Making brands matter in turbulent times:

HOW TO STEER BRANDS THROUGH A CRISIS

Beyond COVID-19





Wēi Jī

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.





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.

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.

99



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.

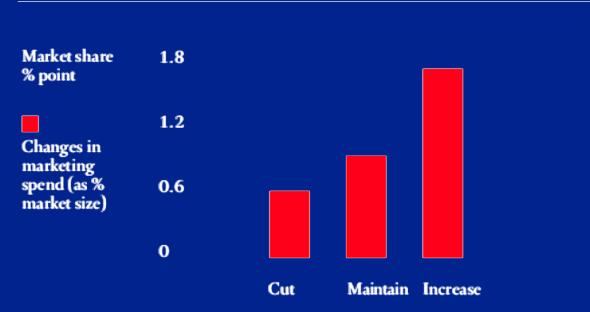
But it is also forging a new global solidarity. While clearly not the first time we have faced a crisis, globalisation and digital mean this is one we face with unprecedented connectivity and interdependence – bringing new challenges, and new opportunities too.

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.

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)

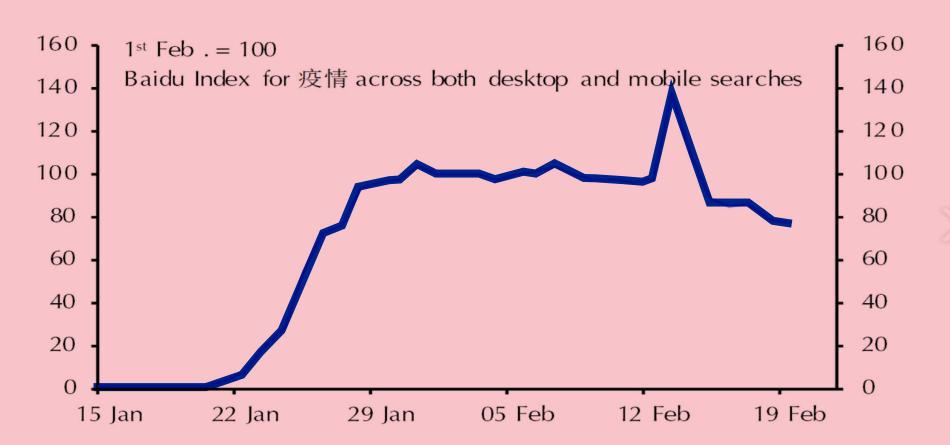


162,000,000 results

on Google for COVID-19



CHINESE LANGUAGE SEARCHES FOR "CORONAVIRUS"



Sources: Baidu Search Index, Capital Economics



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.







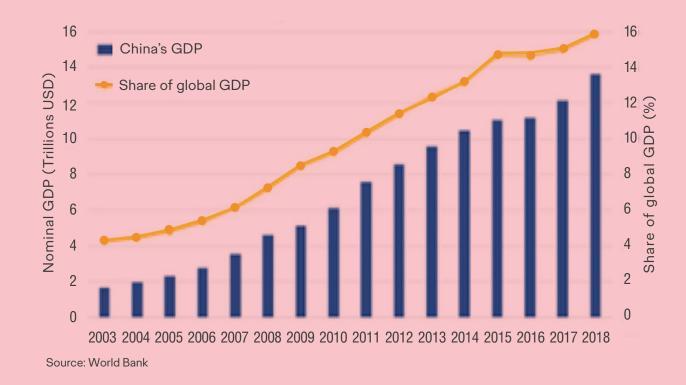




Much is different this time

CHINA IS THE BELLWETHER
OF GLOBAL GROWTH

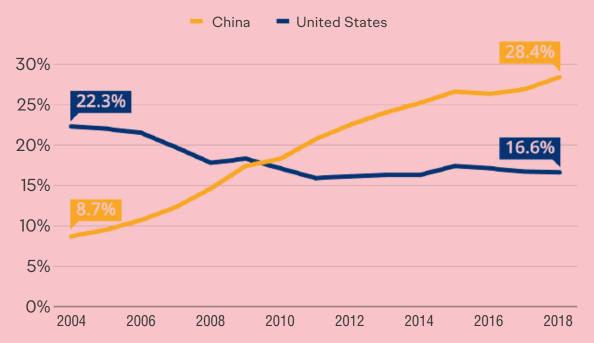
From sixth-largest economy at time of SARS to second today



