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GROWTH
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COVID

*Is Your Brand Ready for
Zero-Based Re-Habiting?*

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Ogilvy

CONTENTS

<i>03</i>	Introduction
<i>05</i>	Two+ months off is a long time for our shopping brains
<i>07</i>	Consumption amnesia
<i>09</i>	'Go back to start, do not collect \$200'
<i>10</i>	Serving 'people', not just 'consumers'
<i>21</i>	Looking forward
<i>22</i>	References

A lot has gone into building the equity, associations and habits that have propelled your brand's growth over the years. It has values. It has earned trust. Built emotions, associations and affinity.

So how would you feel if all that was simply erased from memory?

Heads up - it may have happened already.

Remember Zero-Based Budgeting? At its launch it forced a famous shift in marketing planning, challenging marketers to start every single year from a 'zero base'. Instead of building on what had gone before, resources were to be allocated only to identified sources of growth.

Today the spell of consumption amnesia brought about by extensive Covid-19 lockdowns means we may be facing a similar approach to rebuilding brand growth from the bottom-up.

As we edge tentatively out of the acute phase of the crisis, and plan for recovery and renewed growth, it is clear we will be operating in a state of flux for some time. Projections for the shape of recovery vary wildly.

Yes, some things will return to normal, but the 'forced abstinence' of such extensive lockdowns has created a whole new challenge for marketers: **Zero-Based Re-Habiting** - the need to re-activate consuming instincts, habits and brand affinities, fast, and in some cases from a zero base.

The severity of the lockdown has of course varied across the globe, and return to normal is likewise staggered. There are encouraging green shoots of recovery and in some cases spectacular ones.

In China we've seen flare-ups of high-spending 'revenge shoppers' celebrating their release by splurging their forced savings on extravagant purchases, such as the \$2.7m spent in the special 'VIP day' marking the re-opening of the Guangzhou outlet of Hermès ⁽⁷⁾.

Just as they have during the crisis, different categories will fare differently in the recovery, according to their demand characteristics:

- Essentials vs discretionary purchases
- Pent-up demand vs vanished demand
- Low vs high-frequency purchase cycles
- The extent to which they involve or rely on physical social contact

And crucially, the extent to which they have been beneficially replaced by digital alternatives through the crisis.

In all cases, brands that managed to maintain saliency, re-align their offering, channel mix and messaging to changing priorities, and innovated for a hygienic and safe end-to-end experience, will be poised to steal a march and restore sales. This is a one-off opportunity to gain share.

However, that certainly doesn't mean everything will go back to where it was.

*TWO+ MONTHS OFF
IS A LONG TIME FOR
OUR SHOPPING BRAINS*



*Two+
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In many countries, lockdowns have reached two or three months, or more – well beyond the 60 days period typically cited as the time needed to change habits or form new behaviours.

Enough time, in fact, for existing perceptions, habits and predispositions, hard-wired over years, to atrophy into disuse and disrepair. Some may have become deleted altogether, to nothing, zilch, zero.

Marketing scholars may well look back at this as an unprecedented case of communal **consumption amnesia**.

That's because for decades our consumption habits have been built, conditioned, and continuously reinforced through constant interactions with millions of stimuli and signals. From brands and their marketing of course, but also from broader and mostly implicit cultural codes, including seeing other people buying or using those brands – the surround sound of our everyday lives, all adding up to build and reinforce saliency and intangible associations day after day.

