

Built for Change

Episode 7 Transcript

Letter	Script
	<p>0:00</p> <p><i>Marc: What has changed over the past year? Oh my God. The question should be what hasn't changed over the last year, because so much has changed. My God, what has changed? My way of life has changed.</i></p> <p><i>Elise: Needless to say, the pandemic has changed all of our lives - dramatically.</i></p> <p><i>Michelle: During the first lockdown, it was new for everyone. It was unprecedented.</i></p> <p><i>Nicole: ...It's been a big adjustment...</i></p> <p><i>Abby: Guess I'm not the only person who has found that the COVID outbreak has changed my life.</i></p> <p><i>Zach: Life has been a challenge not being able to travel.</i></p> <p><i>Raymond: ...not being able to meet close family and friends...</i></p> <p><i>Suzanna: ...not being able to see friends and family...</i></p> <p><i>Raymond: I've really just felt frustrated to be honest, it's been difficult, I think, for everyone.</i></p> <p><i>Elise: And when everything turned upside down, many of us found new ways to spend our time.</i></p> <p><i>Abbe: I first went through a period of organization, cleaned out all my drawers, my cupboards.</i></p> <p><i>Marc: I discovered that I love to binge watch TV shows.</i></p>

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Michelle: I spent a lot of time in my garden.

Paul: ...been able to spend more time cooking...

Abby: ..trying new recipes...

Nicole: ...get outside and get some workout in

Josh: We've seen incredible disruptions to our daily lives... and for many of us, that meant discovering a whole new way of ...working.

Nicole: So these are my work pants. I am not even sure if they fit me anymore. I have been a fully remote worker. And so I have had no reason at all to wear these pants.

Paul: I try not to work long hours.

Glenda: ...even though I'm working from home...

Zach: I can be kind of a workaholic.

Aidan: It's quite hard to get, um, the work-life balance.

Paul : Work-life balance-

Elise: ...And, the pandemic has completely changed the way we shop.

Zach: I'm definitely doing a lot more online shopping than I was before.

Raymond: ...online shopping...

Aidan: I'm shopping online a lot more often...

Paul: I've been ordering a lot more online...

Nicole: ...pretty much exclusively online shopping...

Zach: We were all getting so many packages at home and I really started to think about the waste that was creating and how it was bad for the planet.

Paul: ...sustainable sourcing...

Suzanna: ...more sustainable products...

Michelle: I'm quite concerned about our planet and our environment. And this pandemic is a result of that. And this does impact which brands I do and don't use.

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Josh: As we continue to battle the virus, one thing is clear. This experience has changed more than just our work, hobbies, and shopping habits. The pandemic changed us.

Zach: It was definitely a tough year and it kinda changed my outlook on a lot of things...

Raymond: My priorities have really changed over the last year...

Aidan: And then you realize that actually I should probably prioritize life more.

Zach: ...work is not the most important thing in life...
Nicole: I am focused a lot more on politics...
Michelle: I've been really worried about health...
Paul: ...mental health...
Nicole: My mental health...
Michelle: I've found it really positive, staying with my family and with my grandchildren
Zach: I do feel like I've gotten a bit closer to my family...
Paul: ...made me feel more close to people...
Suzanna: ...so it's made me value human interaction more...
Marc: ...to really look at the things that I fill my life with and say, do I really need this?
Michelle: So what do I really want to do? Just want to hug my husband.

Josh: So here's a question for businesses:

03:00

Do you still know your customer?

MUSIC

MONTAGE

Nicole: I have really high expectations for how in-store shopping kind of goes about.
Glenda: Convenience is at the top of my list.
Marc: I would probably pay \$10 more and get it today.
Nicole: How they treated their employees...
Zach: Black Lives Matter.
Glenda: Especially when it comes to like racism
Nicole: What is inside of those products?
Marc: free shipping.
Aiden: free delivery
Abby: easier return policies would be nice.
Raymond: that were made by local businesses..
Nicole: I want to be able to get it and I want to be able to get it easily.
Glenda: Cause I hate going in and waiting in a long line
Abby: They have an app that you can download.
Marc: That's the best way to get me to shop online.
Zach: ...you can find out information about the store and what they have in stock...
Suzanna: That affects my decision to buy.
BEAT

Elise: I'm Elise Hu

Josh: And I'm Josh Klein

Elise: And this is Built for Change, a podcast from Accenture.