Multiplied impact on global economy, growth and profits

China's rise to manufacturing dominance

Chinese and U.S. share of global manufacturing output*



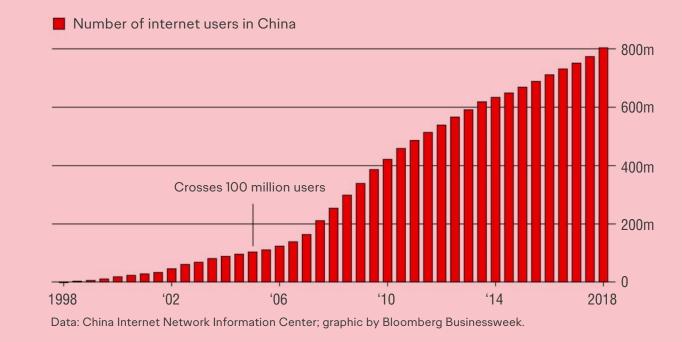
* output measured on a value-added basis in current U.S. dollars Source: United Nations Statistics Division



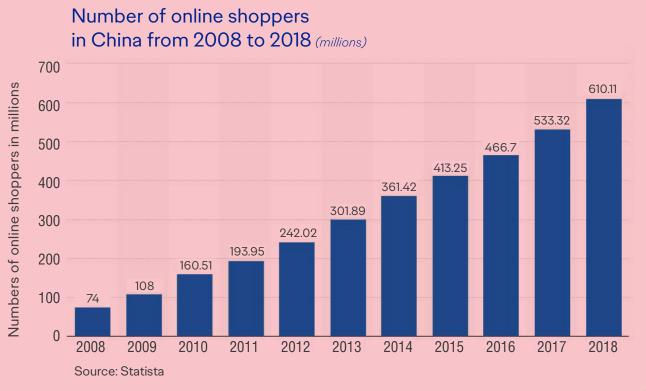
Much is different this time

CHINA, AND THE WORLD, ARE FULLY DIGITALLY-CONNECTED

Web Supremacy: China internet users top combined population of Japan, Russia, Mexico and U.S.



Accelerated spread of information and mis-information. Opportunity for shifts from offline to online in all aspects of life: e-com, e-learning, e-work, e-fitness





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
ANAFTER

We don't yet know when, but when it happens, it will happen fast, releasing pent-up demand. 3

BUTIT 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.

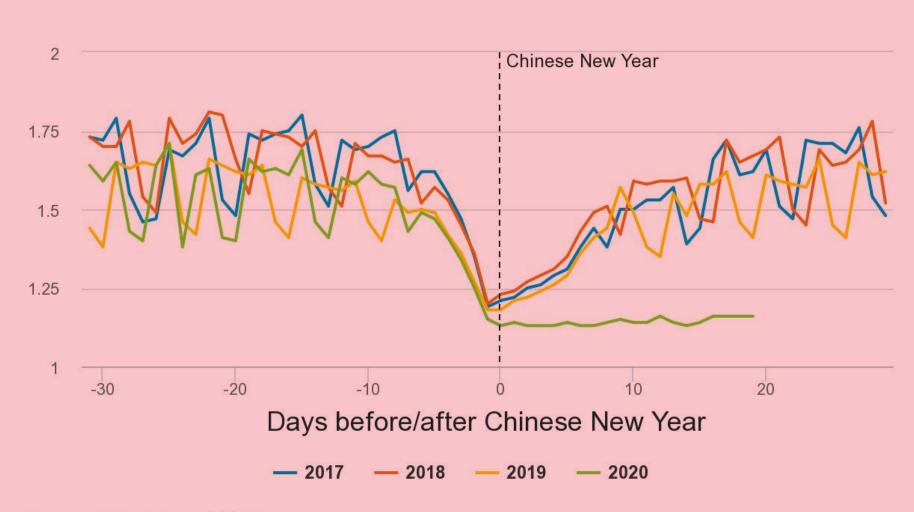


Economic Contraction

The extensive efforts
to contain the new
coronavirus have
caused economic
growth in China to
slow abruptly and are
having repercussions
around the world.
New data on electricity
usage in one of China's

largest provinces
suggests that activity
in the construction,
wholesale and retail,
and industrial sectors
has been running at half
the usual level. Even if
a recovery starts soon,
the economy will have
contracted this quarter.

CHINA TRANSPORT AT A STANDSTILL (TRANSPORT CONGESTION INDEX, 100 CITY AVERAGE)



Source: USB, February 2020



Ongoing economic impact

COVID-19
INFLUENCING
PURCHASING
BEHAVIOUR





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 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?

