

*Making brands matter
in turbulent times:*

HOW TO STEER BRANDS THROUGH A CRISIS

Beyond COVID-19



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Wēi

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*In a crisis there is always
the seed of opportunity*

The Chinese word for crisis carries two elements,
danger and opportunity.
No matter the difficulty of the circumstances,
no matter how dangerous the situation,
at the heart of each crisis lies a tremendous opportunity.

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CHRIS REITERMANN

*Chief Executive,
Asia and Greater China*

“

Fortune favours the brave... and the *prepared*.

The past weeks have been filled with extraordinary challenges.

While we work relentlessly with our clients on the short-term challenges to support their businesses, we also revisited SARS and the 2008 Global Economic Crisis. We looked for potential learnings on how some brands found ways to rebound stronger, how new business models were shaped during crisis and how bold moves and timely investment enabled winning brands to gain disproportionate share

We have looked at how we can apply these learnings, our understanding of today's environment and the specific situations surrounding COVID-19 to come up with actionable guidance for brands.

Whilst there is still uncertainty about how and when the virus will be contained, what we do know for sure is that the crisis will pass. And that there will be winners and losers.

We believe, and history supports this, that agile and competitively-minded brands that get it right in the tough times, can capture competitive share and be best-placed to capitalise on the eventual rebound and beyond.

”

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Taking stock And looking forward

As the spread and impact of COVID-19 continues unfolding across China, Asia and an increasing number of countries around the world, leaders in all fields need to be more alert, and more decisive than ever – responding constantly to changing conditions, while keeping an eye on the future, to ensure preparedness when better times return.

Brands need to be considering implications, not only on the health of their business, but on that of their relationships with all their audiences and stakeholders.

With containment efforts still unpredictable, the epidemic will continue taking a huge toll - on people, communities and healthcare systems; as well as on virtually every aspect of daily life, and with them the economy, business and brands.

But it is also forging a new global solidarity. While clearly not the first time we have faced a crisis, globalisation and digital mean this is one we face with unprecedented connectivity and interdependence – bringing new challenges, and new opportunities too.

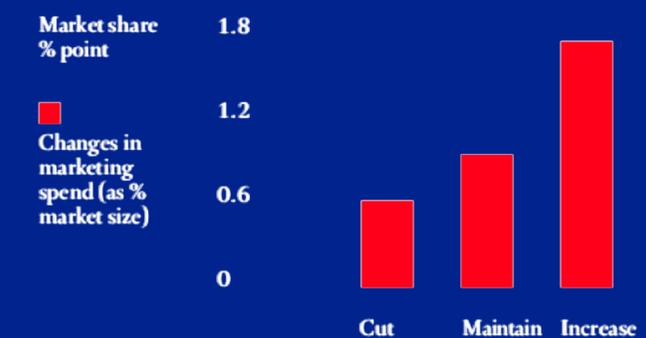
As marketers, the key challenge in dealing with a crisis as dynamic and pervasive as this one, is the ongoing uncertainty and unfamiliarity.

Even before the outbreak, we entered 2020 and the Year of the Rat anticipating growth pressures. COVID-19 is making an agile response more crucial than ever.

Ogilvy has created this document to leverage the lessons of the past and help prepare marketers for smart and decisive action, at every stage of the unfolding situation.

Crises punish the dithering, reward the committed.

Brands that get it right are able to capture up to **3x more market share** through a downturn, and rebound faster and stronger when good times return, **for lasting competitive gains.**



Increase in market share in first 2 years of recovery (source: Hillier, Tony: *Successful Competitive Strategies For Recession And Recovery*)

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SARS, a notable precedent

During the nine-month outbreak, more than 8,000 cases of SARS were confirmed and 774 people died — 648 of them in Mainland China and Hong Kong. Initially the Chinese institutions were playing catch-up, but over time they came to terms with the challenge. The Chinese government has an unparalleled ability to marshal resources, and Chinese culture prizes stoicism and the ability to work through hardships.

SARS was the tipping point for the internet as a mass medium in China as people looked to mobile phones and the web for information and updates about the outbreak. Shares in Sina, Sohu, and Net Ease soared. Investor interest in Chinese technology took off. It also triggered the digital home entertainment market as millions of people, confined to homes or dormitories, looked for distraction.

It is seen as the point that led to Alibaba taking off as those millions, afraid to go outside, began to shop online. Recovery was also rapid and most Asian economies bounced back. Shares in Cathay Pacific Airways tumbled 30 per cent from December 2002 to April 2003 only to nearly double in the next year as populations proved keen to not only return to normal, but make up for lost time.



5 Lessons

Despite the differences, 5 timeless & timely lessons from the past are relevant today:

1

'BLACK SWAN' EVENTS CAN BREAK A BRAND – OR MAKE IT

'Black Swan' events like SARS, the 2008 GFC or COVID-19 are moments-of-truth for brands (and marketers) - of their purpose, values, commitments; but equally of their agility, creativity and spirit.

2

THERE WILL BE AN AFTER

We don't yet know when, but when it happens, it will happen fast, releasing pent-up demand.

3

BUT IT WILL BE A DIFFERENT PLACE

Marked by lasting shifts, both attitudinal and behavioural, creating new needs, new priorities – and new competitive opportunities.

