Making brands matter in turbulent times:

HOW TO STEER BRANDS THROUGH A CRISIS

Beyond COVID-19

Ogilvy
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.
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.

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

CHRIS REITERMANN
Chief Executive,
Asia and Greater China
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.

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)
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 NetEase 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.
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.
COVID-19 INFLUENCING PURCHASING BEHAVIOUR

Emergency purchases
Feel good consumption
Home purchases
E-commerce continuing

The longer it goes on, we get used to living differently.
Choosing differently, shopping differently.
Strong possibility these changes will become the new normal.

Change (possibly) inevitable

Ongoing economic impact
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 promote our business *without being perceived as taking advantage* of the situation?

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

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

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

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

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

How should we respond in unfolding situation? → be agile & optimise
Brand actions to matter right now:

DURING THE ACUTE PHASE OF OUTBREAK

**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.
Brand actions to matter right now:

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

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.
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.
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.
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.
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.
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.
### Brand actions to matter medium term:

**DURING THE POST-OUTBREAK RECOVERY**

<table>
<thead>
<tr>
<th>FUEL BRAND SALIENCY</th>
<th>PRIME FOR MOMENTUM UPON REBOUND</th>
<th>INNOVATE AND RESHAPE YOUR PORTFOLIO</th>
<th>SHIFTS TOWARDS DIGITAL CHANNELS AND BEHAVIOURS</th>
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<tbody>
<tr>
<td>→ Sustain spend and earned exposure / talkability to keep brands salient in anticipation of the rebound.</td>
<td>→ Identify categories and segments that will most benefit from pent-up demand and economic stimulus.</td>
<td>→ Leverage data and insights to identify the most significant and lasting shifts.</td>
<td>→ Review Customer Engagement &amp; Content plans.</td>
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<tr>
<td>→ IPA data shows brands that sustain exposure throughout a crisis, can increase share 3x during downturns, but also rebound faster and stronger in recovery.</td>
<td>→ Identify priority parts of portfolio with greatest potential.</td>
<td>→ Accelerate claims innovation, product innovation, CX innovation.</td>
<td>→ Address new needs and priorities in Digital content / Digital services / Utility / Commerce.</td>
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<td>→ Work with your media agency to re-allocate budgets and secure quality ad stock.</td>
<td>→ Consider how to leverage and strengthen Health &amp; Wellness connections, across categories.</td>
<td>→ Leverage martech and automation to enable more personalised and contextual creation and distribution of content in real-time.</td>
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<td>→ Leverage CRM and social platforms to activate existing users, and turn new followers into trialists.</td>
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Brand actions to matter medium term:

**DURING THE POST-OUTBREAK RECOVERY**

**FUEL BRAND SALIENCY**

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

**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.

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

Brand actions to matter medium term:

CATEGORIES ARE BEING AFFECTED – AND WILL REBOUND, DIFFERENTLY

**During outbreak**

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<th>CANCEL OR REDUCE</th>
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**After outbreak**

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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.

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?
<table>
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<td>Identify opportunities for first-mover edge serving future needs by creating or modifying a product / service / experience.</td>
<td>Innovate to create shared value and drive impact across locally- and category-relevant SDGs.</td>
<td>Accelerate employee experience transformation for greater personalised engagement, productivity and flexibility.</td>
<td>Update stakeholder and influencer ecosystem – focus on top 100 stakeholders.</td>
<td>Accelerate shift to mobile- and e-com-first business models.</td>
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**Brand actions to matter long term:**

**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.

**SUSTAINABLE TRANSFORMATION**

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

**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.

**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.
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.

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.

Summary

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.
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/optimise 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.
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

‘SURPLUS’ SHARE OF EXPOSURE GENERATES FASTER MARKET SHARE GROWTH

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

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