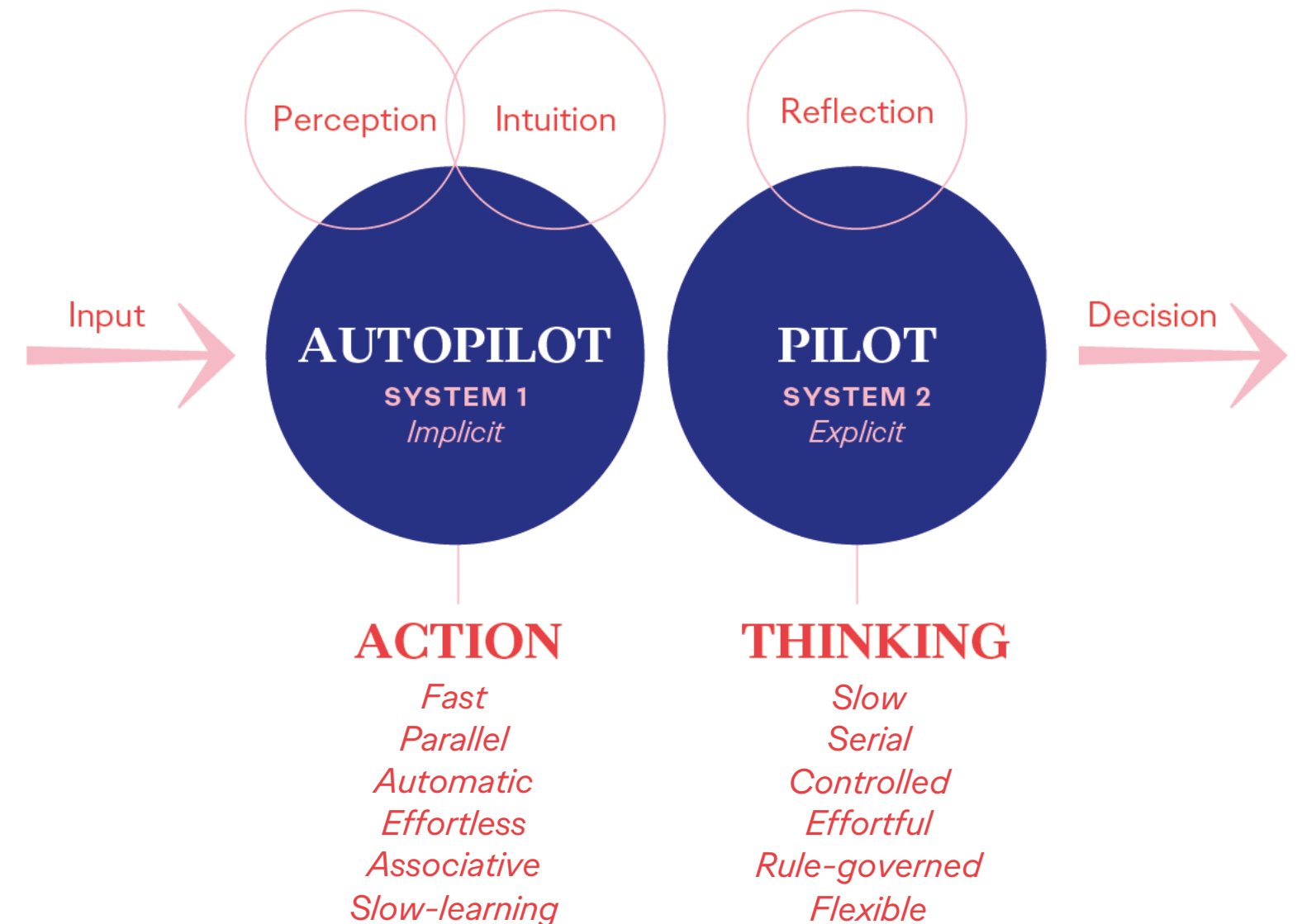
01 Two+ months off is a long time for our shopping brains.

In normal times these signals are like trails forming across the landscape of our minds, creating well-worn neural pathways, or 'memory structures' as Byron Sharp calls them, carved and reinforced every time they're triggered.

Over time these form the software of our 'System 1' brain, the sub-conscious, fast and intuitive autopilot that governs the vast majority of the choices and actions we make every day⁽²⁾ - making habits more intuitive, brands more salient, associations easier to come by, and choices more immediate.

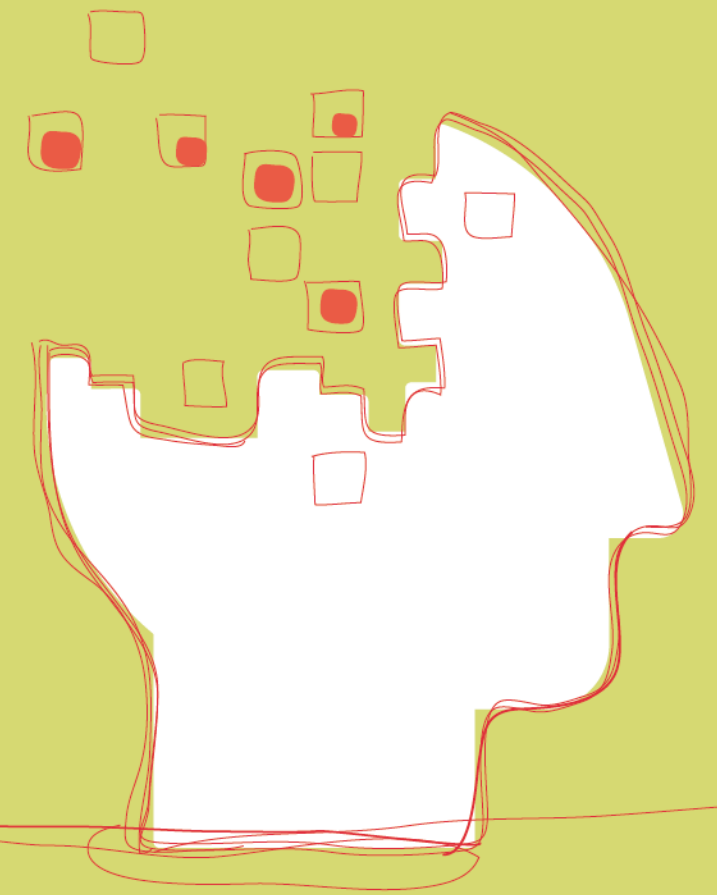
Which is why we've been reaching out for a regular can of Coke mid-afternoons, we keep renewing our gym membership, or we book another weekend getaway on our smartphone without ever giving it much thought, let alone second thoughts.