4

THE KEY IS MANAGING ALL TIME HORIZONS

Marketers who manage to turn crisis into opportunity are those who consider and address impacts across the short, mid and long term.

5

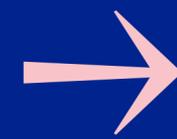
BE PREPARED

Fortune favours the prepared, agile and decisive – true in good times, even more so in testing ones.

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Ongoing economic impact

COVID-19 INFLUENCING PURCHASING BEHAVIOUR



*Change (possibly)
inevitable*

The longer it goes on,
we get used to living
differently.



Choosing differently,
shopping differently.



Strong possibility these
changes will become
the new normal.



Brand challenges now.

WHAT IS CURRENTLY ON MARKETERS' MINDS?

**HOW DO WE KEEP OUR
RELATIONSHIP WITH
OUR CONSUMERS GIVEN
THE ABSENCE OF A
PHYSICAL STORE?**

How do we *identify*
new occasions and
behaviours to drive
relevance and trial?

**HOW CAN WE MOVE
FROM A PHYSICAL TO A
VIRTUAL CONFERENCE/
MEETING/PRODUCT
LAUNCH EFFECTIVELY
AND SMARTLY?**

*How do we
innovate to find
new ways to deliver
solutions and
services in line with
the new reality and
new behaviours?*

How do we promote our
business *without being
perceived as taking
advantage* of
the situation?

**HOW DO WE EXTEND
BRAND PROPOSITIONS
INTO SERVICES AND
CONTENT TO KEEP
AUDIENCES INFORMED
AND CONNECTED?**

How do we *shift from
offline-reliance* to online
and delivery-based
ecosystems?

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How to make your brand matter across all time horizons

In times of crisis even more than in 'normal' times, a key challenge is to **reconcile the distinct dynamics and requirements of different time horizons** - winning in the now, while preparing for the medium-term, and transforming for longer-term growth in changing times.

Ogilvy's OS helps marketers **manage their brand as a holistic and agile system** - where every action, every experience, builds the brand and business in interconnected ways.

In times of crisis, the OS helps marketers prioritise actions to take in the heat of the outbreak, while looking ahead to ensure their brands are **primed to take advantage of the recovery and 'new normal' beyond**.

MATTER LONG TERM
(New Normal)



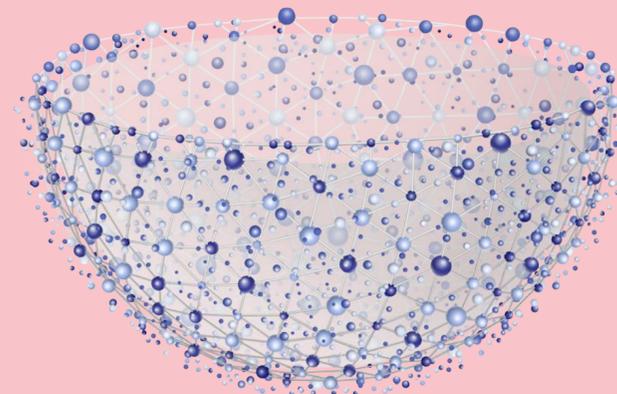
How do we get on the front foot in a changed landscape?
→ transform & be fit-for-purpose

MATTER MEDIUM TERM
(Recovery phase)



How do we make up for lost ground?
→ leverage shifts & drive momentum and competitive edge

MATTER RIGHT NOW
(Acute outbreak phase)

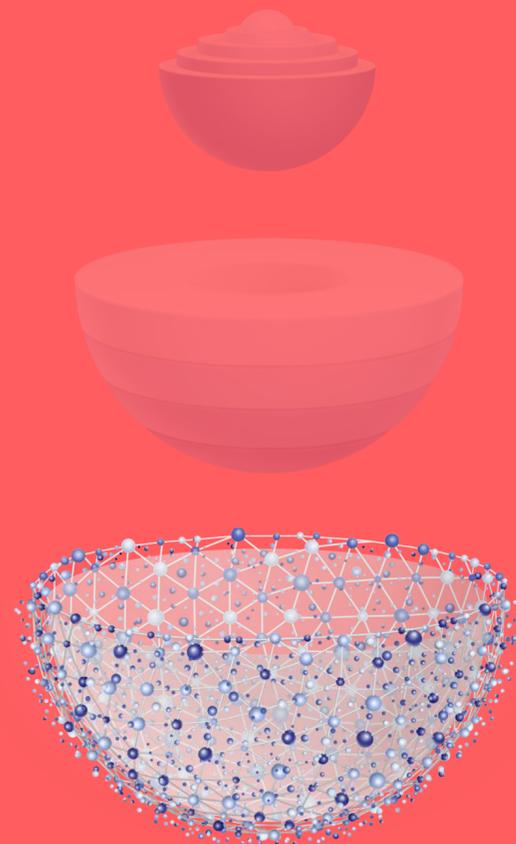


How should we respond in unfolding situation?
→ be agile & optimise

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*Brand actions
to matter right now:*

DURING THE ACUTE PHASE OF OUTBREAK



ACTIVATE PURPOSE & OPTIMISE FUNNEL MIX

SUSTAIN SHORT-TERM SALES

→ **Re-allocate spend behind most topically-relevant segments** and SKUs.