THEME

JOSH: Elise, I don't know about you but I'm hearing so much there that I really relate to...

ELISE: Absolutely, me too. The thing about this pandemic

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is that it was so universal. Every single person has been affected, and a lot of people are coming out of it completely changed. I know I am.

Josh: Yes, Yeah, me too. For example, I'm being way more intentional about the way that I spend my free time, the people that I choose to connect with. And also just the reprioritization of time with family.

Elise: Yeah - I'm definitely spending a lot more time with my family than I ever have before. I've also thought, especially now that I'm spending so much more time outdoors and in nature, I've thought a lot more deeply about what I can individually do about climate change. We're all re-evaluating what our priorities are, as people, as professionals and even as consumers.

Josh: Yeah. Consumers are different now they have different values and they expect brands to help them live by those values. The challenge is really on brands now to meet those expectations.

Elise: Right. So, today, we're doing something a little different. Instead of talking to business leaders, we'll be hearing from a consumer and we'll talk to Accenture's experts to learn more about how businesses can contend

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with this shift and use it as an opportunity for growth.

ACT I

Kevin: I wouldn't say there's a period of modern history that we've had an event like this, that affected global consumers so universally over roughly the same time period.

Elise: This is Kevin Quiring, a customer sales and service expert with Accenture Strategy.

Kevin: We track consumer attitudes to things like pricing, quality promotion, experience, trust, loyalty, digital adoption...

Elise: They also track what compels customers to switch brands or service providers. Over the last 16 years, their surveys have revealed shifts in customer expectations. Things like good customer service and strong brand purpose became more important in recent years. But, these trends have always come second to the main drivers of consumer behavior: price and quality.

MUSIC

Kevin: The traditional motivations are low price and high quality.

BEAT

Elise: But in this year's research, something big happened.

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Kevin and his team found that consumers... changed.

Kevin: The thing that really shocked us was the answer to a key question that we added this year for obvious reasons. And that question was, 'the pandemic made me totally revise my personal purpose and what's important for me in life.' It's a really powerful and unambiguous statement that consumers were asked to respond to. And what we found was that half of consumers agreed.

Elise: Only 17% disagreed, and the rest? Kevin calls them purpose-curious. They're unsure if the pandemic made them totally revise their purpose in life, but their answers did indicate that they're evolving. That means, in total, 83% of consumers are evolving in their big ideas about life.

Kevin: Typically when you see something like that, um, you're going to go to a demographic

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Kevin: or a geographic sort of explanation, right? But it wasn't that way. This reset in purpose was not limited to gen Z and millennials and urban residents, you know, the usual suspects for progressive attitudes. They don't have clear demographic distinctions, not gender, not employment, not income level, not age and not geographical location. They are generally a heterogeneous group.

Elise: Accenture calls them reimagined consumers – a group of people that find themselves fundamentally changed because of the pandemic. They have taken stock in what matters to them in life, what they value, how they spend their time... and that has directly affected the way they shop.

MUSIC

Nevine: Consumers have really, really changed. I think the circumstances we found ourselves in have been exceptional and people have stopped to think about their own purpose and that has meant that they have reconsidered what's important to them, both in terms of how they live their lives. But also in terms of what brands

08:00

and services they engage with, they buy.

Elise: This is Nevine El-Warraky. She's a Managing Director of Marketing Advisory at Accenture Interactive.

Nevine: I think the value equations for consumers have changed and they're not spending less they're spending differently. And I think that's quite important. The focus on price and quality has always been there. But increasingly we're seeing that people are much, much more focused on values that matter to them as a driver of choice, in terms of which brands and services they engage with.