But when these constant signals go on mute, and these neural pathways fall into disuse, they can quickly fall into disrepair, back to a plainer more barren state, in much the same way that kids' brains prune the pathways that are no longer useful or called upon in the child's daily life.



Source: [Decoded - The Science Behind Why We Buy](#), by Phil Barden.

*CONSUMPTION
AMNESIA*



Consumption amnesia

So as Covid-19 ushered in an unprecedented ‘Great Pause’, its true effect on consumption may not be just in the weeks of lost sales under lockdown, but in the ‘Great Spring Clean’ it has affected in our consumption instincts, habits, and the mental availability of brands, products and categories – erasing some, creating new ones.

This makes it risky to assume consumers will simply gravitate back to your product, brand or category, just because it used to be on their regular shopping list. The longer the ‘pause’ goes on, the more pervasive and profound the rewiring ⁽³⁾.

As Pranav Yadav, CEO at Neuro-Insight, explains:

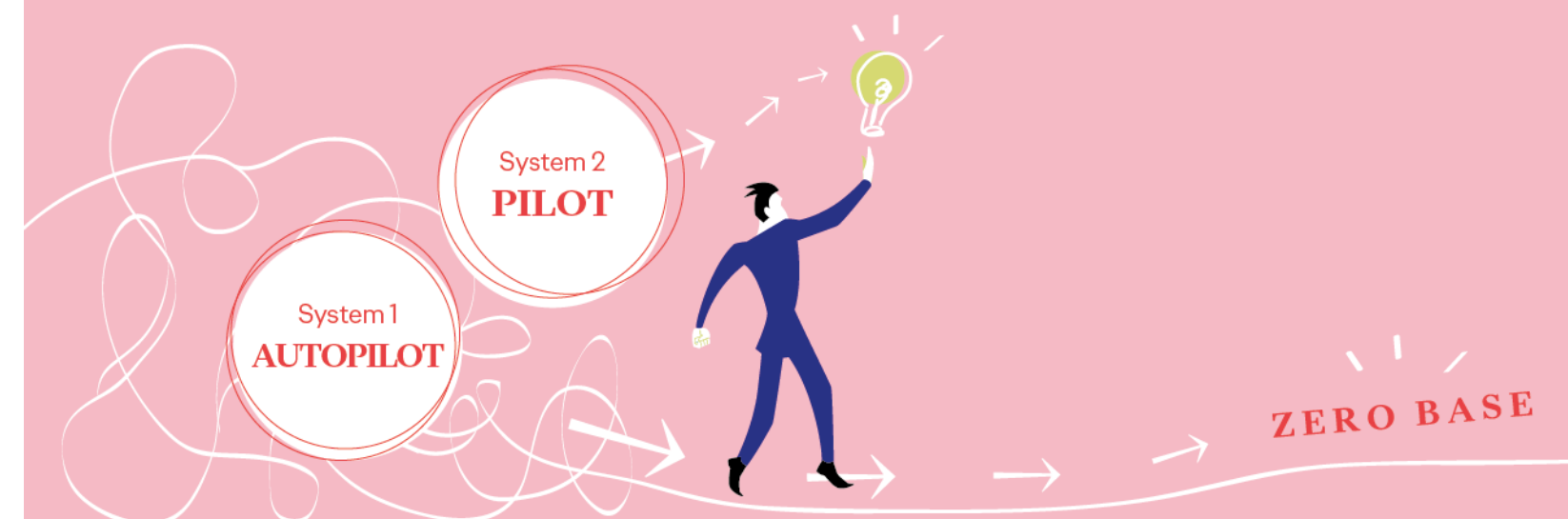
“Consumers decide what is essential - and what is indulgent - depending on how long they’ve been in isolation. New research shows people purchase something if they view it as a need, or get a strong gratification from it - a process driven by the subconscious rather than a conscious decision. Our entire mind is a network of associations that is built over time through our experiences, culture and society. As we go through this intense one or two-month period, a lot of these associations (like how we react to an empty or full fridge) are going to change.”

Who knows, maybe we'll find we weren't actually wired for shopping after all? As many have got used (and found themselves happier) living with fewer essentials, they're coming out wondering “do I really need this?”, or “maybe I could just do that by myself”.