→ Optimise channel mix for shifts in media consumption.

→ Rise above self-serving and transactional - tailor messaging and offers in real-time, to respond to shifting topical needs and emotions.

→ Sustain broad reach to facilitate new users exposure and trial.

ENGAGE ALL AUDIENCES AND STAKEHOLDERS

→ Beyond customers /consumers comms, **carry out stakeholder mapping** to consider the needs and concerns of all stakeholders, internal + external, individual + institutional.

→ Leverage social channels for open & real-time response and communication.

→ Identify opportunities to **create 'shared value' programs**, mobilising and connecting all parties for common benefit.

ACTIVATE YOUR PURPOSE

→ **Do more, say less.**

→ Activate brand purpose to support hygiene and virus containment efforts, and keep life (and livelihoods) going - add 'brand-aligned' value to people, the community, and broader nation.

→ **Not every brand needs to turn 'caregiver'**: support across all needs and emotional need-states, in line with brand benefit and persona.

SPEND SMARTER /MORE FOR LESS

→ Make every \$ count: leverage data analytics for full funnel optimization & fix weak links.

→ **Optimise drive-to-web, drive-to-commerce**; make online visibility + transaction easier.

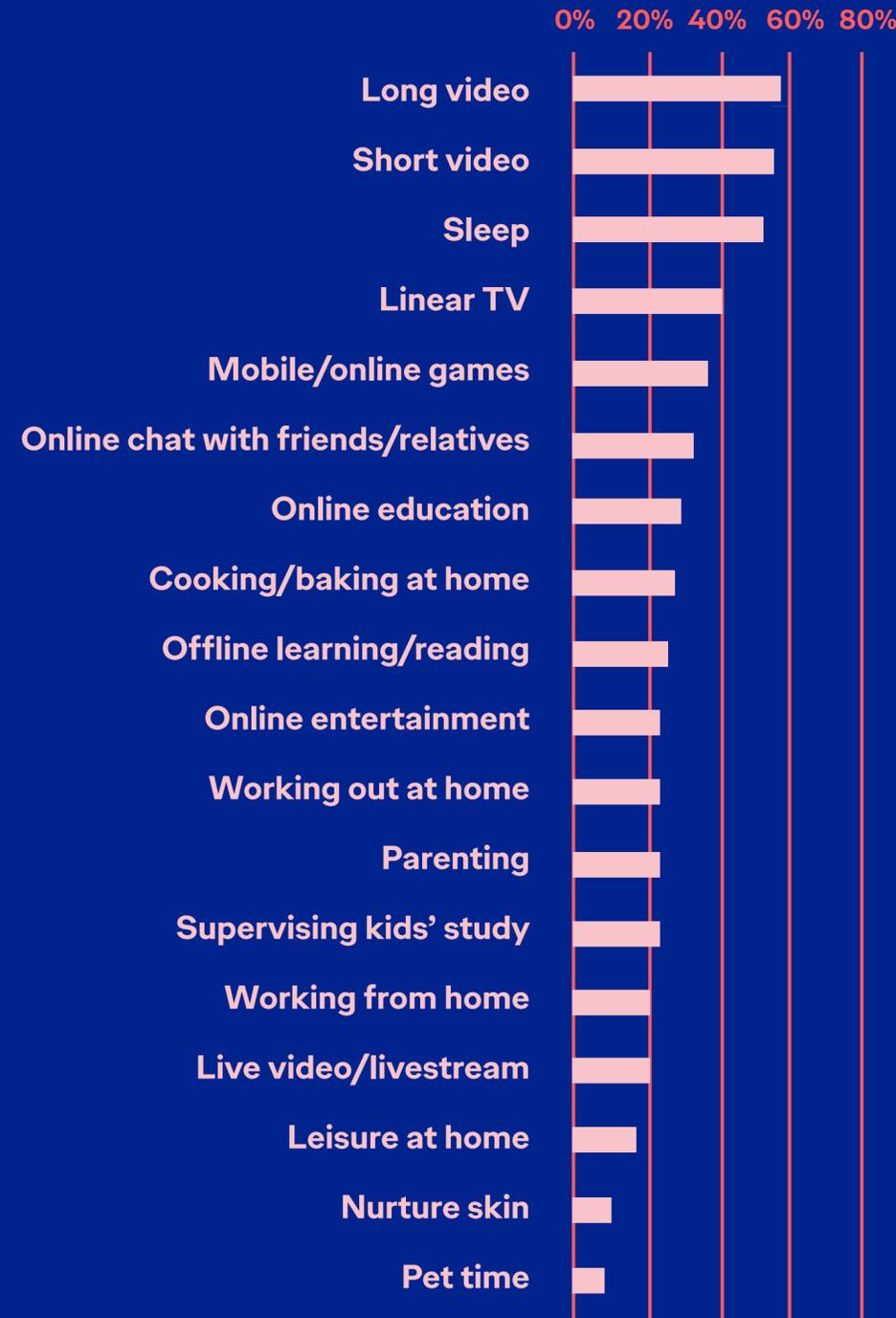
→ Review channel mix to secure reach vs shifts in media consumption. **Put bets on surging channels.**

→ Identify opportunities and expand database.