Elise: The Accenture team discovered a new set of motivations - ones tied to consumer's reimagined purpose - and, when taken all together, these new motivations can actually surpass the importance of price and quality. So - what does the reimagined consumer want? First - health and safety.

Nevine: Given the pandemic is very much around health. The safety of the environment that people are in well beyond their homes, it's become really important. You've got some supermarkets, for example, now talking about how they

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spray all their carts with antibacterial spray to ensure that there's no contact. Contactless payments, all sorts of things that basically help you look after yourself and your family and people you love.

Kevin: And - consumers told us it's not just about keeping me safe. It's keeping your employees safe. Consumers, especially the re-imagined consumers, told us categorically that they make purchasing decisions based on how they perceive companies treat their employees.

Elise: Second, customers are increasingly demanding personal care and service.

Kevin: Are you there when I need you? It's those service levels, the return policies, the personalization...

Elise: This can take the form of quick-responding customer service, or small gestures that let the customer know that they, as individuals, are valued. Thirdly - they want those personalized experiences to be easy and convenient.

Nevine: Being able to find things quickly, being able to have things delivered to you within an hour.

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Kevin: It's about meeting me where I am and the digital world and the physical world – that digital, physical are connected.

Elise: Things like, being able to change a flight on an app, or over the phone. Or, buying something online and picking it up in person. Or – being able to virtually try-on for products like makeup or glasses in order to prevent the hassle of returns when shopping online. Ultimately, does the company make the experience easy, so I can spend my time in the ways I want?

Nevine: They want things that make their lives frictionless. You know, they want things that allow them to spend their own time and energy on the things that matter to them.

Elise: At the same time, customers very much expect that they can receive all of the above service without compromising on ethics. The fourth motivator is sustainability and product origin.

Kevin: The re-imagined consumers specifically care very much about the environment, about the societal and corporate responsibility...about where companies get their raw materials,

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where their products are made, and whether or not they support the local community.

Elise: And finally, customers are looking for brands that they trust. Do they operate by the values they're presenting to the public?

Kevin: It's about trusting you, the organization, you, the company to do the right thing for me and not just for your business. Can I trust your brand to be who you say you are and to consistently stand for things that you say you stand for?

Elise: All of this research adds up to something big. Yes, if companies can meet these reimagined consumer expectations, they can tap into growth. But on the other hand, companies who do nothing risk losing the customers they once had. Because they're different now. Just offering the best quality at the lowest prices might not be enough anymore...

Nevine: And they're voting with their wallets. More than ever before. We're seeing switching behavior or at least the preparedness to switch if the company or the service or the brand you're engaging with,

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isn't playing the role they are meant to be playing. I just feel consumers have become a bit more empowered after this. Not only have they reconsidered what's important. But they've realized that the possibilities are endless if they go searching, um, and brands then therefore have a sort of a high bar of expectations to meet.

Josh: This reminds me of that classic salesperson interview challenge. You know, the the "Sell me this pen."

Elise: Oh Yeah. Well, since I'm not a salesperson, my intuition goes to selling you the pen by telling you about how affordable it is, how well the pen could write and how well, like, the ink flows smoothly onto the paper.

Josh: Right...like, price and quality, which have been the, the typical motivators forever. But what we're seeing now is that it's about what the customer actually wants.

Elise: right

Josh: Like, now, you don't want to sell it by saying how affordable and high quality the pen is. You have to first know what the customer needs, and today they need to feel good about buying that pen. So instead you might need to talk about how the

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pen is made artisanally from recyclable materials or that there's a free and automated ink refilling service or that it's specially nibbed to sign birthday cards for your grandma.

Elise: Awww, such a story behind the pen. But businesses have been stuck on selling pens based on the old way, how high quality and affordable they were for a long time. But now customers are motivated by the things you're talking about. Josh.

Josh: Yeah.

Elise: And it's not necessarily that these purpose motivators weren't there before, but the pandemic has really crystallized them. So next, we're going to talk to a consumer to hear about her new expectations of brands.

ACT II

Riddley: I love to shop. (laughs) I think my husband will definitely tell you that I love to buy things.

