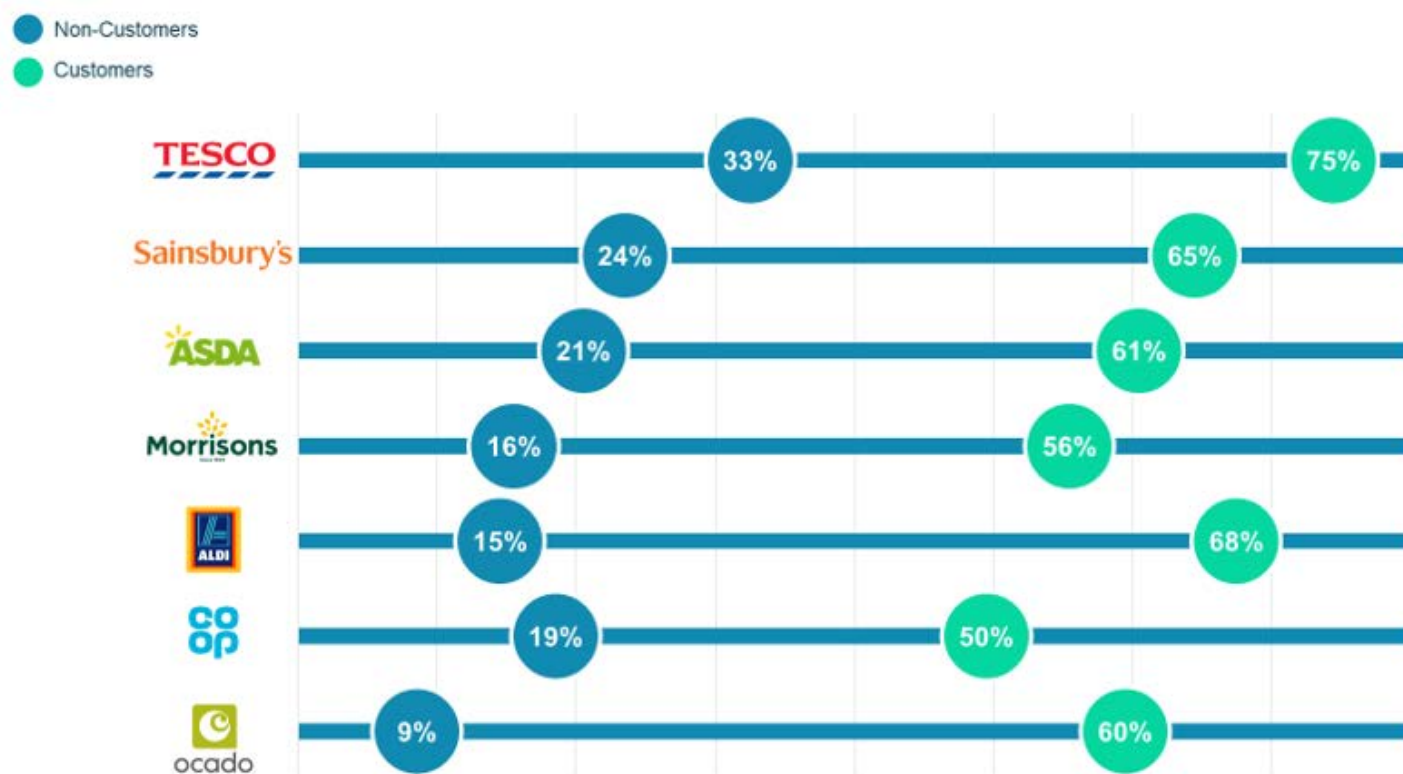


FIGURE 9: WHICH SUPERMARKETS HAVE RESPONDED WELL TO C-19?

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU THINK HAVE RESPONDED WELL TO THE COVID-19 CRISIS? (BASE: 502)

“NatWest offered a mortgage holiday quickly and made the process easy”

And when asked about the banking sector, the public voted Barclays and NatWest as responding best to C-19. Customers liked the pro- active calls, clear communication and increased flexibility with their product terms.

In contrast, as we saw with its positivity scores, Halifax have underwhelmed their customers with their C-19 response (though their latest ads may be making an impact on the general public).