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*Brand actions
to matter right now:*

ADJUST CHANNELS
AND CONTENT MIX
FOR SHIFTS.
PUT BETS
ON SURGING
CHANNELS AND
NEW ACTIVITIES



*Be where
people are now.
Support what
they're doing now.*

People's attitudes and behaviours are changing during COVID-19. As a brand this is a moment to recognise, connect, engage and support these new changes.

Adjusting channel mix, content and potential partnerships will help secure efficient reach as well as relevance.

Responding, adding value and being agile in the NOW, especially in lower-familiarity areas where people will most value support and be open to new brands and will support relevancy in the LATER.

Source: <https://us.kantar.com/business/brands/2020/survey-measures-coronavirus-outbreaks-impact-on-chinas-consumption/>

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*Brand actions
to matter right now:*

CREATE MEANINGFUL ACTION & SUPPORT FOR PUBLIC HEALTH AND SAFETY



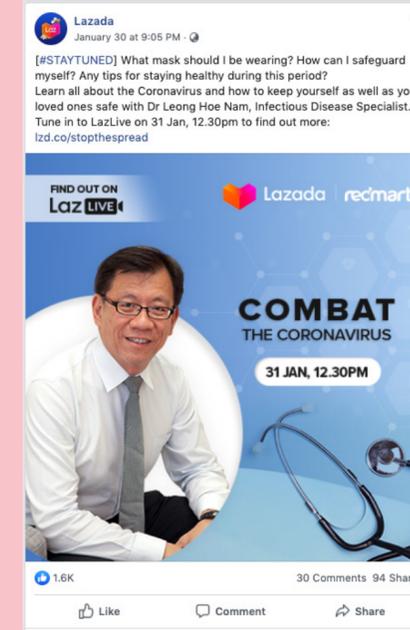
Unilever utilised livestream to connect with scientists and medical professionals to educate consumers on key points of daily protection.

In doing so the company shifted focus to a 'public service' messaging strategy on the most relevant brands in its portfolio.



Baidu map upgraded its real-time "epidemic area" in more than 200 cities, helping protect public health and safety.

The app pops up a geo-tagged "surrounding epidemic reminder", showing real-time information such as the number of affected places across the whole city.



Recognising that customers were concerned about receiving goods from China, **Lazada** provided access to infectious disease specialists. Using its in-app live-streaming technology, over 21,000 viewers were connected to raise questions pertaining to the virus from the safety of their homes.

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*Brand actions
to matter right now:*

SUPPORT PARTNERS AND ASSOCIATES TO MANAGE THROUGH CONSTRAINTS



Real-estate group **Wanda** implemented a waiver of one month's rent and property fees for Wanda Plaza nationwide, sharing the burden of reduced footfall with its tenants.



Alibaba announced 20 measures to help businesses and merchants in China, which included:

- Reducing operational cost on Alibaba platforms.
- Providing financial support by waiving or lowering interest rates.
- Subsidising delivery personnel and ensuring higher logistics efficiency.

→ Providing flexible job opportunities to ensure income.

→ More tools for enterprises to accelerate their digitisation.

→ Remote working management for enterprises.

*Brand actions
to matter right now:*

SUPPORT PARTNERS AND ASSOCIATES TO MANAGE THROUGH CONSTRAINTS



Bytedance offered all enterprises and organisations in China access to its Feishu remote collaboration platform free of charge.



Deliveroo announced a 15-20% discount in commission fees to restaurants to support them as the number of dine-in customers fall, and a delayed commission payment.



Alibaba's grocery-store network **Hema Fresh** hired offline restaurant staff to create a "shared employee" model. 2,700 employees from 40 companies affected obtained a job in Hema Fresh.

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*Brand actions
to matter right now:*

BUILD MEANINGFUL UTILITY & CONTENT TO HELP PEOPLE TIDE OVER CRISIS TIME

Supporting the full breadth of human needs,
both functional and emotional –
for distraction, for fitness, for boredom
relief, stress relief, for learning, connection
and everything else.



NetEase Youdao
provides Free Online
Lecture Service for
primary and middle
school students who
can't go to school.



Under Armour realised
remaining healthy
in difficult times is
important. They shared
exercise tips on their
official account

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*Brand actions
to matter right now:*

CONTRIBUTE WITH CORPORATE RESPONSIBILITY INITIATIVES THAT MATTER TO RELIEF MEASURES



H3C donated more than 4M \$US of equipment for new hospitals in Wuhan as soon as the crisis started. They also provided digital services for existing hospitals and clients in many provinces outside Hubei and round-the-clock technological support. They are helping to fight the virus with tech!



Philips donated over 2M \$US of vital medical equipment to Wuhan and helped install the first CT scan in a newly built emergency field hospital (Leishenshan)



Gojek Singapore has launched a new initiative called GoHeroes in light of COVID-19. It's an initiative to support frontline healthcare workers and medical professionals with help also coming from their driver-partners.

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*Brand actions
to matter right now:*

ADD CHEER AND POSITIVITY TO PEOPLE'S LIVES AS THEY STRUGGLE WITH UNCERTAIN TIMES



KFC introduced special safety measures for in-store dining, take-out and delivery services to help keep their customers and staff safe. And to show their appreciation of staff who remained in their posts in critically hit

areas, personal stories were shared on social platforms. This grew to be a national mission to support society's return to stability.

