

These BAF II Covid-19 briefing notes are intended to help companies in Laos do three things:

- **Pivot** your existing business model to survive the current Covid-19 crisis;
- **Prepare** to withstand the challenges of a global economic downturn; and
- **Position** yourself for the economic recovery.

This fourth briefing note in the series provides suggestions on how to prioritise the needs of your customers and clients. It is important at this time to remain engaged with your customers, despite all the challenges you're your business faces, so that the bonds and loyalty that have been established in the past remain strong. Covid-19 is a reminder of how quickly the ground can move beneath your feet, and it demands an equally rapid response to the fast-changing habits of your customers and expectations of your clients.

Briefing note 4: Caring for your customers and clients

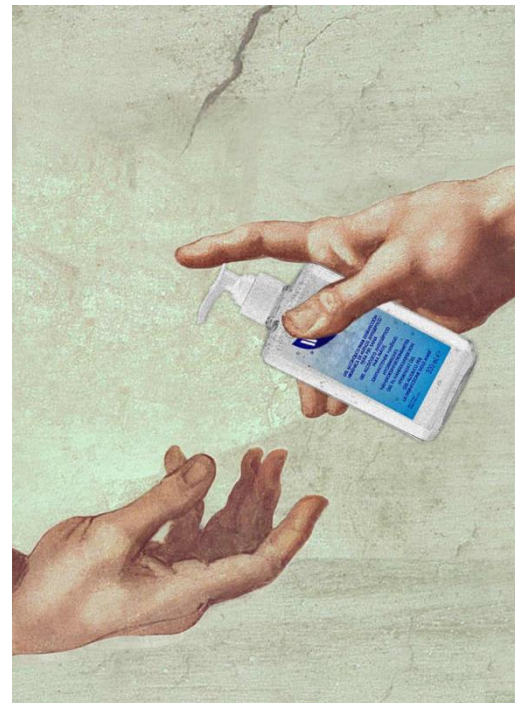
Adjust to new consumer behaviour. The Covid-19 crisis has come as a shock to everyone, including your customers. Like you, their world has changed considerably, and their values, habits, needs and priorities have also changed. The future health of your business is dependent in large part on understanding these changes and responding to them. This is true whether your business is a B2C retail operation or a B2B wholesale operation, and whether it provides a service or a product.

It is important to stay ahead of changes in customer and client behaviour as a result of Covid-19, some of which may return to the 'old normal', and some of which will evolve into the 'new normal'. For example, customer demand for ingredients used in home cooking and healthy eating has increased across Southeast Asia, creating new business opportunities for food producers and retailers.¹

So, the challenge is to accurately predict what those changes will mean for your business, and then re-position your business to make the most of these changes. Maximise the up-side and minimise the down-side.

Reach out and communicate with customers. At a time when it is difficult to stay in normal contact with your customers, it is particularly important to find ways to stay in touch and engaged with them. Finding ways to reach out to your customers, whether by social media or other platforms of communication, should be actively pursued. With the whole world seemingly going online for work and entertainment, now is a particularly good time to review what the company website and Facebook page says about your business. In particular, ask yourself:

- Content 1: Is the information and content provided fully up to date ?
- Content 2: Are the products or services offered appropriate for the current times ?
- Message: Does the overall brand and style of communication need to change in the light of Covid-19 ?



¹ "... these trends highlight potential opportunities for e-grocers, online meal kit companies, and niche brands that can answer the Southeast Asian demand for food products with health credentials that can be prepared at home. Covid-19 is forcing Southeast Asian consumers to cope by changing their eating habits and embracing new shopping practices. See: <https://agfundernews.com/southeast-asia-turns-to-home-cooking-and-health-foods-presenting-opportunity-for-agrifood-innovators.html>

- Action: If the answer to any of the above is 'no', then what precisely needs to change? Now go ahead and change it.

With your sales activity probably much lower than normal, there may never be a better time to improve your marketing and communications, and prepared for when normal business resumes. In the meantime, think about ways of building customer trust and loyalty through various customer support initiatives that show you have not forgotten about them, and you understand they are also facing difficulties during the economic downturn. Be open to making short-term adjustments in contracts and payment terms, if you can.

Be prepared. For companies with B2B business models in particular, it is quite likely that your clients will also be impacted by the Covid-19 crisis and the economic consequences. For example, clients may face cash flow crises that mean they will ask for delayed payment terms, or request reduced prices for the products or services they receive from your business. Or they may encounter a drop in their business volume, resulting in a reduction or complete cancellation of orders from your company. It is important to try and plan ahead for these kinds of dislocations in demand and payment for your products or services, and attempt to mitigate the likely impact. One way of doing so is to keep in close contact with your 'main clients, and keep informed of how their business is doing – what impacts them today will impact you tomorrow.