“Barclays have been sending reassuring messages by email”

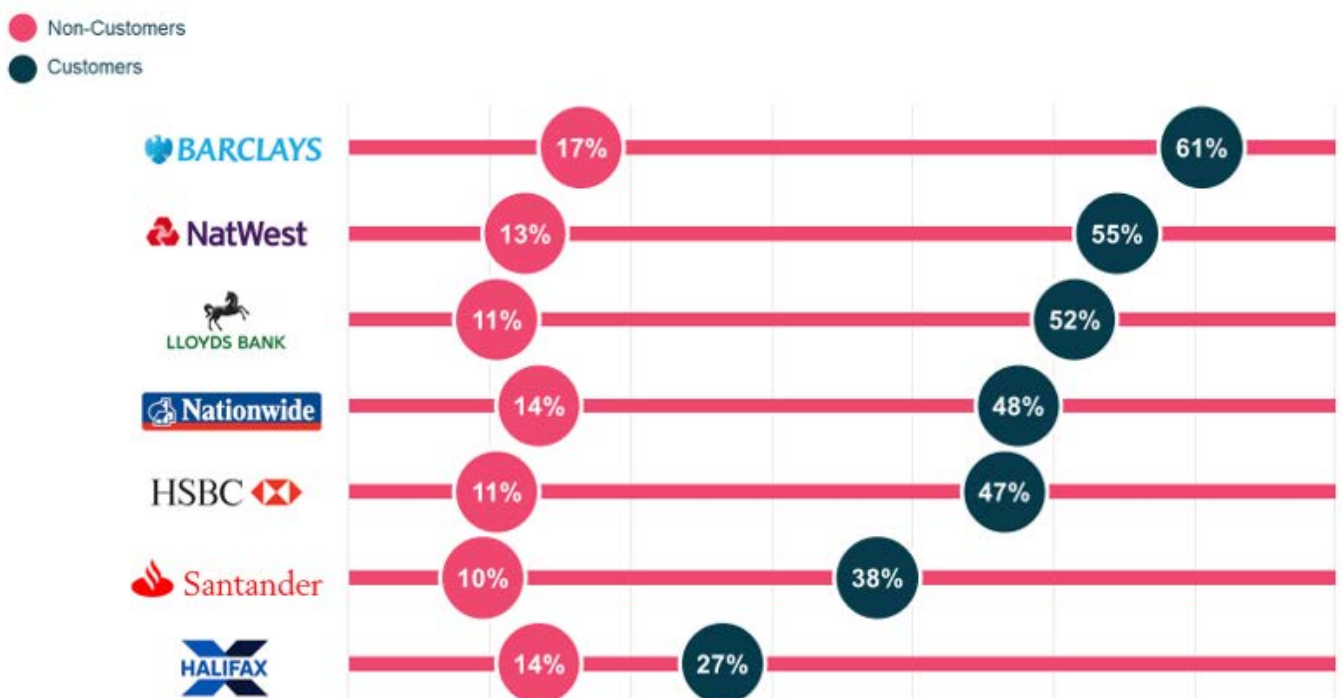


FIGURE 10: WHICH BANKS HAVE RESPONDED WELL TO C-19?

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU THINK HAVE RESPONDED WELL TO THE COVID-19 CRISIS? (BASE: 502)

C-19 RESPONSE MATTERS

We wanted to explore the impact of C-19 response on positivity scores, so used correlation analysis. Whilst this analysis does not determine cause and effect, it does show the extent to which these two measures are related.