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



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)

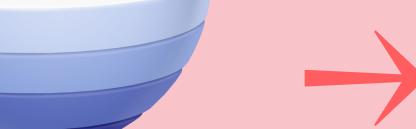


MATTER RIGHT NOW (Acute outbreak phase)



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

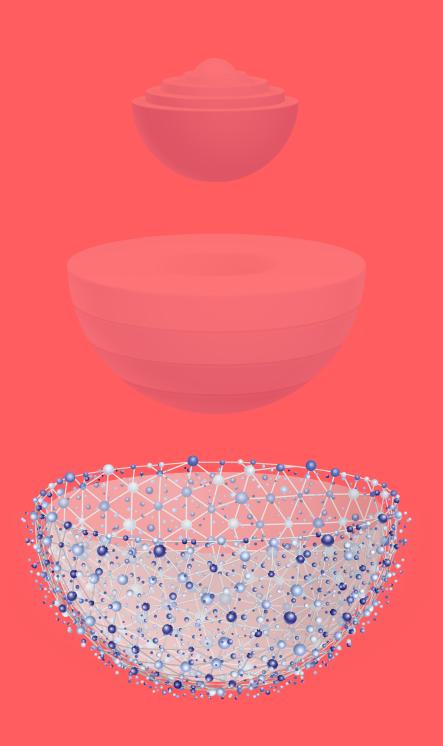


How should we respond in unfolding situation?

→ be agile & optimise



DURING THE ACUTE PHASE OF OUTBREAK



ACTIVATE PURPOSE & OPTIMISE FUNNEL MIX

SUSTAIN SHORT-TERM SALES

- → Re-allocate spend
 behind most topicallyrelevant 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

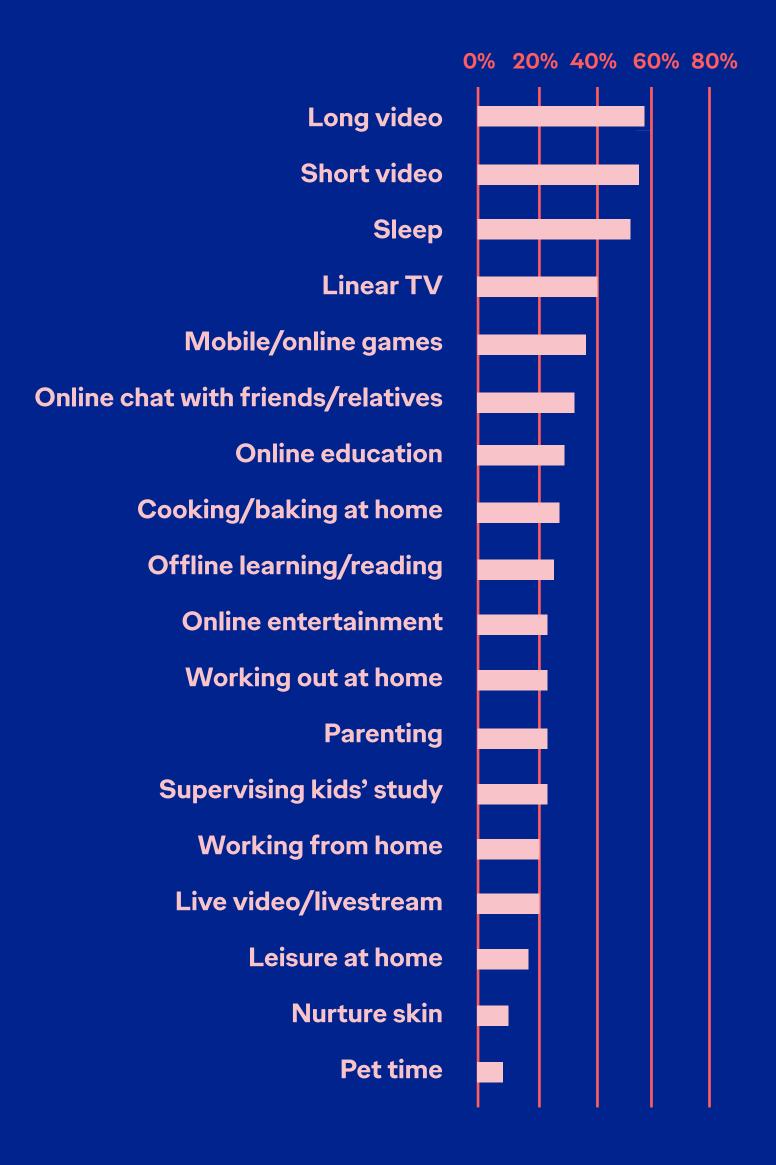
- ightarrow Do more, say less.
- Activate brand
 purpose to support
 hygiene and virus
 containment efforts, and
 keep life (and livelihoods)
 going add 'brandaligned' value to people,
 the community, and
 broader nation.
- → Not every brand
 needs to turn
 'caregiver': support
 across all needs and
 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-toweb, 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.