Be willing to adapt. It is possible that you will face dislocations in your input supplies over which you have no control (also see briefing note 3). If so, you may need to adapt your normal allocations to key customers, and even think about adjustments in pricing. We would strongly recommend that you resist any temptation to increase prices or profits during the current crisis period, and not take unfair advantage of sudden shortages in particular products. Customers and clients will make a mental note that you did this, and may decide never to buy from your business in the future. On the other hand, they will remember if you try to prioritise those customers who are in most need, such as people who are particularly vulnerable at the current time, or are particularly dependent on your business for certain essential supplies. Doing the right thing now will help increase customer loyalty in the future. Be willing to 'go the extra mile' to reach out to your customers



Keep your customers safe. If your line of business means that customers (and suppliers) will need to physically visit your office, store or other facility, it is important that they feel as safe as possible. If they don't feel safe, then they will hesitate to do business with you, and may even go elsewhere. Review your premises and see if changes can be made to reduce the danger of virus transmission, both between customers and between customers and staff. Introducing safe distancing protocols is one option (eg. between desks in the office or between shoppers in the store), along with putting up temporary screens and barriers at key places, such as in front of cashiers' desks. Politely checking the

temperatures of all people entering, requiring all visitors / customers to wear face masks, and providing hand sanitizer to all those entering the premises are just some of the options. And keep in mind that not all customers or visitors are the same, or have the same concerns. People who are more vulnerable to becoming seriously ill after contracting Covid-19, due to age, medical conditions or disabilities, need to be protected. And so you may want to think about providing special visiting times or other arrangements to assist them.

E-commerce and new business solutions. Keep in mind that the ability of your customers and clients to travel is likely to be severely constrained for some months to come, which will have an impact on their ability to make decisions around buying or ordering products and services from your business. Put yourself in their shoes, and think how you can make their interactions with your company as easy and appealing as possible. In doing so, you may not only keep existing customers, but also gain new ones from your competitors who fail to rise to this challenge.

This may entail improvements in your company website, such as increasing the functionality of the website, its ease of use, as well as the aesthetics of the website. Before, customers may have not used your company website very much, as they would prefer to physically visit your premises to transact most business. But now the website may be their main way of interacting with you, and doing business with you. If so, is the website sufficiently reliable, attractive and user-friendly for this increased level of use? Can customers and clients place orders, and make on-

line payments for those orders, as well as select door-to-door delivery options ? If your competitors are slow to make these changes, you have a unique opportunity to capture greater market share. Such changes are not limited to retail companies, such as stores, but also various service providers. For example, those in education may shift some of their tuition services on-line, while quite a few gyms and exercise providers are going virtual, replacing instructors with apps and video platforms.

Changes in spending patterns. Businesses should expect the priorities and demands of customers to alter in a range of ways, creating new markets for some products, and reducing established markets for other products. For example, customers may become more price sensitive, and demand for luxury items and services may decline, at least for a while, as cheaper alternatives attract new customers. It is therefore important that you monitor closely any changes in consumer behavior and spending patterns, and try to position your own product and service offerings to meet these changes. This might include placing greater emphasis on products and services that customers and clients have most need for at present, such as items often used for home working and home entertainment, products and services related to personal health and safety, and even non-essential items that nonetheless bring comfort at a time of high anxiety.



But also look beyond the crisis, and start to think about a post-Covid-19 brand and marketing campaign, which might revolve around new products or services, with new 'value propositions' to offer your customers and clients, and with new selling points.

Changes in export markets. For companies that focus on export markets and serving the demand of overseas buyers, it will be important to monitor changes in international business and trading patterns. Covid-19 will have a major impact on cross-border production networks and international value chains, even if it is too early to tell how much, and in what way. Covid-19 has

exposed the weaknesses that exist, whether they be dislocations in supplies, sharp corrections in demand, regulatory obstacles, etc. We can therefore expect international buyers to review their supply chains, and potentially make major changes to them in the months and years to come.

Finally. Across a range of business sectors, we were already seeing the way information technology was driving major changes in the way business was conducted, such as e-commerce. Covid-19 will not stop that trend. Rather, Covid-19 will accelerate that trend. As you start to develop your business model for the 'new normal' after Covid-19, don't be shy about consulting with your customers and clients about the plans you have in mind, and get their feedback. Listen to their suggestions, and try to understand what kind of service they will want to see from your company in the future.

BDS resources to consider

BAF II provides matching grants to companies that need to hire a third party 'business development service' (BDS) provider to help improve their business performance in some way. In the context of caring for your customers and clients, if you decide that your business needs help to improve its branding, marketing and/or communications, then contact BAF II to discuss this matter with our Business Advisors. The first step is to register on the BAF II website.

Also, check out the links to various useful materials provided on our website, on the 'Resources' page.

"We are all in this together." BAF II is here to help your business pivot, prepare and position. Come and talk to us, and see if we can help your business navigate this challenging time. Please contact us at: info@baf Laos.com or tel: 020-55542658. Or visit us website at: www.baf Laos.com