So marketers looking to re-ignite sales will be dealing with an unprecedented triple jeopardy, combining to act as a major brake on a rapid release of consumption:

1. Our autopilot ‘System 1’, depleted of its consuming instincts, habits and pre-dispositions, may revert to ‘Zero Base’.
2. Just as our slower and more considered ‘System 2’ is becoming more ‘conscious’, in relation to consumption itself, and to what truly matters and constitutes value now.
3. And as wallets are feeling the squeeze of a tighter and more uncertain economy.

It's time for a reboot, for Zero-Based Re-Habiting – a comprehensive plan to re-build saliency, relevance and desire for categories and brands.



*'GO BACK TO START,
DO NOT COLLECT \$200'*



*'Go back to
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As we buy on intuition and justify with logic, and rarely vice-versa, coming out of the Covid-19 crisis will require groundwork many marketers may hope they'd done already.

Even in relatively advanced and sophisticated markets, it's time for some post-traumatic 'neural physio', going back to the basics of classic category development, penetration, frequency and habit building.

Making your brand matter, all over again - for your existing users and their new needs, but also to bring in new users and develop new relationships in the process.

31% of shoppers surveyed by Kantar in May say they will continue to buy new products and services that they started to buy during the crisis. That means this is a one-off opportunity to start afresh, reinvent, and build new value exchange and relationships.

*SERVING 'PEOPLE',
NOT JUST 'CONSUMERS'*



04 Serving 'people', not just 'consumers'.

Serving 'people', not just 'consumers'.

That's because we're coming out of Covid-19 and lockdowns more intensely as *people*, less as *consumers*, and demanding to be recognised and treated as such.

This creates new opportunities for empathetic brands to innovate and add meaningful value.

Seeing only 'consumers' reduces people just to their relationship with the category, product and consumption occasion as the defining centre of who they are. Seeing them as 'people' reveals their needs and priorities more holistically, and provides a critical reminder that brands are rarely as central to their universe as we may have fooled ourselves into believing.

This more human-centric perspective will be even more vital as the extended pause has called our societies' relationship with consumerism, or indeed over-consumerism, into question with renewed vigour⁽⁴⁾. Building off the momentum of the climate change and sustainability movements, the extended period of confinement and reduced spending, has led to what Vox described as a "realisation that so much of our consuming behaviour was merely about instant gratification, not lasting happiness"⁽⁵⁾.

As better days return, we can expect a more conscious mindset.

To build a thriving post-Covid future, brands will need to be in tune with people and society in this new 'spending less, living well' era, build greater humanity and empathy towards changes, and become more open, collaborative and iterative in their marketing.

Concretely this means a need to re-invent their go-to-market, starting with the new hygiene factor of health & safety, and then focussing on re-building saliency, relevance and value.

01

Hygiene and safety are the new cost-of-entry

Just as it will be de rigueur to underscore hygiene and safety in brand messaging (just look at how Volvo is reframing its aircon tech as germ filters, and their cars as healthy and safe urban cocoons, helping grow China sales +20% yoy), so those factors will be crucial across the end-to-end brand experience, from visiting, through shopping, to consumption and usage.

In our day-to-day lives, we're all having to get used to entry and exit registrations in retail or F&B venues, to the touchless measures implemented by delivery services, and new sanitising routines in offices.

Innovations like contactless ordering from your mobile via QR-connected restaurant menus, or the 'Handle on Hygiene' trolley-sanitizing solution ⁽⁶⁾ will surely become the norm.

Though we're less certain the plastic individual exercise domes will become permanent fixtures in gyms ⁽⁷⁾!



While these are clearly unwelcome constraints, and hardly uplifting reminders of our exposure, they present a real opportunity for innovation and competitive differentiation.

As customers' path-to-purchase has been altered, smart operators are leveraging innovative technologies like facial recognition, AR and VR, or handing over food preparation and delivery to robots ⁽⁸⁾ - reducing friction while providing confidence and control, and creating an enhanced rather than compromised experience.



02

Re-building for System 1: saliency and habits.

“The secret to smart marketing is to sell to the autopilot, rather than the pilot that we think is in control.”⁽²⁾

An essential part of rebuilding mental availability will be investing in a competitive level of Share-of-Voice (SOV), to ensure competitive reach and exposure in the early battle for attention and wallets.

In order to maximise early share gains, brands should indeed strive for ESOV - Excess SOV. That means investing to achieve a SOV higher than market share, a proven driver of superior sales and share gain⁽⁹⁾.

This investment should make use of newly critical channels for both awareness and sales, such as e-commerce marketplaces, or in-app content and experimenting with TikTok to reach young people with more engaging financial advice.

It means activating brands in e-gaming and e-sports, as per Gucci's recent fashion show in an e-sports virtual stadium, or Burger King achieving outsized exposure in online FIFA gaming through its sponsorship of Stevenage FC⁽¹⁰⁾. It means KFC drawing crowds back into store in the Philippines via deep brand and promotional integration with the wildly popular Animal Crossing game⁽¹¹⁾.