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-coronavirusoutbreak's-impact-on-china's-consumption/



CREATE MEANINGFUL ACTION & SUPPORT FOR PUBLIC HEALTH AND SAFETY



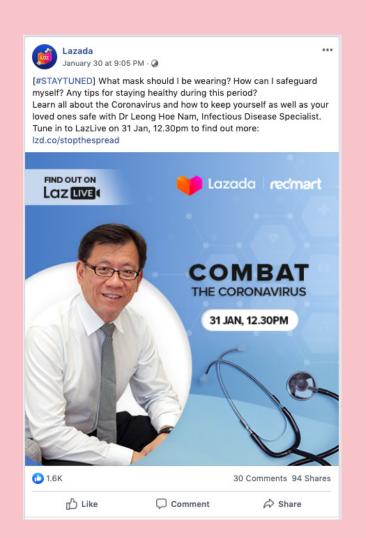
Unilever utilised livestream to connect with scientists and medical professionals to educate consumers on key points of daily protection.

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



Baidu map upgraded it's 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 safety.

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.



SUPPORT PARTNERS AND ASSOCIATES TO MANAGE THROUGH CONSTRAINTS



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.



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.



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



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 driverpartners.



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



KFC introduced special safety measures for instore 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.



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.



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

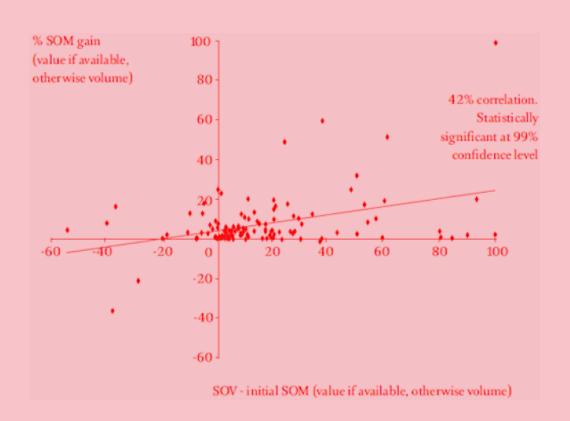


Source: Hillier, Tony: Successful Competitive Strategies
For Recession, And Recovery)

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.

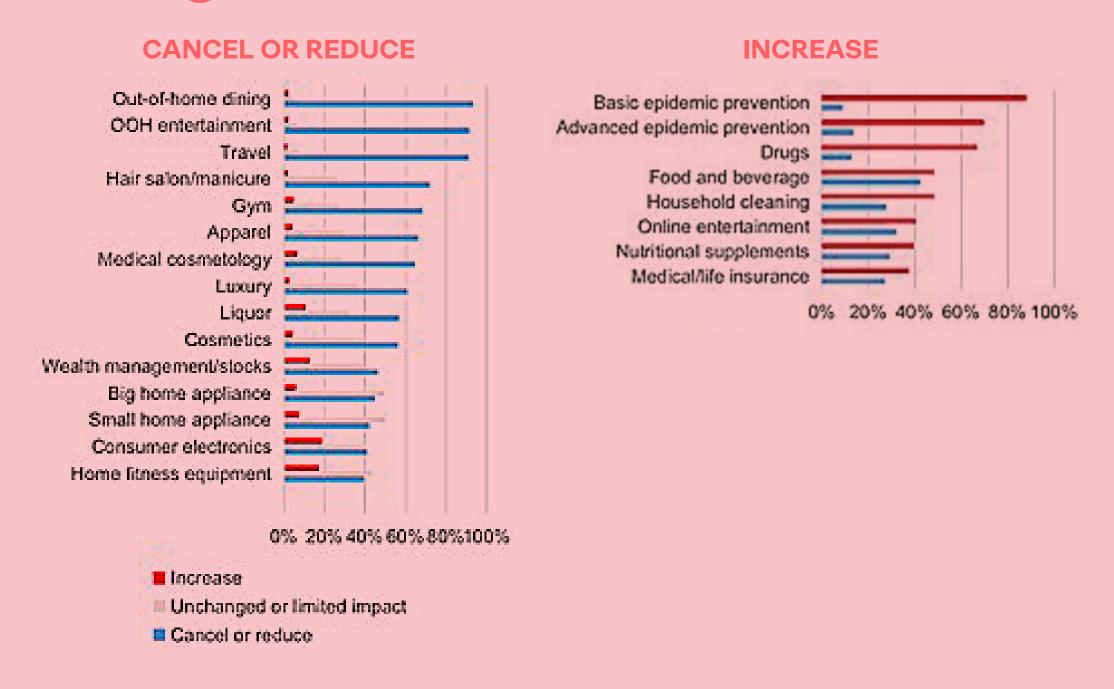


Source: Binet, Les and Field, Peter: Marketing In The Era Of Accountability 2007 Base: 880 successful marketing campaigns. 1979 — 2006

