

LIFE AFTER LOCKDOWN

Has our relationship with money been changed forever?



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Hysteresis. Hysteria. They look similar, but in a quirk of Greek etymology their origins are very different. However, in the post Covid world, you'd be forgiven for thinking they were closely connected.

The former, in economic terms, refers to an event in the economy that remains changed in the future even when the factors that led to that event have been removed; the latter potentially refers to how we feel after 14 weeks of home-schooling.

The key is understanding which changes to keep, and which should revert to their pre-Covid state. While economists will look to their models to make predictions, in reality we've never been here before, so we need to think much more creatively and holistically. We need to **listen to people, recognise their changed behaviours and build better experiences for them.** Take time to assess **which changes should be kept, which dropped, and which adapted.** Look at the short-, medium- and long term and the impact on both your business and your customers. And consider how much effort is required to lose the undesirable changes or make new ones stick, versus the long-term benefits.

Start with your data.

Can you identify segments where customers have changed their behaviour? We've seen a **big shift to digital interaction** – be that app downloads, online account activation or a switch to paperless – and for many people this will have been a reluctant, but necessary adoption. Look to your data and see if you can identify who is more likely to continue with that new behaviour once restrictions are eased. How can you encourage them to make digital adoption permanent, what do they need to help them keep their new habit?

In the broader context, the pandemic and subsequent recession will impact everyone differently, and again, data can help you **meet your customers' changing needs**. While some people have financially benefited from coronavirus (no commute, cancelled holidays, frozen gym memberships) many others will be struggling. Again, look at your data and identify who needs proactive support and flexible solutions.

One of the more constructive recent changes in behaviour has been **consumers' increased engagement with their finances**. As financial situations have changed due to furlough, pay cuts or redundancy, most people have had to pay close attention to their spending and investments. They have had to interrogate where they could be making better financial decisions. Financial decisions can be difficult, especially when you're feeling as bruised as we all are, so as we move into the new world businesses need to work hard to provide support and reassurance. With life so disrupted customers will be looking for stability, as well as the best solutions for their individual needs. Personalisation will be more important than ever – we've all been changed by the pandemic, so listen to your customers and adapt to their new lives.

Be human.

The world has become kinder, more empathetic and more concerned for the vulnerable; if there's one positive to come out of Covid-19 it should be a **legacy of humanity**. As we emerge from anxiety, isolation and distancing we'll be seeking out brands that make us feel safe, grounded and connected. Those brands that can reflect the societal mood and adapt to consumers' changing needs and behaviours are likely to be the ones that fare best in the world we don't yet know.

Get In Touch

At Signal we are helping our financial services clients prepare for life post-Covid with data insight, strategy and behavioural economics expertise. If you'd like to know more about how we could help you, including our range of audience-led planning resources, please get in touch.

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