KFC also supported the frontline medical caregivers by offering them free meals.



IKEA leveraged its brand promise of 'bringing joy into the home', DIY philosophy and creative cheeky persona, to bring light relief to all those forced to spend Valentine's day quarantined at home, or even worse, in isolation.

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Brand actions to matter medium term:

DURING THE POST-OUTBREAK RECOVERY



IN THE RECOVERY PHASE MAKE UP FOR LOST GROUND BY PRIMING MOMENTUM & LEVERAGING SHIFTS

FUEL BRAND SALIENCY

- Sustain spend and earned exposure / talkability to **keep brands salient** in anticipation of the rebound.
- IPA data shows brands that sustain exposure throughout a crisis, **can increase share 3x** during downturns, but also **rebound faster and stronger** in recovery.

PRIME FOR MOMENTUM UPON REBOUND

- Identify **categories and segments that will most benefit from pent-up demand and economic stimulus**.
- Identify priority parts of portfolio with greatest potential.
- Work with your media agency to re-allocate budgets and secure quality ad stock.
- Leverage CRM and social platforms to **activate existing users, and turn new followers into trialists**.

INNOVATE AND RESHAPE YOUR PORTFOLIO

- Leverage data and insights to identify the most significant and lasting shifts.
- **Accelerate claims innovation, product innovation, CX innovation**.
- Consider how to leverage and strengthen **Health & Wellness** connections, across categories.

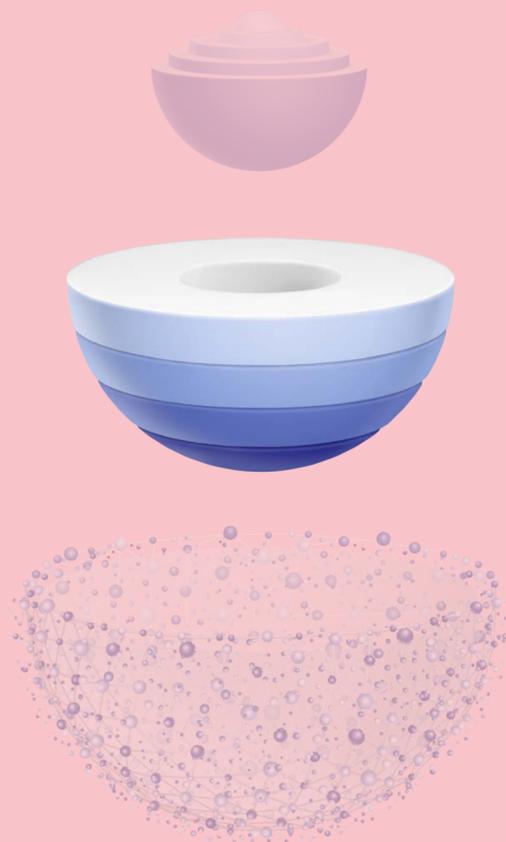
SHIFTS TOWARDS DIGITAL CHANNELS AND BEHAVIOURS

- Review Customer Engagement & Content plans.
- **Address new needs and priorities in Digital content / Digital services / Utility / Commerce**.
- Leverage martech and automation to enable more personalised and contextual creation and distribution of content in real-time.

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Brand actions to matter medium term:

DURING THE POST-OUTBREAK RECOVERY



IN THE RECOVERY PHASE MAKE UP FOR LOST GROUND BY FUELING SALIENCY & PRIMING FOR MOMENTUM

FUEL BRAND SALIENCY

'Surplus' share of spend / exposure generates faster market share gains in downturns' depressed media spend

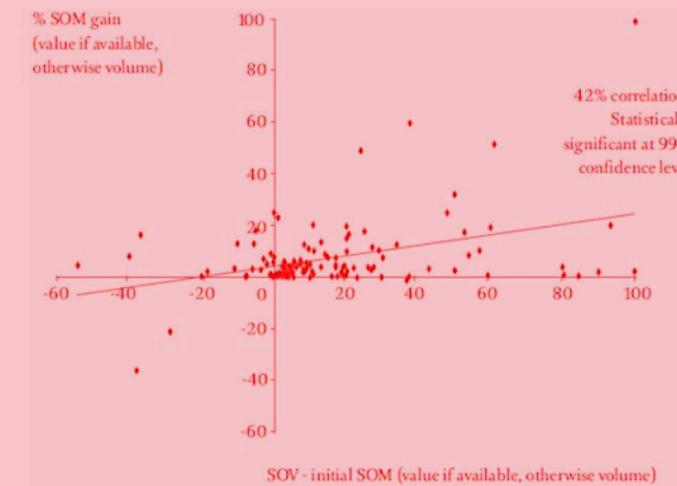


Source: Hillier, Tony: Successful Competitive Strategies For Recession And Recovery)

PRIME FOR MOMENTUM ON REBOUND

Companies cutting investment by 50% for 1 year before returning to normal weight take up to 2 years to recover lost share.

Those that increase exposure during downturn can gain up to 3x more share in the first 2 years of recovery.