Plans and campaigns should be designed for earned amplification from the outset to maximise share-of-conversation and incremental awareness.

“

The secret to smart marketing is to sell to the autopilot, rather than the pilot that we think is in control.⁽²⁾

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04 Serving 'people', not just 'consumers'.

A challenge in the recovery stage is the likely barrage of unprecedented clutter.

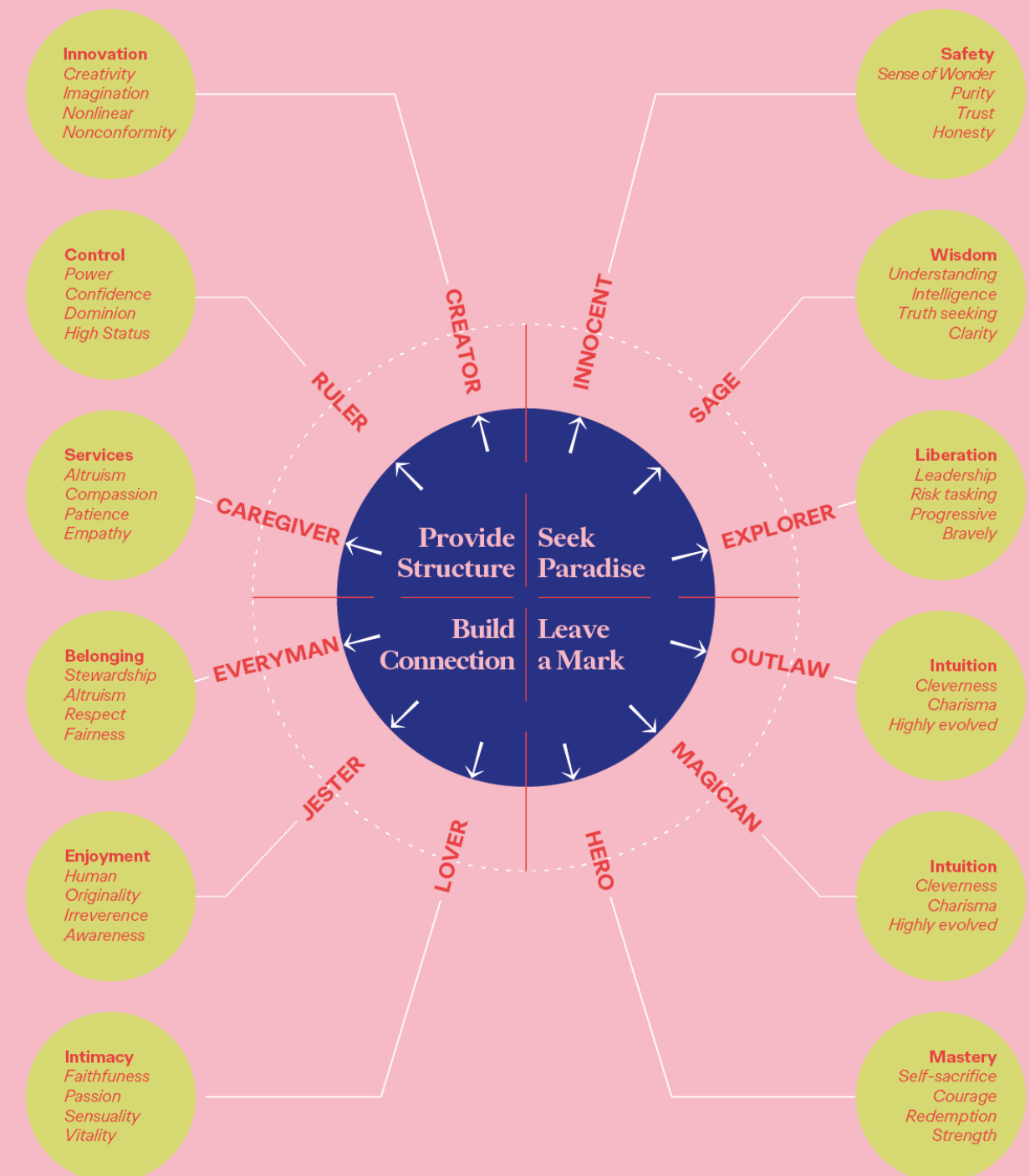
Every brand, across every category, will be coming back to the fray, all with similar messaging and emotional spaces, and all at the same time, as Campaign Asia remarked in early June when it announced *'this is apparently the week for tourism entities to start reaching out to the world with hopeful visions'* ⁽¹²⁾.

We are in for the mother of all seasonal battles – think of CNY, Ramadan or 11.11 marketing on steroids in the coming months. And all the more so amongst young affluents and families with critical disposable income.

