

MARKET ALERT:

LET THE FORCE BE WITH YOU

Market forces have been sidelined. Overall demand, revenues, foot-traffic and on-line activities are being influenced and, in some instances, determined by artificial state-controlled influencers... CMOs. That is:

Chief Medical Officers.

Individually and collectively, nine Australian CMOs are advising Prime Ministers, Premiers, Chief Ministers and Health Ministers in the determination and implementation of regulations and policies.

The consequences for commerce and society are typically immediate, widespread and on-going. Empty supermarket shelves, airline service withdrawals, extended purchase lead-times and staff-member absentees (particularly in warehouse, distribution and fulfilment centres) bear witness to the prevailing distribution marketplace realities.

Declines in demand and bookings for tourism and hospitality-oriented interstate and international travel are not primarily because of costs, availability and schedules. Rather, concern exists about the need for, or prospects of 7-to-14-day quarantines in health amenities, hotels and homes. None are alluring. Alas, another indirect influence.

A recent series of on-line focus groups among participants in five mainland capital cities revealed that consumers are generally aware of, and responsive to the presence and rulings of Chief Medical Officers.

In essence, the inputs and influence of these *unelected* and *unrepresented* active individuals are stronger than company/supplier induced pricing, sales events, discounting, bargains and savings policies and campaigns. The appeal and effectiveness of each can be, and often is, tempered by changing and variable health rulings. The effectiveness of advertising, marketing, merchandising and promotional initiatives are being compromised. Content and schedules necessarily need to be subjected to on-going monitoring, review and refinement.

Significantly, the impact of CMO-determined and recommended regulations, offered to governments in confidence, in-camera and not subjected to peer-review or justification, impact five fundamental phases of the buying cycle, being:

- Buying Intentions

Discretionary purchases in particular are being suspended, delayed or dismissed, at present.

- Intended Purchase Schedule

Time and timing are key variables and can or should be central to certain campaigns.

- Search Routines

Falls in foot – and on-line traffic are indicative of substantial changes in consumer mindsets. Scopes have narrowed.

- Bricks 'n' Mortar Visitations

Consumers are typically focused, informed, price – and time – sensitive and aware when active in the marketplace. Hence, on-going communication is imperative.

- Purchase Criteria

The factors that represent and quantify value have changed. “Value propositions” may need to be recalibrated and promoted.

THE POWER OF WORD

The mere expressions of, or references to certain key words elicit widespread public and corporate responses. For consumers, heightened sensitivity centres on four words:

(IN DESCENDING ORDER OF RANKING)

- Masks
- Hard borders
- Lockdowns
- Social distancing

Responses are emotive-based and not dependent on government-enforced implementation. Consumer confidence is tentative, if not brittle, and *continuity*, *consistency* and *peace-of-mind* are perceived by consumers to be out of reach at present.

INFLUENCERS

Some will conclude that the primary causal factors relate to staff shortages, absenteeism and supply-chain difficulties.

Actually, these and other characteristics of the marketplace are symptomatic of the prevailing forces and realities.

The fundamental causes of the disruptions emanate from the offices, decisions and recommendations of Chief Medical Officers. Rationale for such may be, and probably are, founded on sound medical grounds. The essential issue is whether, and to what degree are the economic and marketplace consequences given consideration.

ALL IS NOT LOST

Consumer sensitivities, awareness, expectations and perceptions are largely being influenced by repeated media stories. Understandably, their focus tends to be on the following categories:

- Food
- Fashion
- Furniture
- Kitchenware
- Homeware
- Travel

Not surprisingly, these are the sectors which are reporting short-term surges in demand and subsequent declines in revenue.

Well-constructed, integrated and consistent communication strategies are providing an increasing number of trading entities competitive advantage, heightened relevance and improved sales conversion rates.

It often just takes adaptation of a new perspective and input from an independent external professional resource.

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