Source: Binet, Les and Field, Peter: Marketing In The Era Of Accountability, 2007 Base: 880 successful marketing campaigns, 1979 – 2006

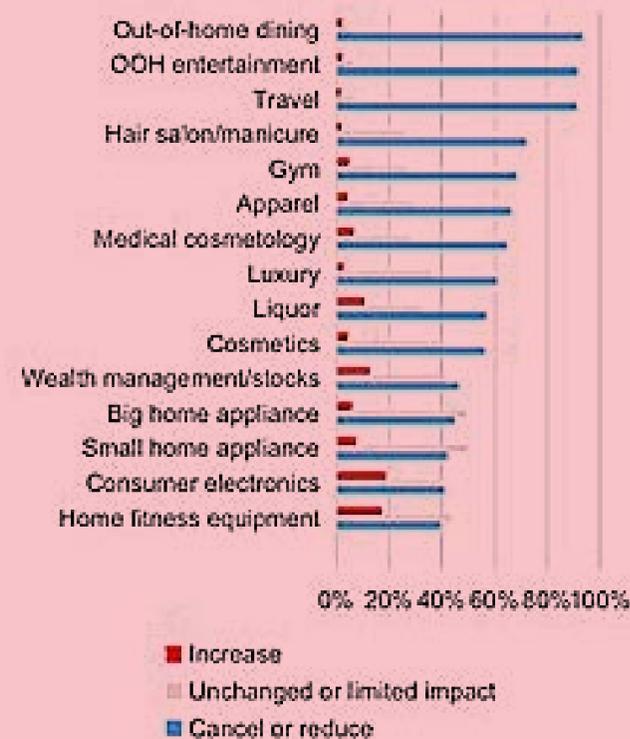
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Brand actions to matter medium term:

