



How can brands respond to the coronavirus crisis?

Since late January the coronavirus has dominated the news, certainly since it started spreading across many different parts of the world. This is creating a lot of uncertainty and having a big impact on people's behaviour as the world is trying to contain the situation.

When the context in which people live their lives changes, brands should always ask themselves how they can respond and how they can add value. For now, we see that brands seem uncertain about if and how they can respond. They are afraid of being perceived as opportunistic. Even companies that supply relevant health products are reluctant to mention the coronavirus as they understandably do not want to appear to want to profit from the crisis.

But there are things brands can do to add value to people's lives. Every crisis also brings opportunity, as is nicely demonstrated in this quote from John F. Kennedy:

"In the Chinese language, the word "crisis" is composed of two characters, one representing danger and the other, opportunity."¹

We believe that the main discourse right now should be about empathizing – on understanding that people's lives are changing, on understanding that our very freedom to live our lives as we want is being challenged. And brands can also add value by providing solutions that help people deal with this new reality.

There is a lot we can learn from the areas that have been hit first, like China, South Korea and Italy. Of course, there are elements that are specific to how China is governed, and the scale and timing of the initial outbreak in the Hubei province, but on many levels we expect a similar response of people being stuck at home, whether forced to or voluntarily.

¹ This is not entirely true actually, but thanks to usage in popular culture it has been picked up all over the world, including by some native Chinese speakers.

People are spending more time in isolation

In China, people were not allowed to leave the house in the entire province of Hubei. In Italy, India and California, schools and universities have been closed down for the time being, with many millions of students being asked to stay at home. Many companies have encouraged their employees to work more from home as well. All around the world big social gatherings and events have been cancelled.

But even without these measures people are spending much more time at home. Even in countries that have not been hit that hard (yet), we see that a lot of people are starting to isolate themselves. People have started to avoid air travel, or even public transportation. Many people are avoiding large gatherings of people.

Figure 1: Activities people are doing less frequently compared to one month ago.

| | Australia | Canada | France | Germany | Italy | Japan | Russia | UK | US | Vietnam |
|-----------------------------------|-----------|--------|--------|---------|-------|-------|--------|-----|-----|---------|
| Travel outside your city | 25% | 25% | 20% | 20% | 34% | 22% | 42% | 20% | 24% | 49% |
| Go to a major shopping center | 23% | 27% | 22% | 28% | 32% | 26% | 37% | 25% | 26% | 48% |
| Take public transit | 15% | 10% | 11% | 15% | 21% | 19% | 26% | 14% | 13% | 40% |
| Go to religious services | 10% | 7% | 7% | 13% | 15% | 4% | 17% | 7% | 13% | 23% |
| Attend a social or sporting event | 17% | 18% | 13% | 18% | 24% | 13% | 32% | 14% | 18% | 36% |
| Go to your place of work | 12% | 8% | 7% | 8% | 10% | 8% | 12% | 10% | 10% | 22% |

Source: Ipsos, Coronavirus Results Wave 3 (February 28-29, 2020)

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This inevitably means that people are going to spend much less time socializing with others and will spend much more time at home, alone or with their family. There are some benefits to this: finally, people will have some more time to spend with the family. And some may also take some more time for themselves, to binge-watch their favourite series or read a good book. But for many people being isolated is very stressful. They will experience anxiety and a sense of loss of control over their lives. Chinese media has reported that people are running around in circles around beds. And we also heard a story from a colleague in China who told us that she has not left her house for 5 weeks, and is so excited when the dustbin men come, or a delivery arrives, because it is someone to see and talk to.

The impact of isolation

Being stuck at home is having a big impact on people's spending behaviour. Some categories, like air travel, luxury goods and big-ticket items (like cars and consumer electronics) are clearly struggling. However, there are also quite a few categories, beyond obvious ones like masks and disinfectants, that are expected to grow in this context.

In China, for instance, we have seen a big increase in online spending on food & beverages, online education and home delivery. Figures from China tell us that during Chinese New Year, when the virus broke, each Chinese consumer used an average of 3 different home delivery apps, one of which was for the first time.

How consumers are making the most of the situation

With so much more time at home, people need ideas on how to spend their time. Searches for the word "boring" on the social media site Weibo grew by 626% and topics such as "how to spend time at home when bored" also started to trend on the website.

Next to streaming more media content and more gaming, people in China also started to engage in other activities around the house. As they could no longer go to the gym, they started to do much more indoor exercise. As people avoided eating out, they started to cook and bake more often.

