

Mzansi 'nillionaires': (brand) love in the time of Covid-19

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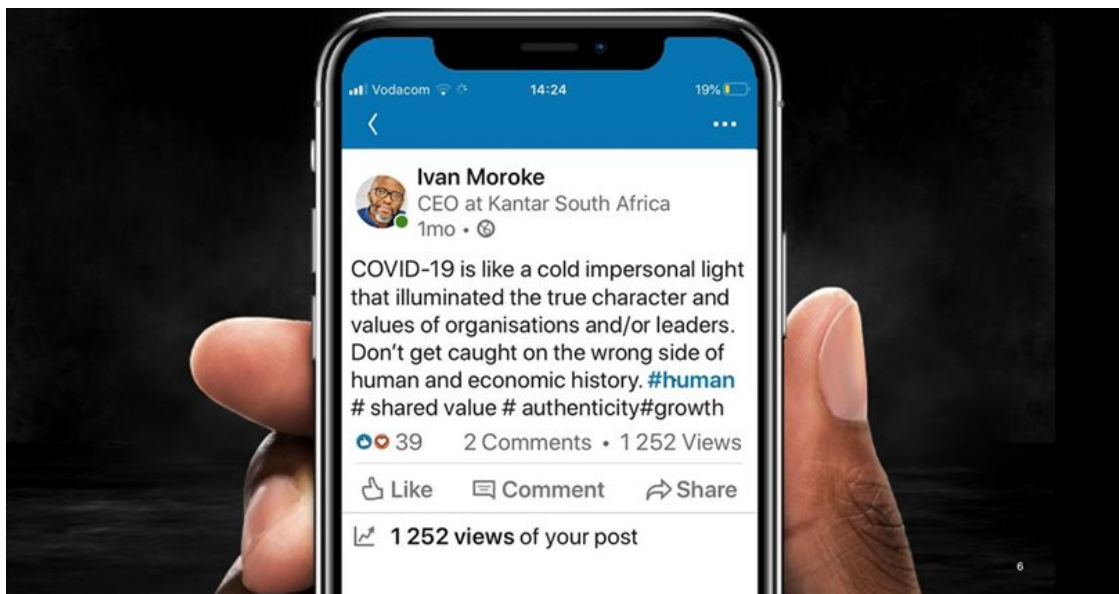
8 May 2020

There's no denying that the global Covid-19 pandemic has turned the world on its head, even more so for those who were already struggling with tight wallets. Here's how their lives have been affected and how marketers and retailers can better connect with 'nillionaires' post-Covid-19 to better meet their needs with streamlined communications, product and purpose...

While words like 'mass-market', 'bottom of the pyramid' and 'lower LSM' are usually well-intended, they do have unintended consequences so it's time to reframe and acknowledge that first and foremost, consumers in any market are still people at heart who deserve to be treated with respect, albeit with fundamentally different motivations.

So, [defined](#) as South Africans who live with little or no money, 'nillionaires' are the new class of shopper, facing more troubling times than usual. While the phrase may be new, the shopper is not, as the Establishment Survey shows they comprise 70% of SA's population. Our findings show that 69% of them are below the age of 34 years, 55% are female and all are surviving on a household income of R5,000 a month, max.

It's, therefore, important to leverage insights into this market for business growth as Covid-19 has become the greatest equaliser – it's a futile exercise to try compare its impact to anything we've faced before because while we're not in the same boat, we're all trying to make our way through the same Covid-19 storm.



One nation – two worlds: Meet SA's 'nillionaires'

Even if this is not your core target market, we need to make an effort to do things the right way, for the sake of humanity. Because the rapid spread of the coronavirus across the world has not only shown how fragile we are but also brought to the surface the 'invisible' lines that divide us. While there are just over 8,000 confirmed cases of coronavirus in South Africa at the time of writing, there were just 161 reported deaths, making ours one of the lowest Covid-19 death rates in the world.

That said, there's no denying the impact Covid-19 has had on the economy.

For example, we recently celebrated Freedom Day under lockdown. But Freedom Day 2020 was vastly different from Freedom Day 1994. Freedom Day in 1994 was a day of jubilation and optimism while Freedom Day 2020, in contrast, saw no hugs or celebrations as we self-isolated in our homes against an enemy we can't even see. But, this time around,

queues for the basics to feed families, instead of to cast a vote for freedom.