Elise: This is Riddley Gemperlein-Schirm. She's a super shopper. She's the kind of person that people go to when they're looking for a recommendation, because she's probably already done the research, tried a few options, and has a strong opinion on which is best.

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Riddley: Over a certain price point, I, I usually don't buy something without looking at what a professional reviewer has said.

Elise: Riddley does this because she is also a professional reviewer – of kitchen equipment.

Riddley: Things like toasters, knives, cutting boards, non-stick skillets, carbon steel, skillets...

Elise: Riddley reviews these items' performance, price, durability – and then, she makes recommendations on which is the best to buy. And Riddley says her profession bleeds into her personal life. She is a well-researched consumer in all categories.

Riddley: I'm still looking for the same things. Like, is it easy to use? Is it intuitive? Is it durable? Does it perform well? I have a pretty high expectation for many different things and I don't like wasting my money.

Elise: Like everyone else, Riddley's life changed drastically during the pandemic.

Riddley: The pandemic has changed my life so much.

Elise: Right when it started, she and her sister, their partners and dogs, moved back home with her parents

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in order to help them with high-risk activities like grocery shopping.

Riddley: A lot of it was really nice. With my dad being older, a big part of me really appreciates having gotten to spend that time with him.

Elise: She instantly became a remote worker, testing and reviewing kitchen equipment in her parent's kitchen.

Riddley: When we got there, everything just bled into one. The workday, um, Monday, Tuesday, Saturday, it was all basically like the same day. And I felt like that's how it continued on for a while.

Elise: Riddley says that she carried a lot of anxiety for her and her family's health. And at times, she even questioned her purpose. Especially as she watched front-line workers contributing so much to care for people as the world went into lockdown.

Riddley: There's definitely been moments of, like, major self doubt and reckoning like, oh, should I go back to school for something? Or should I volunteer for X or Z? I don't know, who doesn't doubt their place in the world?

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So the pandemic did take a pretty significant toll on my mental health. There's still so much lingering- lingering fear.

Elise: Over the months, Riddley adapted and settled into her pandemic lifestyle. And during a difficult time, she says she found little pockets of joy and satisfaction through online shopping,

Riddley: I don't get dressed to go to work, like, I wear sweatpants or a hoodie or whatever. And I don't often put on makeup anymore, but I find myself despite not using them, buying more and more of these, like, splurgy picks like a \$30 thing of lipstick, or a really nice perfume just to make myself feel a little bit better. I think it's definitely a way of showing myself a little bit of love.

Elise: Ridley says that she noticed her standards increasing. Yes, she still wanted high-quality products for a good price, but she was more vigilant about making sure that she felt good about her purchases.

Riddley: Buying so many more things has

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been like a big eye opener for me.

Elise: Were the companies treating their employees well during the pandemic? Were the items high enough quality to last in order to cut down on waste?

Riddley: That's the reason I am so picky about what I buy, because I really don't like that idea of you know, contributing to that waste cycle. There are many things that I buy in the food space and the home space that you could absolutely find cheaper versions of that product. But if it's a better company, that's where I want my money to go.

Elise: Ridley says she's even willing to pay a lot more money for a product if she knows it's from a sustainable brand with a good mission. And likewise – she's fully prepared to end the relationship with brands who fall short.

Riddley: One of my favorite clothing brands that I love... They bill themselves as eco-friendly and super chic. It came out that they weren't actually eco-friendly and that their workers were working

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in warehouses without any air conditioning and that their employees were not being offered health care, even at the corporate level. And I stopped buying them. I felt gaslit into buying from a company that I thought was climate neutral. And they were absolutely not. That was very, very disappointing.

Riddley: I don't expect all companies to align with very values, in terms of sustainability and how they treat their employees, but I will seek them out. And if they say they align with my values, I will be really disappointed if they don't, and I won't buy it again.

Josh: Yeah, I can definitely empathize with the idea that there's brands that I'm just not willing to buy from anymore. And that there's others that I might be willing to spend a little more, you know, in order to feel good about the purchase.

