

5 ways Covid is driving consumer trends

 By [Kim Furman](#)

15 Dec 2021

Covid is many horrific things, but it is also an accelerator of progress.



Source: Supplied

Perhaps we would have got to the same place eventually, but it would have taken years. Compare this to the mere weeks it took us to globally adapt to remote work.

According to [Accenture research](#), our changed behaviour brought on by Covid will remain long after the pandemic has passed, with 95% of consumers making significant and enduring changes in their behaviour.

The companies, including retailers and banks, that will excel in 2022 will rapidly move in the direction of this change instead of driving against it.

Payment schemes, [Visa](#), [Mastercard](#) and [American Express](#), have driven this change with what is known as tap-on phone or tap-to-phone payments where any person can turn an Android phone into a payment-acceptance device within minutes.

There are only a handful of providers globally that are authorised by these schemes to provide this solution. Halo Dot was the first in Africa to launch this. Customers need to merely tap their card on the merchant's phone, with Halo Dot technology for example, to make a purchase.

Our changed behaviour:

True customer-centricity

Covid-amplified true customer-centricity. Before, retailers would come to consumers' cars to deliver goods through click and collect services, but Covid amplified this. Suddenly click and collect was a standard from large retailers to hairdressers selling hair dye. The retailer now revolves around the consumer.

The opportunity: Payment methods like tap-on phone allow every retailer to excel with click and collect. Whether they have hundreds of orders on Monday and mere tens on Tuesday, they don't need to scale their POS devices. They just need to ensure their staff have downloaded a tap-on phone app to accept payments and take their phones to the cars.

Fast shopping

Many consumers have become crowd adverse. When we are in the shops, we often want to make it a fast experience. Queues are not something we want to deal with anymore.

The opportunity: It comes back to customer centricity. We have always gone to stand in a queue in an allocated part of a shop. If retailers' phones are payment devices, then their staff can come to us in the aisles and let us pay right there, eliminating queuing and time wastage.

Minimal touch

Pre-Covid, we would not have thought twice about inserting our cards into a POS device. In 2020, approximately 8 out of 10 people in a [Mastercard Global Consumer Survey](#) said they are using contactless. Our behaviour shifted. When a device is not tap to pay, it seems inconvenient, outdated and unhygienic.

The opportunity: This normalisation of contactless payments, or "the tap", means we expect solutions with minimal touch and fast engagement, making this tap technology ideal.

Reduced cash

Cash is no longer king but it is certainly not dead. Rather the use is diminishing. [The Global Payments Report](#) found cash usage dropping below 50% in Africa.

The opportunity: One reason cash is still so prevalent is that not everyone can afford a POS device. Tap-on-phone technology removes this burden to entry and creates more opportunities for small merchants to accept card payments and for consumers to have to touch money less.

Using cards to pay for small amounts

According to [Mastercard](#), the small payments that used to be dominated by cash have now crept into the card space with 80% of payments being less than \$25. This is evident in card-payments features that have been added to mall pay stations for amounts as small as 10 rand.

The opportunity: This final change in behaviour creates an opportunity for informal and small businesses who trade in smaller amounts to accept card payments. With over 90% smartphone penetration rate in South Africa, these merchants will be able to easily download an app and start accepting payments on their phones.

The question now is: How do we access tap-on-phone technology? Technology providers like Halo Dot will make this technology available to banks and payment providers that will pass this on to consumers. Nedbank has already rolled this technology and are experiencing fantastic feedback.

Our expectations and behaviours have changed. Innovative companies are starting to listen, bringing in the dawn of smart, truly customer-centric, instant technology. Whatever 2022 will bring, rest assured, it will bring further progress.

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