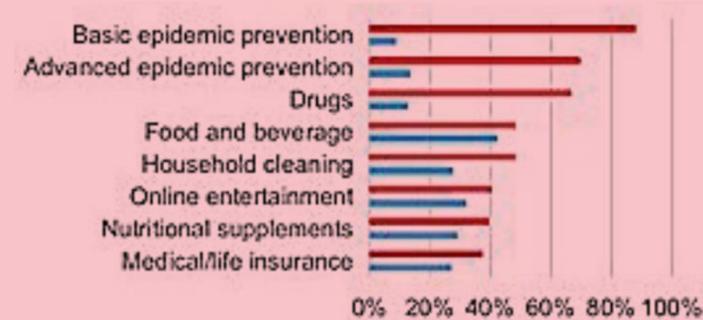
CATEGORIES ARE BEING AFFECTED – AND WILL REBOUND, DIFFERENTLY

During outbreak

CANCEL OR REDUCE

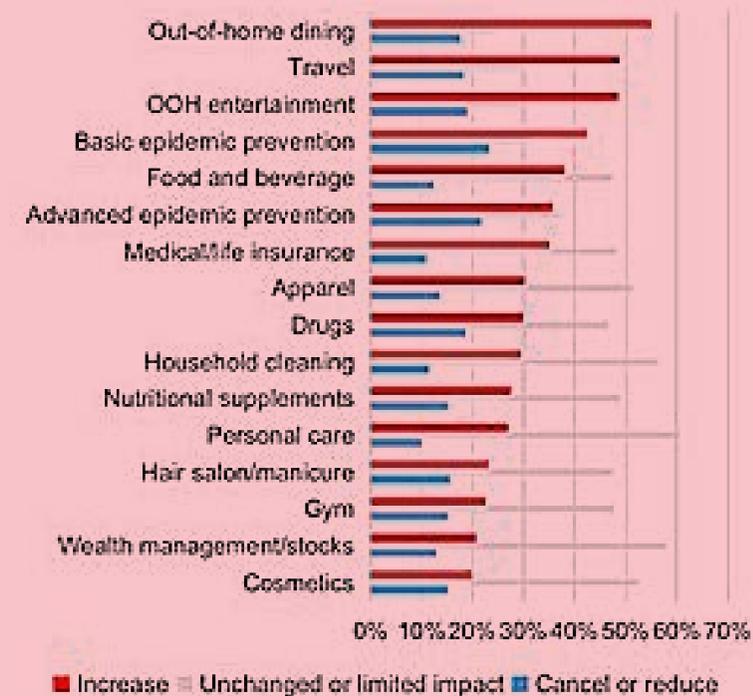


INCREASE



After outbreak

INCREASE



CANCEL OR REDUCE



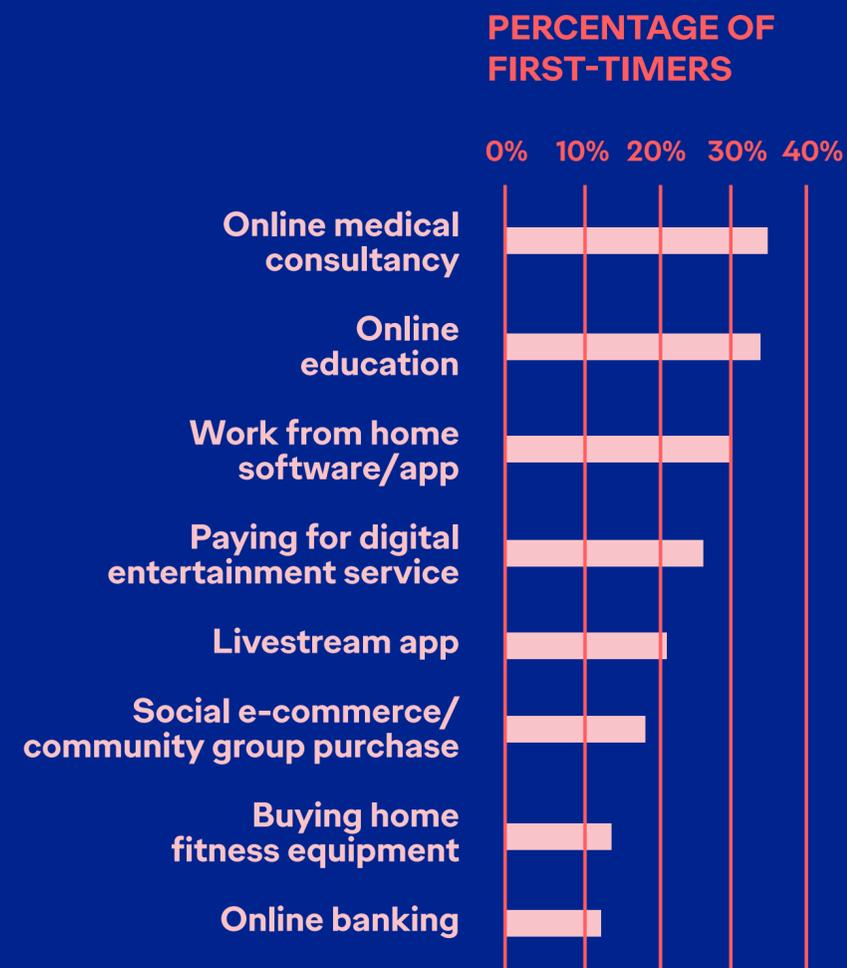
Source: <https://us.kantar.com/business/brands/2020/survey-measures-coronavirus-outbreaks-impact-on-china's-consumption/>

Brand actions to matter medium term:

CATEGORY FIRST-TIMERS ARE AN OPPORTUNITY TO CONVERT INTO REGULAR USERS

This outbreak has also nudged/forced many consumers to try something they've never used before, creating an opportunity for many new sectors.

84% tried at least one new service for the first time, the highest being online medical consultancy (34%) and online education (33%), followed by working from home software/app (29%) and paying for digital entertainment service (26%).



Brands can look for opportunities for disproportionate share gains by activating their loyal users endorsements, and competitively-designed promotions – eg bulk buying incentives that secure franchise through the event and beyond.

Source: <https://us.kantar.com/business/brands/2020/survey-measures-coronavirus-outbreak's-impact-on-china's-consumption/>

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Brand actions to matter medium term:

NEW BUSINESS AND SERVICE MODELS BORN OUT OF NECESSITY DURING THE CRISIS MAY PROVIDE NEW OPPORTUNITIES FOR DISRUPTION AND ONGOING COMPETITIVE EDGE ACROSS CATEGORIES



Faced with the prospect of empty cinemas, Huanxi Media **radically changed** its film distribution by inviting digital pioneer Bytedance (owner of TikTok) to buy the copyright of Chinese film 'Lost in Russia'. The film premiered over New Year for free on the Bytedance video platform.

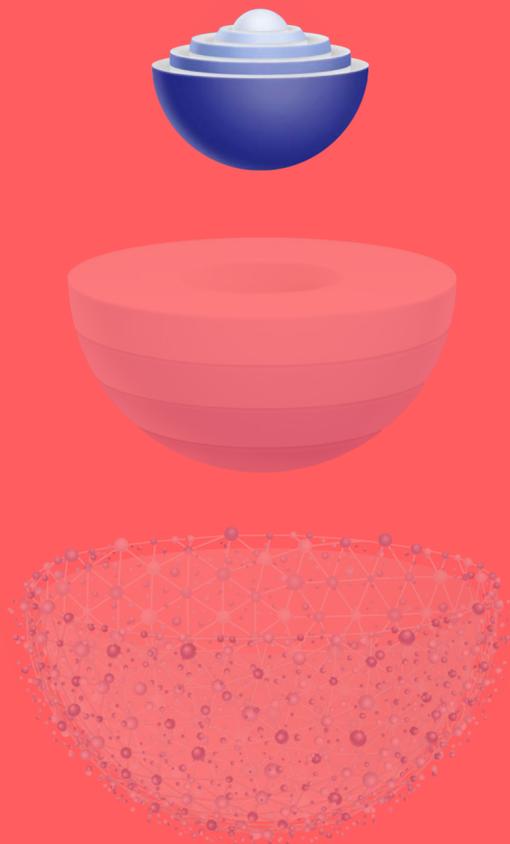


Chinese real estate company **Sunac (Rongchuang)** went live on an online platform which provides **real-time** online services for consumers to virtually view, select, consult, purchase and recommend houses they were unable to physically visit. Once the platform and new behaviour established, will this fast become the new normal in property sales?

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*Brand actions
to matter long term:*

DURING THE NEW NORMAL PHASE



TRANSFORM TO LEAD IN A CHANGED LANDSCAPE

BRAND TRANSFORMATION

→ **Re-evaluate brand positioning, proposition and portfolio** priorities for accelerated growth in new landscape / segments.