Notably, when the rest of the world went online, the 'nillionaires' went to go stand in line, with no other option to provide for their households.

Our 15-minute mobile surveys with Connected Nillionaires and Spotlight video interviews with the Kantar Panel database shared blow-by-blow accounts of what life has been like for them in this time of uncertainty and contradictions, as a story of people with little or no money in lockdown.

'Nillionaires' are not a monolithic group, with each household's structure and every individual at a different station in life. The only thing common amongst them is that they have little or no money. Yet, they are the lifeline of the South African economy, making up the bulk of the labour force across key industries and essential for both production and consumption. They also happen to be the most vulnerable segment of the population, as many live with compromised immune systems, making Covid-19 an even deadlier threat to this segment of the population.

A glimpse into their lives shows it's not that they don't want to abide by the social distancing protocols and prevailing laws of our current situation - their living circumstances simply make it hard to do so:

Try observing social distancing
and keeping clean hands under these circumstances

| | | |
|---|--|--|
|  The self-employed need to continue putting food on the table |  Lack of running water and shared facilities |  It is a cash society, where money changes many hands |
|  Limited space – on average a 1 or 2 room dwelling is occupied by 4 to 5 family members |  They commute in close, confined spaces to buy essentials for their families |  Nowhere to stream cartoons or play online games |

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Here's what life is really like for them under lockdown: Most are stuck at home, feeling uncertain, anxious and depressed, both about their families and their financial future as there's been a radical decline in income. With less money in hand than before, they've had to make trade-ups on staples and personal care products; trade-downs on meat, snacks and soft drinks; and trade-offs on 'luxury' items that are no longer a priority or have become unaffordable. So, they pass the time on free entertainment and social media platforms, as well as on basic chores and cooking what they can. Because for the first time for most, they don't need to leave home at 4am and only return at 9pm from work.

But how is your brand relevant in their new normal? How are you offering hope?

Now more than ever before, 'nillionaires' negotiate the three currencies that drive shopper behaviour: **time, energy and money**. Hence long queues at shops and stores and increased prices are a frustration. Business and brands need to do what they can to grease these currencies to stay relevant now and, in their lives, tomorrow.

Covid-19 and the lockdown have not eroded the desire for people with little money to spoil themselves, nor have they put an end to their standing plans – they've simply been paused. While none of us knows just how quickly we'll reach the 'new normal', many are dreaming about it. Our sample revealed 'nillionaires' are planning on treating themselves and their

families with hot wings and pizza and will be buying nappies and winter clothes for their children and grandchildren as well as visiting the local hardware store post-lockdown.

Here's what we can do to help 'nillionaires' navigate these dark times

The below three top-line strategies as we enter this new normal are not necessarily new, they just need a rethink:

1. Brand communication that inspires hope and optimism with positive societal impact

How you communicate and help people through these tough times, especially when they're struggling with safety and product supply is crucial. Lifebuoy excelled in this regard with their hygiene message of 'washing your hands regularly with any soap available', acting as a hero for the category overall. Engen also branded 35 spaza shops across the country with Covid-19 safety messages, which leverages brand equity to encourage appropriate behaviour changes for the benefit of society.