Elise: For me, it's independent booksellers when I buy books, right? Or when I go to the grocery store, I'm willing to spend more on eggs so long as the chickens were ethically raised and they're cage free. Ever since the

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pandemic, I've been really focused on sustainable clothing and just not buying fast fashion. So I think about these things a lot more.

Josh: Yeah, me too. I'm focusing a lot more on where things are produced than I ever was before. And that goes from, you know, for food all the way to furniture.

Elise: Sure.

Josh: For me, it's a lot about convenience, you know, like, um, my wife and I were trying to get a recipe aggregating app and I just downloaded the top six. And the first one that didn't ask me to fill out a bunch of information to try it? That's the one we're using, right? Like, if it's not convenient, you're out.

Elise: Right, Right.

Josh: So I can imagine how, how this reshuffling changes things drastically for business. You know, if a business was built around a certain number of assumptions about who your customers are and what they care about, and then there's this big, gigantic global event that shifts the priorities of, you know, the entire world. How do you choose what new motivations to prioritize?

Elise: Exactly. So now we're going to talk to Accenture's consumer research experts to learn what businesses can do to take advantage of this shift.

ACT III

20:00

Elise: Here's Accenture's Kevin Quiring and Nevine El-Warraky again.

Kevin: At the onset of the pandemic companies had to rapidly stand up offerings and services that they didn't provide before, and many you know, at great expense and unsustainable expense.

Nevine: The types of services that people provided meant that as we start coming out of the various lockdowns around the world, people have wanted these things to remain permanent and have started using them as criteria for evaluation.

Kevin: Consumers aren't going to unlearn what they've learned and our clients know this.

Elise: Kevin says that his clients now want to know which pandemic-era initiatives they can scale back, and which are worth scaling up?

Kevin: Likely a strategy for any organization that takes this research to heart would be, "Hmm. I have price and quality on one hand: Low price and high quality. That's generating a lot of

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demand for my products and services. Now I have these five new motivations on the other hand. Can these five new motivations actually give me an angle? An angle I didn't have before?" These somewhat nebulous attributes are now real buyer values in the consumer's mind. They're worth money. Health and safety is worth money. Trust and reputation is worth money, sustainability has a business case associated with it.

Elise: He says companies are going to have to make some tough choices. A lot of these services that customers really valued during the pandemic were expensive, and they might no longer be needed. But, in order for businesses to consider the trade-offs they're facing, they need to relearn who their customer is now, and what they value.

Nevine: Get to know them, listen to what they're saying, understand, engage in a dialog.

Elise: A business may have to reorient itself in order to deliver this new experience.

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Nevine: And be open to collaboration because no brand or a company is an island anymore. I think if we're genuinely going to provide the type of experiences the consumers are asking us for, I think we need to think differently.

Elise: And Nevine also suggests that businesses fully engage their employees on this journey.

Nevine: Because your people are the brand and the face of the brand. And you want somebody to put their discretionary energy into thinking about the company, the brand, and how to connect better with consumers. Then you need them to believe in the purpose of the company. You need their own personal purpose to fit with the purpose of the company. And there's nobody better to bring that to life for you.

Josh: So what I love most about this is that it, it demonstrates that consumers have a totally different reality that they're dealing with and that that's driving all the business imperatives for the companies they shop from.

Elise: Yeah and it feels pretty empowering. Right? I mean, these are things that we probably wanted all along, but didn't know we could get, and now we can get them.

Josh: Yeah. Yeah.

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And it's prompting a lot of innovation from the companies that we buy from.

Elise: Yeah.

Josh: So, to learn more about the trends in today's episode, check out the Life Reimagined report at Accenture dot com slash Built For Change.

Elise: Thanks to Accenture's Kevin Quiring and Nevine El-Warraky

Josh: And to Riddley Gemperline-Schirm and everyone in Accenture's Consumer Focus Group for talking to us!

Elise: Built For Change is a podcast from Accenture.

Josh: More episodes are coming soon. Follow, subscribe, and if you like what you hear, leave us a review.

MUSIC OUT

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