

BRAND GROWTH IN TIMES OF CRISIS

Revisiting brand-building
during the COVID-19 pandemic

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GAME CHANGERS



As the world comes to grips with the global COVID-19 pandemic, there is a palpable recognition that our lives have changed. The year started with 75% of people around the world optimistic that 2020 would be a better year for them and their family.¹ Just three months later, there is a growing consensus that the coronavirus poses not just a threat to the country, but to people's jobs and livelihoods.

While customers face challenging times and are in a state of uncertainty, brands are also bracing themselves for a different landscape where the dynamics at play could fundamentally challenge the brand-building playbook. In this paper, we question some 'golden rules' of brand-building, exploring how this conventional wisdom stands up to Ipsos' point of view on brands and – in particular – what needs to be done differently in the current challenging circumstances. We present some alternative perspectives to help brands to strive now and in the new normal of the post-crisis world.

Our analysis is powered by Ipsos' tried and tested methods of Brand Value Creator¹ (BVC) and Brand Mental Networks² to help clients track and explain the core drivers of brand equity. We know that strong brands are salient in the moment of choice, deliver functional performance and create emotional closeness with people while managing in-market effects in the right way. We also know that they have a rich and connected network of mental associations which make them compelling in the moment of choice.

Tracking perceptions, market dynamics and consumer preferences will be key to build resilience during and after the pandemic.

REVISITING SOME CONVENTIONAL RULES OF BRAND-BUILDING



1. RATIONAL VS. EMOTIONAL



2. ALWAYS BE VISIBLE



3. EVOLVING MARKETING MIX



4. GLOBAL VS. LOCAL

A BRAND NEW CONTEXT: BUSINESS UNUSUAL

Ipsos' way of understanding how brands grow highlights the importance of context in consumer decision-making. The sudden escalation of social distancing and in-home isolation ushered in unexpected circumstances, influencing brand purchases. Social interaction with friends and colleagues has been replaced by new practices of "cocooning" and has seen families pull together. This is likely to shape new brand choices. Behaviours will adapt and change, the consequences of which are being seen right now – all in response to the disruption caused by a shared global change in context. Whether these new behaviours endure remains to be seen, but what is certain is that understanding the circumstances is key for brands today.

In this new context, many brands, including big global ones, will be at risk. Some months ago, many expected global companies to be more important than governments in shaping the world over the course of the next decade.³ Suddenly, governments are taking drastic decisions that are impacting our lives, now. This pandemic presents a critical moment for brands, an opportunity to align what they say - their reason and purpose, with what they do - their real and tangible behaviours. Above and beyond the social role of companies and corporations, consumer-facing brands have a chance to connect and bring meaningful benefits to people, for example, alleviate feelings of isolation and provide safety and comfort when the future is uncertain.

Tracking these perceptions, market dynamics and changing consumer preferences will be key to help brands build resilience during and after the pandemic. Brand managers, both big and small, will have to think differently in their efforts across the building blocks of brand equity and rules for market success, while remaining highly relevant to the consumer's new realities.

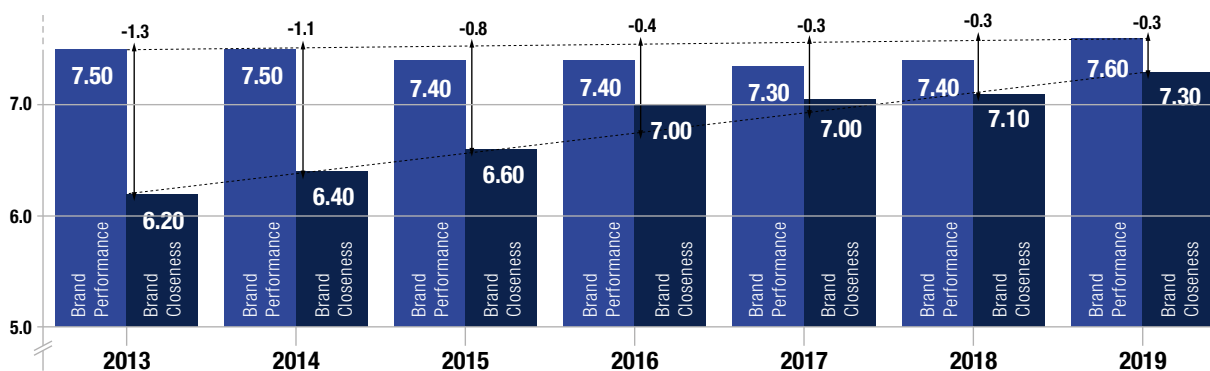
1. RATIONAL VS. EMOTIONAL

Should brands build further functional superiority and appeal?