→ Identify opportunities for first-mover edge serving future needs by creating or modifying a product / service / experience.

SUSTAINABLE TRANSFORMATION

→ Turn **crisis-time 'CSR' into ongoing purposeful brand engagement** - across full value chain, and across all stakeholders.

→ Innovate to create shared value and drive impact across locally- and category-relevant SDGs.

CE & CX TRANSFORMATION

→ Re-evaluate Customer Experience for greater **personalised value and responsiveness**.

→ Accelerate employee experience transformation for greater personalised engagement, productivity and flexibility.

→ Leverage data and Martech to **enable personalisation-at-scale**.

CRISIS & REPUTATION TRANSFORMATION

→ Implement **crisis preparedness plans**, incl. risk-assessment audit, crisis response plan and training, reputation repair plans.

→ Update **stakeholder and influencer ecosystem** - focus on top 100 stakeholders.

→ Revisit Public Affairs strategy and activation plans.

DIGITAL TRANSFORMATION

→ Revisit and prioritise digital transformation goals, strategy and roadmap

→ **Accelerate shift to mobile- and e-com-first business models**.

→ Identify opportunities to accelerate digital innovation, leveraging emerging technologies for competitive (and data) edge.

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Summary

While there is uncertainty about how and when the virus will be contained, one certainty is, the crisis will pass, and there will be an After. And there will be winners and losers.

When that After emerges, the landscape will have shifted, new growth opportunities will come into view, and **winners and losers** will transpire.

Much has been written about how 'black swan' events are a test of every brand's purpose, values and commitments, however they are also a moment-of-truth for their **agility, creativity and resolve.**

IPA analysis shows businesses that continue making their brand matter during times of crisis are rewarded with a greater opportunity to **grow trial and shares** through the downturn. They are also proven to **rebound faster** when good times return, capturing more than their fair share of the stimulus-induced bounce.

As we progress through the outbreak and beyond the initial reactive phase,

it is now time to take a more proactive stance. In actions; in communications; and in transformation, in both brand, product and services offerings, comms and commerce channels, and CX.

Marketers who manage to turn crisis into opportunity are those who consider and **address impacts across all time horizons.** They will secure the now, and make up for lost ground as the recovery kicks in, and

get on the front foot to turn shifts into long-term growth opportunities.

By staying agile and competitively-minded, these brands can turn bold and creative moves through the crisis into disproportionate share gains.

By building on them decisively once better times return, they can turn them into sustained growth and competitive edge.

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*Actions for Now
and the Future:*

TOP TEN CHECKLIST

1

Don't wait for recovery; **adapt** to changes and focus investment on what is profitable now.

2

Review product / SKU portfolio due to changed consumer behaviour.

3

Disruption provides opportunity; revisit **brand value** and **differentiation**.

4

Think outside your **physical** brand experience. eCommerce **acceleration** plan: product mix, new channels, data systems.

5

Identify **new growth** opportunities: new occasions, new services.

6

Maximise the value and power of existing customers.

7

Use the slowdown to **innovate**.

8

Have a long-term brand/ portfolio **plan** centered on changed consumer **behaviour**.

9

Redesign/optimize your go to market plan: consider product mix, geography, sales channels and customer segment focus.

10

Be ready for the After. **Agility** is a must.

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Appendix

Sources/links:

MARKET SHARE CHANGE IN FIRST TWO YEARS OF RECOVERY FROM INCREASED MARKETING SPEND IN RECESSION

Source: Hillier, Tony: *Successful Competitive Strategies for Recession and Recovery*

CHINESE LANGUAGE SEARCHES FOR CORONAVIRUS

Source: Baidu Search Index, Capital Economics <https://www.capitaleconomics.com/the-economic-effects-of-the-coronavirus/>

'SURPLUS' SHARE OF EXPOSURE GENERATES FASTER MARKET SHARE GROWTH

Source: Binet, Les and Field, Peter: *Marketing In The Era Of Accountability, 2007* Base: 880 successful marketing campaigns, 1979 – 2006

CHINA WEB SUPREMACY

Source: China Internet Network Information Center

ONLINE SHOPPERS IN CHINA FROM 2008- 2018

Source: Statista

NATIONAL GDP

Source: World Bank

TRANSPORT CONGESTION INDEX

Source: USB, February 2020

WHAT ARE STAY-AT-HOME CONSUMERS DOING?

OUTBREAK'S IMPACT BY INDUSTRY: POSSIBLE LEVEL OF REBOUND OF EACH INDUSTRY

Source: <https://us.kantar.com/business/brands/2020/survey-measures-coronavirus-outbreak's-impact-on-china's-consumption/>

CHINA'S RISE TO MANUFACTURING DOMINANCE

Source: United Nations Statistics Division

INTERNET USERS IN CHINA

Source: China Internet Network Information Center

OGILVY ON RECESSION - OPTIMISING THE MARKETING BUDGET IN RECESSION

Source: https://www.warc.com/content/paywall/article/ogilvy_on_recession__optimising_the_marketing_budget_in_recession/90396

BRANDING IN A RECESSION - A SURVIVOR'S GUIDE

Source: <https://www.forbes.com/sites/davidvinjamuri/2019/01/03/branding-in-a-recession-a-survivors-guide/#6c1bd8a2b0e2>

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