The intense clutter will make it critical to drive cut-through and branded recall, by making full and consistent use of a brand's distinctive identity, attitude and voice. More than ever it's time to leverage distinctive brand assets, triggering latent reservoirs of associations and goodwill.

This also means being bolder and braver creatively, to once again engage, surprise, and generate the full spectrum of fresh emotions after a period where so many brands and categories have been reduced to a bland sea of emotional sameness.

Brand archetypes, and remembering brands can play a huge variety of roles across the breadth of our human needs ⁽¹³⁾, and will be useful to stretch beyond the universally-prescribed doses of safety, sociability, optimism, joy or independence.



Source: <https://www.adweek.com/brand-marketing/why-your-brand-needs-to-identify-a-brand-character/>

03

Re-building for System 2: relevance and value

3.1. Tune in to new drivers of value

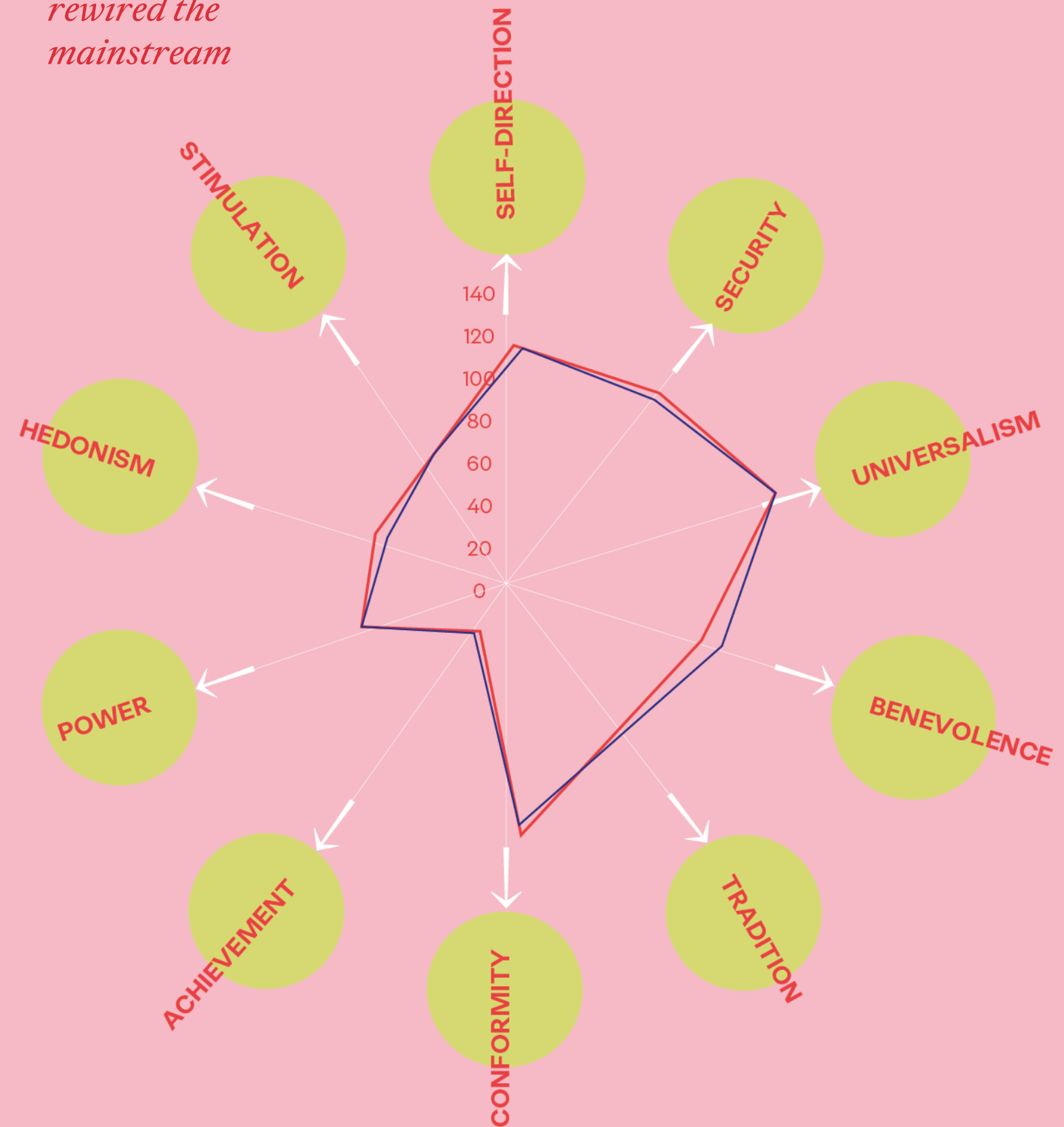
Through lockdown across the world people have picked up new routines and habits, striving to recover some equilibrium in their lives. Kantar finds that 40% globally are claiming to have been exercising, reading or sleeping more. More than 50% claim to have been eating more healthily. 'Drysolation' (avoiding alcohol) has been a choice for about 1 in 5⁽¹⁴⁾.