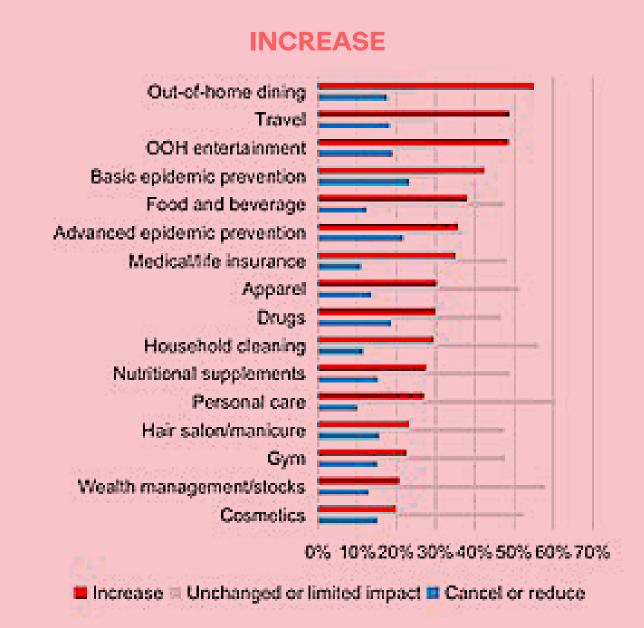


CATEGORIES ARE BEING AFFECTED - AND WILL REBOUND, DIFFERENTLY

Duringoutbreak



After outbreak



CANCEL OR REDUCE



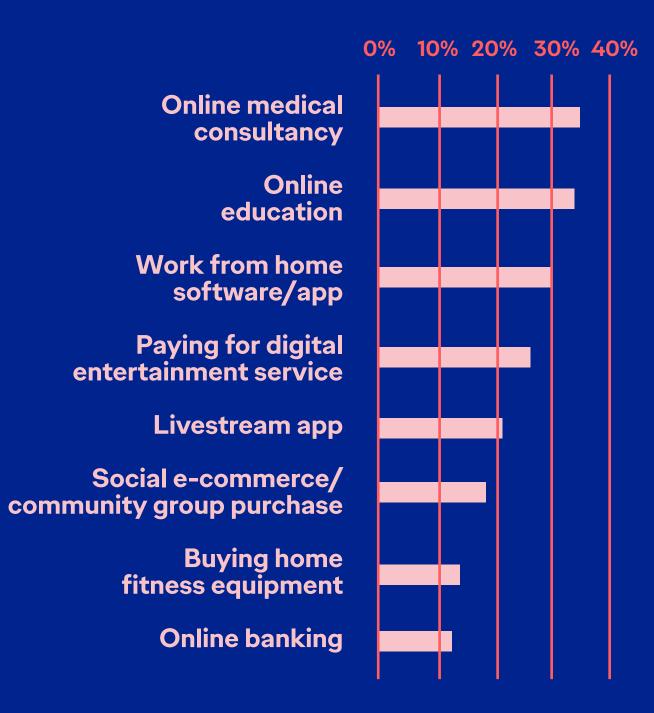


CATEGORY FIRST-TIMERS ARE AN OPPORTUNITY TO CONVERT INTO REGULAR USERS

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%).

PERCENTAGE OF FIRST-TIMERS



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.



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?



Brand actions to matter long term:

DURING THE NEW NORMAL PHASE



TRANSFORM TO LEAD IN A CHANGED LANDSCAPE

BRANDTRANSFORMATION

- → 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 locallyand 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-comfirst business models.
- → Identify
 opportunities to
 accelerate digital
 innovation, leveraging
 emerging technologies
 for competitive
 (and data) edge.



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.

When that After emerges, the landscape will have shifted, new growth opportunities will come into view.

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.



Actions for Now and the Future:

TOP TEN CHECKLIST

Don't wait for recovery;

adapt to changes and focus investment on what is profitable now.

Review product / SKU portfolio due to changed consumer behaviour.

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

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

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

Maximise the value and power of existing customers.

Use the slowdown to *innovate*.

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

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

Be ready for the After.
Agility is a must.

Ogilvy

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HOW TO STEER BRANDS THROUGH A CRISIS

Beyond COVID-19

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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