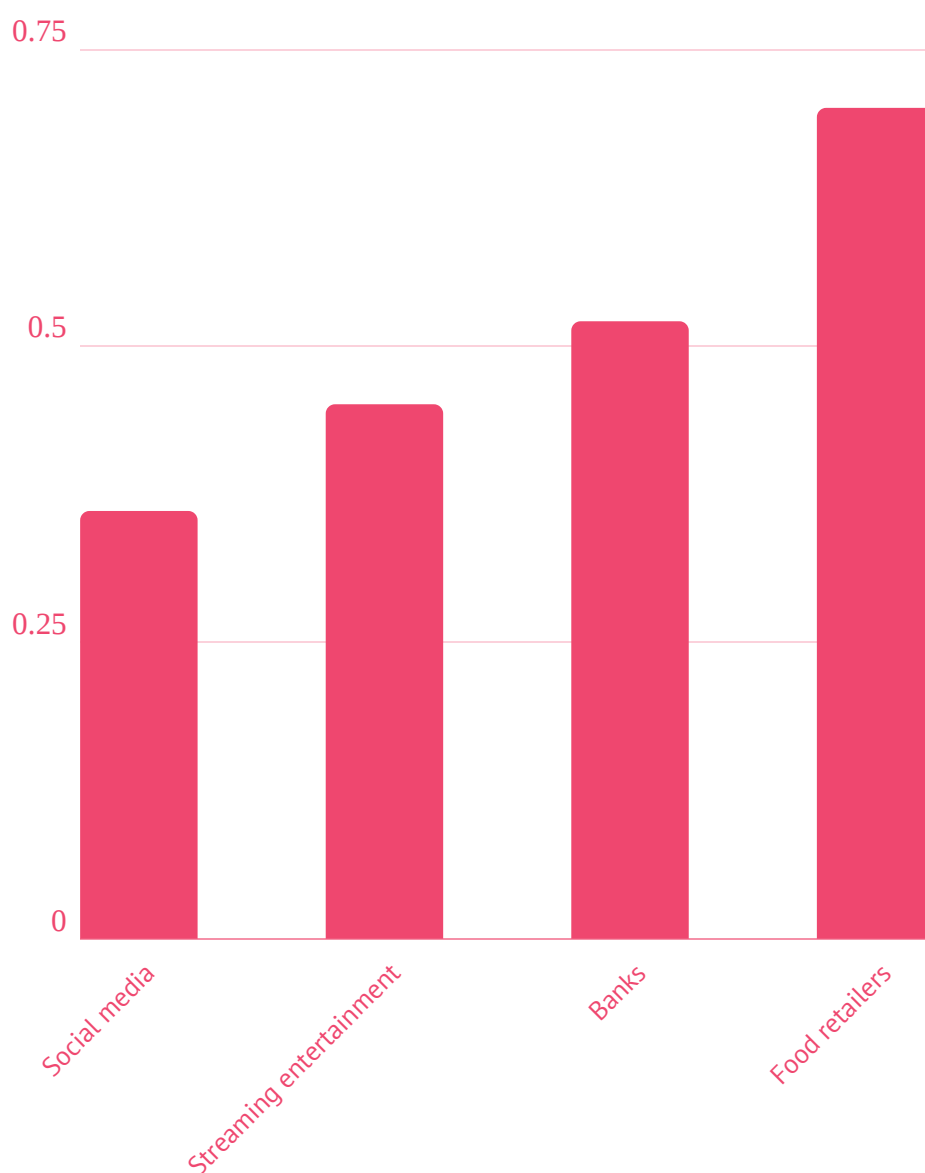


FIGURE 11: CORRELATION BETWEEN POSITIVITY AND C19 RESPONSE

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 502)

Q WHICH OF THE FOLLOWING, IF ANY, DO YOU THINK HAVE RESPONDED WELL TO THE COVID-19 CRISIS? (BASE: 502)



The chart above highlights that the response of food retailers to C-19 seems to have had a significant impact on the very high levels of positivity towards the sector (with a correlation of 0.70). In short, some food retailers appear to have been able to turn 'doing the right thing' into a competitive advantage.

As the country slowly emerges from lockdown and their C-19 response fades from memory, it will be interesting to see if these high positivity scores are maintained.

The response to C-19 by banks has also had a positive – although more moderate - impact on positivity, showing that their actions are creating some warmth towards the sector. Assisting more customers to transition to 'Covid-safe' digital banking can also build greater brand positivity.

In contrast, the response of social media platforms appears to have done relatively little to drive positivity towards the sector – here the correlation is weak, which is possibly a missed opportunity.

THE ERA OF STAFF-FIRST?

It's clear that C-19 has reshaped the public's view of business priorities. Before Covid-19 it's unlikely that 'Looking after staff' would have been #1, but as workers face potential health and economic challenges, it's not surprising this has risen to the top. It's already the subject of some advertising campaigns, and no doubt will find a way into many a brand purpose statement and annual report this year.