Much continues being debated about how much many of these changes are indeed here to stay or were just a flash-in-the-pan during the acute phases of the crisis. Sales of anti-bacterial soaps in Thailand returned to their pre-crisis levels as early as May, to take just one example.

So only time will show if these coping strategies embed themselves to become regular habits, but marketers seeking to re-build relevance will need to understand and tune-in to these new behaviours, and new mindsets.

To avoid knee-jerk changes, we must acknowledge that deep underlying needs and human motivations remain relatively stable over time, as evidenced by research into mainstream consumer values in April 2020 compared to July 2018, by Reach Solutions:

Covid-19 hasn't rewired the mainstream



Source: <https://www.reachsolutions.co.uk/insights>

— Modern Mainstream July 2018
— Modern Mainstream April 2020

04 Serving 'people', not just 'consumers'.

So, whilst the **WHY** we consume brands is likely to change relatively slowly, the **WHAT** and **HOW** may change significantly, as crises act as accelerators of existing trends, rearranging hierarchies of priorities, and redrawing the landscape of solutions available to fulfil them.

Looking forward marketers seeking to re-align their portfolio priorities and value propositions for renewed relevance should consider how to meaningfully incorporate new drivers of value across their products, services and overall experience:

- The increased priority on Health & Wellness across all categories - we're all in the wellness business now!
- The enduring and visceral desire for social connection, now faced with new constraints and limitations.
- The move away from over-consumption - to consume possibly less, but better.
- The re-discovery of the joys and benefits of self-made and slow-made; and the pleasure to be gained from the local and grounded.
- The demand for increased naturalness and sustainability.
- And across it all, for products and services that give people their freedoms back, and help secure them for the future, as we were painfully awoken to our loss aversion during lockdown.

New Zealand Tourism tapped into these shifts to powerfully update its decade-old '100% Pure' platform, calling out how "*when you remember what's important, you are left with what's pure*" in its new 'Journeys of Reflection' campaign ⁽¹⁵⁾.

Deutsche Bahn similarly tuned in with its 'Deutschland neu entdecken' ('Re-discover Germany') campaign, activated mid-June ⁽¹⁶⁾. The campaign replaces all business-as-usual activities and briefs, inviting people to 'See *the whole world, in Germany*', driving bookings by tapping into a more local wanderlust that is at once safer, more eco-responsible and more affordable.



04 Serving 'people', not just 'consumers'.

More broadly, relevance in the post-Covid era will need to factor in the expectation for brands and businesses to build on their new-found CSR conscience, and continue actively contributing to our collective and societal well-being - proving it was all more than cynical purpose-washing that predictably slips back into default hard-sell the moment markets re-open.

An imperative re-iterated with powerful urgency in the World Economic Forum's new 'Great Reset' initiative⁽¹⁷⁾, to *address 'the need for a more fair, sustainable and resilient future, and a new social contract centred on human dignity, social justice, where societal progress does not fall behind economic development'*.

“

The pandemic represents a rare but narrow window of opportunity to reflect, reimagine, and reset our world.

KLAUS SCHWAB

Founder and Executive Chairman, World Economic Forum

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3.2. Recognise different people value different things

Growth will be there post-Covid, but it will likely be more heterogeneous than ever before.

So beyond a smart combination of Paid and Earned broadcast channels to drive broad-based saliency, progressive marketers seeking to rebuild relevance and consumer connection can avail of approaches their predecessors in previous crises could only dream of: leveraging the power of data-driven targeting and personalisation, to segment and activate their value propositions in a personalised way to different groups.

With more pointed insights, richer contexts and more nuanced emotions, personalised-at-scale can mean not just *relevance*-at-scale, but be a potent way for brands to demonstrate new levels of *empathy*-at-scale:

- Socio-economic or demographic groups, who will all have been impacted differently by the crisis and will be re-emerging with very different (financial) realities and different priorities.
- Different psychographics, value sets and world views; in particular the divide between more affiliative vs ego-driven motivations.

- Crucially in coming out of a crisis where we have all felt more vulnerable, it will be important to segment audiences in relation to different groups' orientation to risk. Whether in food, health, homeware, personal finance or travel, the crisis will have compounded anxieties for some, reinforcing their need for protection, reassurance and control. Whereas it will have made others even more committed to enjoying the now and exploring the world, reinforcing their need for stimulation, exploration and pleasure.
- Segmentation across different day parts, occasions and usage triggers, to re-build habits.