As millions of Chinese people are stuck at home, nightclubs across the country are keeping them entertained by holding "cloud raves" online. Clubbers have been tuning into video platforms like Douyin, China's version of TikTok, and participating in them virtually.

How brands can add value to people's lives in this changing context

So, what are brands doing in response to all this changing context? For now, we see that a lot of brands are hesitating to respond at all. Most seem to want to stay clear from the topic, because they are afraid of looking like they are profiteering. But there are things that brands can do to connect with people and show they understand how much their lives are impacted.

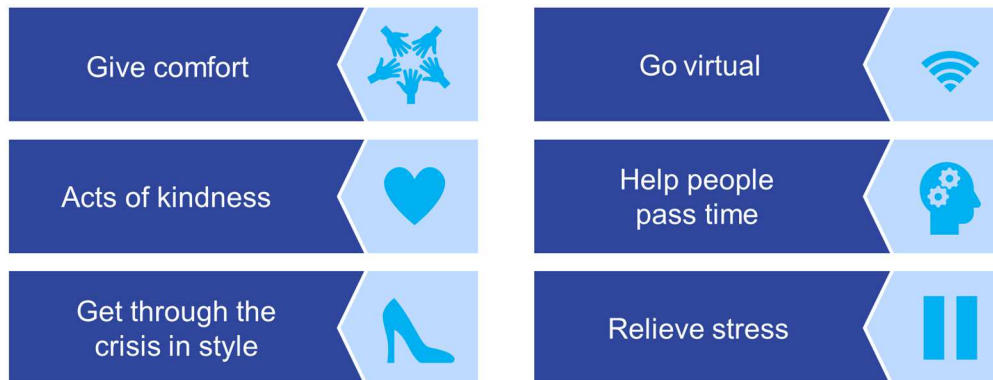
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There is indeed one thing that brands should avoid at all costs. They really need to be careful not to be seen as opportunistic. In The Netherlands, for instance, an online consumer electronics retailer suddenly increased prices on many of their products in order to manage demand in anticipation of product shortages. Even if perfectly rational, this did lead to quite a bit of negative buzz on social media, which could cause long-term damage.

But there are many positive things brands can do, as illustrated in *Figure 2*.

Figure 2: 6 What brands can do in response to the coronavirus crisis



GIVE COMFORT: Louis Vuitton posted a heartfelt message to Chinese customers across different social media platforms like WeChat and Weibo: “Every paused journey will eventually restart. Louis Vuitton hopes you and your beloved ones stay safe and healthy.”

ACTS OF KINDNESS: There have been some examples of brands that have taken initiatives to help stop the spread or to avoid negative impact. In the UK, Lush is inviting people to come into their stores to wash their hands. In India, we have seen communication from Lifebuoy, a Unilever brand, to wash your hands, even if it’s with a competitive brand.

GET THROUGH THE CRISIS IN STYLE: If you are going to have to wear a face mask, then it might as well be a very fashionable looking mask; from Shanghai to New York we have seen brands launch masks with stylish prints and colours. There are also many examples of influencers sharing make-up looks to wear with facials masks.

GO VIRTUAL: We expect to see a big, further shift to virtual. In China, online car sales increased in the first weeks of the crisis, despite overall car sales crashing. We also see many professional meetings and exhibitions moving online, just as many museums have started to create online experiences by creating virtual rooms where art is being shown.

HELP PEOPLE PASS TIME: This is very inspiring territory: how can brands help people make good use of the extra time they spend at home? How can they offer extra entertainment, how can people keep their kids busy while schools are closed, etc. Alibaba, for instance, is organizing no-meeting concerts where they live-stream new content. Ikea is offering daily tips to help people get through their new routines, ranging from how to organize your home office to how to bake with kids.

RELIEVE STRESS: In times of crisis people rely on coping mechanisms such as humour, meditation or taking time to unwind. In Italy, the most used emoji during the initial days of the outbreak was ‘tears full of joy’, often accompanying posts that made the tension and stress more of a shared burden. Brands can also use other ways to take people’s minds off the stress and anxiety this crisis brings. Of course, brands need to be very careful not to offend people.

Summing Up

Whether through government action or because people themselves want to avoid contamination, the coronavirus is having an important impact on how people are living their lives. Even if some of these consequences are only short-term, there is a role for brands to play, either by showing empathy or by providing solutions to help people cope with this situation.

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