It is well known that today, consumers are exposed to a bombardment of marketing messages, promotional activity and have a wide variety of choice. They cope with this by using mental shortcuts and making mindless, automatic decisions when choosing which brands to buy.

We have found that when brand choices are made from a narrow set of preferred brands, choices are driven by either a strong emotional relationship with brands or by short-term in-market tactics (price cuts, promotions, new range/formats, renovations, etc.).⁴ Perceived brand performance has gradually played a smaller role in building brand preference. In fact, the brands that exist in a given choice set generally remain the same unless others are able to interrupt the usual decision-making process with radical innovations or by grabbing attention with creative marketing campaigns, for example.

Figure 1 Drivers of equity: brand performance vs. brand closeness



Source: Ipsos BVC database

During the current uncertainty and beyond, we believe that building emotional closeness and identifying with the personal goals, values and circumstances of consumers will play an even more prominent role in impacting brand choice.

Building closeness in a world governed by fear is likely to be a winning strategy as it is time to demonstrate empathy while adopting the right tone of voice. Guinness, for example, released a campaign for St Patrick's Day (in normal times a key date in the calendar for the brand) which encouraged people to celebrate safely at home and to 'raise each other up' as they raise a pint.⁵

As people are likely to shift into the mindset of mindful citizen, as opposed to mindless consumers, brands will need to tailor messaging to be relevant to this reality. Adapting initiatives to the world's priorities will help them stay in sync with consumers.

2. ALWAYS BE VISIBLE

How 'present' should brands be – should they increase saliency?

Even as people's priorities are shifting drastically and rapidly, 'above-the-line' communication does not become irrelevant. We have learned from previous crises that brands cannot go silent for long without compromising the fundamentals of their business. But maintaining share of voice doesn't imply brands should continue as before, either.

In a time of crisis, brands must review how they can generate attention saliency: a brand's ability to "saturate" people's attention in the moment of choice. This must be done carefully when society is striving for authenticity, support and reassurance.⁶

Instead, brand initiatives should focus on building memory salience. This means to reinforce and create positive memories and associations with the brand in the mind of the consumers.

In doing this, messages will need to stay true to the brand's unique values, identity and positioning. Marketers should be warned that people can very quickly identify when brand

The most proactive businesses are adjusting their operations to meet the shifting demand for goods and services.

- LVMH, followed by many others, has re-purposed its fragrance manufacturing to produce hand sanitizers.
- ZF, an automotive component supplier, is producing ventilators in their Chinese factories.
- Restaurants are re-focusing on the delivery of pre-cooked meals with new prophylactic standards (e.g. Frichti in France).
- McDonald's in Germany is lending their workforce to Aldi, a retailer now short on staff, to help refill the shelves faster; and there are many similar examples.

A brand's ability to resonate with their customers and offer a helping hand in a time of need will go a long way to winning people's hearts. In a post-pandemic world where the consumer context may yet shift again, people will remember what role brands and companies did or did not play in their lives during times of adversity.

initiatives are more opportunistic marketing tactics than a genuine reflection of what the brand stands for. If that is the case, brand coherence may erode, relationships with consumers can deteriorate, and along with it, the brand's ability to succeed post-crisis.

Channel planning is also crucial to successfully create, refresh and reinforce a coherent corpus of brand mental associations. People spend more time these days across multiple media, specifically on social media platforms.⁷ Brand-building cannot however solely rely on Facebook, Twitter, or on its owned digital media channels. Traditional, trusted, media like TV or radio can play an important role during these times of uncertainty.

Overall spending patterns may be adapted to the times, but traditional media will need to be maintained, while being better integrated with versatile digital platforms. In this way, it is possible to be present across multiple channels in a way that fits with the current context that people and brands are in.

3. EVOLVING MARKETING MIX

Should brands use changing market effects to maximise sales?

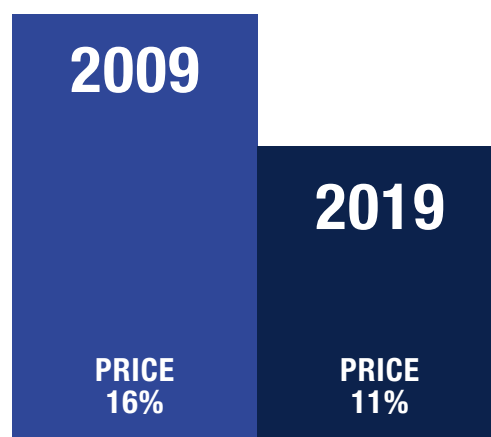
Building strong brands is not only about driving demand and emotional closeness. A mix of sound short-term marketing activities can maximize brand selection. As the current in-market circumstances are characterized by panic and uncertainty, brands need to manage these carefully.