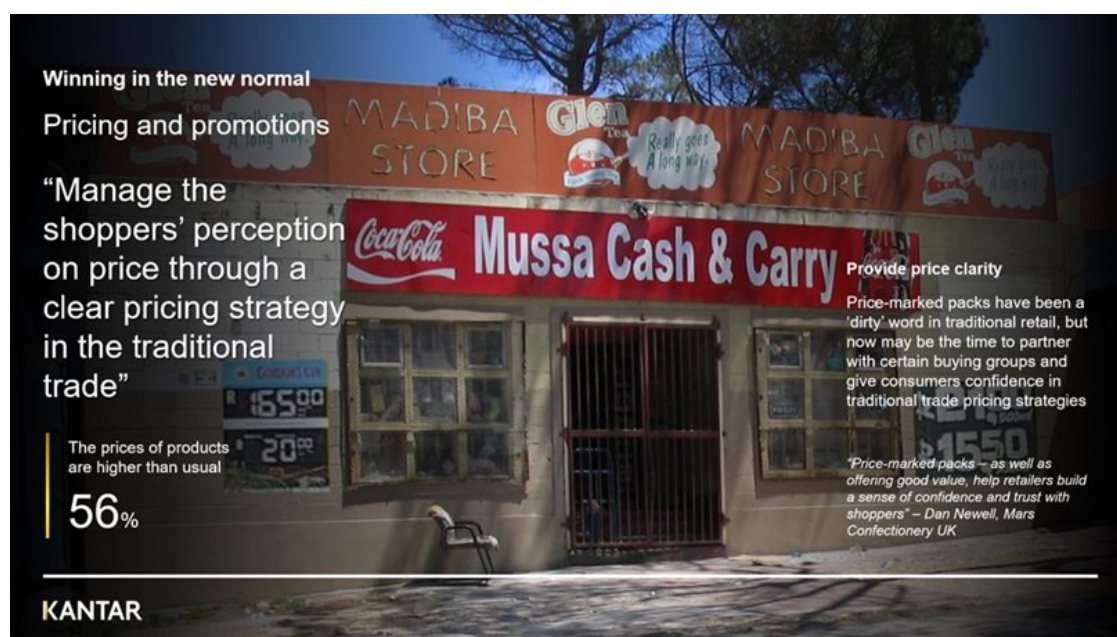
2. Availability of the right product in the right place

You also need to ensure shoppers can find your product in the places they're buying, as their priorities have shifted to a renewed respect for having the essentials. This means both looking at new routes to market and managing your price pack architecture closely, as the top concern for all consumers under Covid-19 is having enough money to buy food for the family. I&J took this to heart and introduced a new pack of fish fingers at an attainable price point for cash-strapped shoppers, tapping into top trust factors of affordability and quality assurance.

3. Readdressing pricing and promotion strategy for where and when they're shopping

The most-pulled levers in retail are those of pricing and promotions, so be smart about how to deliver better value for money. Now may be the time to trial price-marked packs and to give consumers the confidence that they're paying the right price for the product.

As cash-strapped shoppers have largely cut back on purchasing luxuries and impulse-buy treats, why not throw a ray of sunshine into an otherwise cloudy day by adding a free bag of chips or a chocolate bar when staple items are purchased, to sweeten the deal?



The infographic features a background image of a shopfront with signs for 'MADIBA STORE', 'Glen Tea', and 'Mussa Cash & Carry'. Text overlays provide insights into pricing strategies:

- Winning in the new normal**
- Pricing and promotions**
- "Manage the shoppers' perception on price through a clear pricing strategy in the traditional trade"**
- 56%** The prices of products are higher than usual
- Provide price clarity**
Price-marked packs have been a 'dirty' word in traditional retail, but now may be the time to partner with certain buying groups and give consumers confidence in traditional trade pricing strategies
- "Price-marked packs – as well as offering good value, help retailers build a sense of confidence and trust with shoppers" – Dan Newell, Mars Confectionery UK**
- KANTAR**

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Doing what you can to maintain brand trust and familiarity will help consumers navigate into the new normal.

Kantar SA CEO Ivan Moroke concludes: "People are people, as marketers we need to beware of being blinded by labels. We're not talking about a single market as many have tightened wallets right now. Across different categories, what is your brand relevance at this time?"

Value is never boring, as people always need something to put a smile on their face – especially when facing uncertainty in all other aspects of life.

Watch our webinar on demand: <https://event.on24.com/wcc/r/2305965/4CB55D0D49CC6D56581025D4771EA234>
Questions? Contact the Kantar SA team of CEO Ivan Moroke on ivan.moroke@kantar.com; emerging markets specialist Jack Hlongwane on jack.hlongwane@kantar.com; and retail, sales and shopper principal consultant Andrew Wiseman on andrew.wiseman@kantar.com for more information on how to connect with these consumers during and post Covid-19. Also, stock up on updates and insights to help your brand manage the effects of Covid-19 and prepare for the future on our [Covid-19 page](#). Follow us on [LinkedIn](#) and [Twitter](#) to keep up to date with our comms, and stay safe!

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