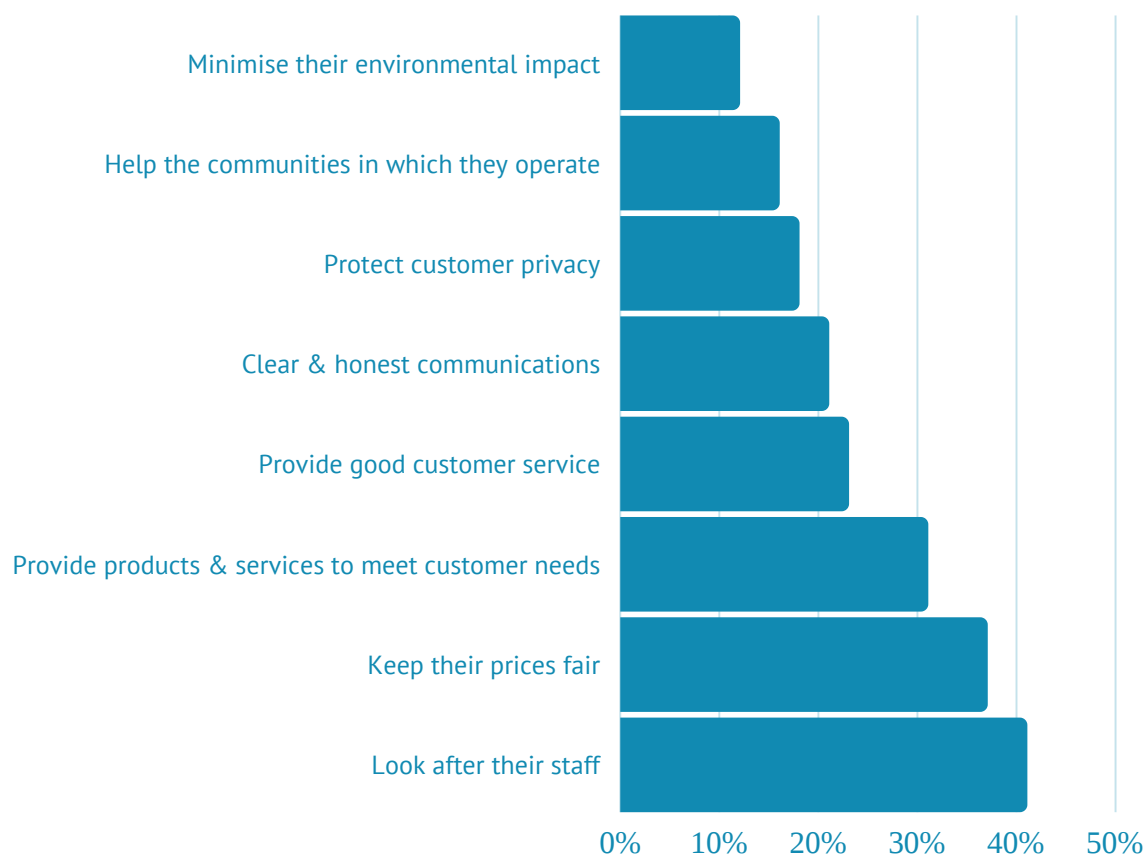


FIGURE 12: TOP TWO PRIORITIES FOR BUSINESSES

Q. GENERALLY SPEAKING, WHAT IS IT MOST IMPORTANT FOR BUSINESSES TO FOCUS ON?
(BASE: 502)



“Looking after staff is now more important, and forms an impression of a company over the long run”

By comparison, privacy emerges as a secondary concern for the UK public in the time of C-19, and given that a tracing system could help us find our way out of the crisis, it may stay that way for some time.

Finally, look at the very low emphasis placed on the environment (ironically at a time when it is the biggest beneficiary of C-19). Indeed, 2020 may be a year where many brands redirect their CSR and sustainability initiatives to encompass the new challenges posed by the pandemic.

KEY TAKEOUTS

Overall Brand Beauties of the moment are big brands that are keeping us safe, fed and entertained - NHS, Amazon, Tesco and Netflix

The response of brands to C-19 can impact on how positively they are viewed

So far, food retailers have done the most to capitalise on this opportunity. They are currently held in high esteem by the general public because they are widely seen to have risen to the considerable challenges of keeping us fed. The banks have also been able to improve their positivity scores to varying degrees through good communications, increased flexibility and online banking assistance.

In the time of C-19, how a business treats its staff is the number one priority for people

Care of staff is seen to be more important than pricing, products and customer service. Against this backdrop, the environment has been relegated to the bottom of the list of priorities for business. We expect this to be reflected in a shift in brand and corporate strategy.

We will be looking at how this changes and exploring the drivers of brand positivity further in the coming weeks.

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ABOUT THE RESEARCH

We conducted an online survey of 500 UK adults over the period 7 – 8 May 2020 using the Cint Panel. Quotas were set on age, gender and region to ensure a nationally representative sample.

In addition, we completed six video-depth interviews with a cross section of UK adults aged 20 - 65 over the period 7 – 12 May 2020.



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