Ipsos' Brand Value Creator can quantify different in-market circumstances, called 'market effects' that help explain how brands are winning in the moment of choice. Our data shows that the most prominent barriers to a planned purchase of products or services are (by order of overall importance) accessibility, product range and price. In fact, in times of economic growth, price alone plays a rather limited role in explaining barriers to actual brand choices (see figure 2).

We can expect these to continue to be a challenging issue in the light of stockpiling essential goods, shortages, price hikes and shortened trading hours. Brands will have to think carefully and creatively about how the conventional marketing levers used to align with consumer desire will have to change. Established brands may need to explore the digital accessibility of their products and services with increased online offers and possibly direct-to-consumer (DTC) strategies. The product portfolio of consumer goods may evolve to meet a growing demand for bulk packaging and longer-life items, for example.

However, we must prepare for the likely increase in people being price-conscious. The financial implications of social distancing and quarantines may require tighter budget constraints for consumers as it is expected to create a range of economic problems. We find that price was a more important criteria of brand choice when the last recession started (see figure 3).

Figure 3 Percentage of price factor being a barrier during vs post crisis



Source: Ipsos BVC database

Brands will need to consider the possible adverse impact on overall brand equity and perceived value upon short-term benefit of temporary price reductions. The perceived price and equity gap should be closely monitored to balance effects and avoid eroding long-term demand.

Figure 2 Percentage of each factor that acts as a barrier to purchase

	OVERALL	North America	Western Europe	Asia	Eastern Europe	Latin America	Africa	Middle East
ACCESSIBILITY	28%	27%	24%	26%	28%	29%	30%	27%
PRODUCT RANGE	25%	25%	25%	23%	23%	24%	20%	27%
PRICE	11%	10%	11%	12%	12%	12%	11%	12%

Source: Ipsos BVC database, 2019

4. GLOBAL VS. LOCAL

Should brands still go GLOCAL?

As this global pandemic has quickly reverberated around the world, the future will tell us whether it will amplify a growing concern against globalization.⁸ If this is the case, we believe some challenges for global brands will increase, as consistent global messaging and a single-minded strategy may not be as appropriate everywhere anymore. This could fast-track different models of brand management with more initiatives led by local teams focusing on local and specific needs, while evolving new ways of building global coherence.

Global brands will need to constantly reassess their relevance against consumers' local culture and track their relative acceptance alongside local players.

In fact, some global players have already designed smart strategies to embed themselves in local culture. Savannah is a great example as it is manufacturing different local beers, using local crops, in various parts of Africa where it is consumed.



DRIVING BRAND GROWTH TODAY

Now is not the time to sit and wait to see how the crisis unfolds amid uncertainty of how it affects brands and consumer behaviour. Never has there been a greater need for timely information. The COVID-19 pandemic has raised more questions than answers, and more questions will arise moving forward. As the use of social media is today pervasive, new and emerging themes discussed online might (or might not) shape brands and category associations. They could make or break the foundation of consumer brand relationships. Many brands will jump on these occasions to better meet new consumer needs. Unfortunately, only some will land.

Tracking research is evolving to identify the competitive dynamics at play, new brand drivers and emerging trends. At Ipsos, our work centers on leveraging the importance of multi-data sourced tracking to monitor what consumers think *and* talk about in brand-related topics. Understanding these interrelations helps brands to offer creative, practical and sustainable perspectives on how to act in these special times and how to emerge stronger, together with their customers.

Changing consumer contexts influence decision-making and create opportunities for marketers to align their brand purpose and behaviours to meet new emerging needs.

KEY CONSIDERATIONS FOR BRANDS IN TIMES OF CRISIS

- 1** Building stronger emotional engagement shows greater potential to further drive brand equity than promoting product superiority, which runs the risk of being disconnected from how people are thinking and feeling.
- 2** While 'above-the-line' communication and maintaining share of voice is paramount not to erode the brand's fundamentals, brand leaders should focus on building memory salience over attention salience.
- 3** Brands should continue to monitor and control important market effects, such as price (relative to equity), accessibility and product range, while rethinking traditional approaches to maximize sales.
- 4** The increasing appetite for localism will likely accelerate the adoption of different brand management practices in the globalized context.
- 5** Brands will need to be supported by multi-sourced tracking tools to establish meaningful relationships between brand equity and what people say, think, and feel in these changing times.

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