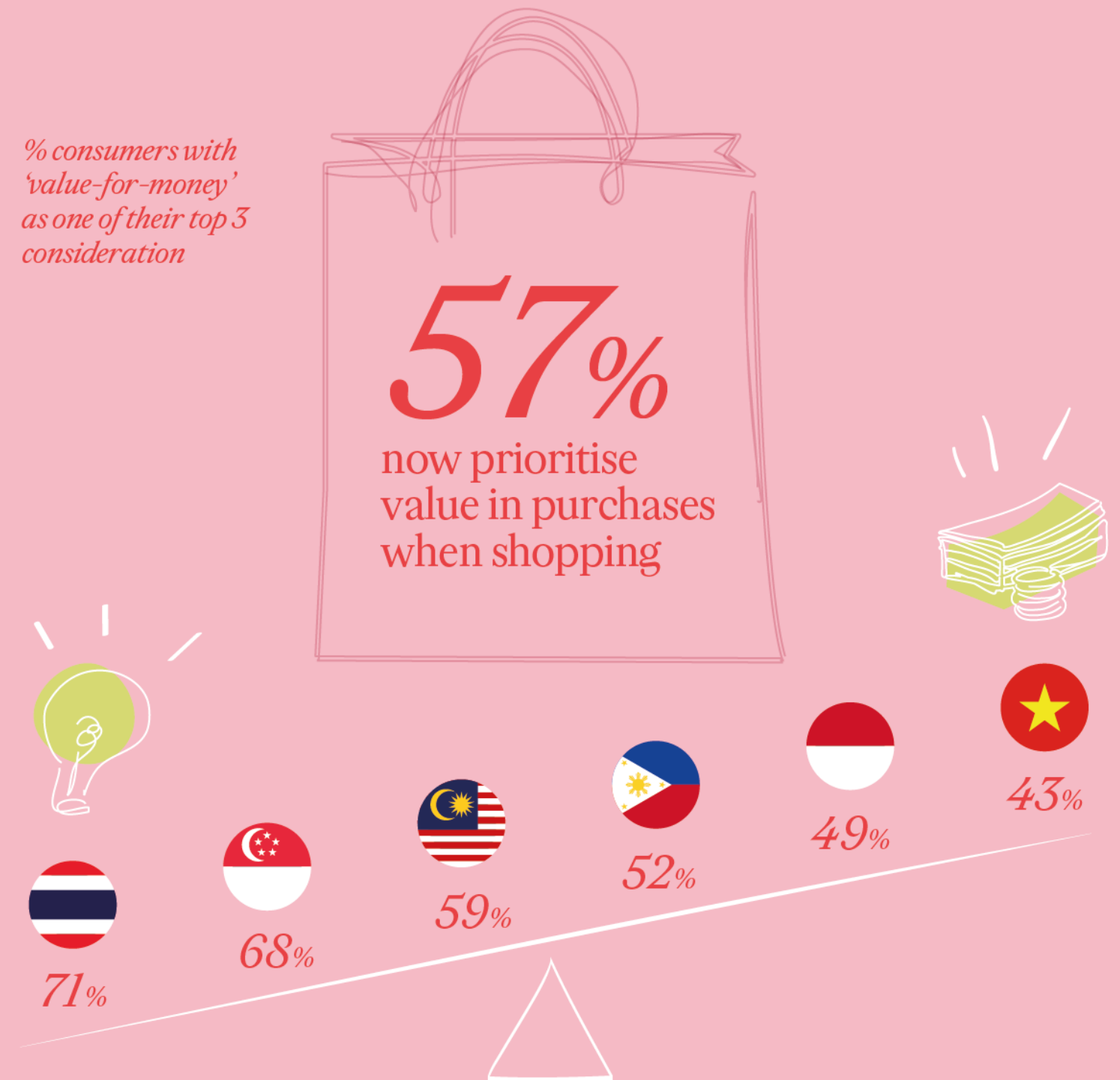
3.3. Design for recession-proof value-for-money

In re-building relevance and value marketers will also need to be mindful of the fact that as we emerge from one (health) crisis, we are walking straight into the next (economic) one, which will continue to generate uncertainty and pressure on disposable income. This heralds an extended period of value-for-money consciousness.

The latest round of Kantar's Covid Monitor global survey ⁽¹²⁾, published in May, highlights increasing economic pessimism and anxiety around the globe:

- 45% of households saw their income fall during the pandemic (up from 38% in Wave 2) with a further 1 in 4 (26%) expecting it to be impacted in the future.
- 2/3 of people expect that it will take a long time for the economy to recover, and that there will be a long-term impact in terms of job losses and struggling businesses (up from 55% in wave 1).
- People who say they 'pay more attention to prices' has increased from 59% in wave 2 to 68% in wave 4.
- 45% (vs 40% in wave 2) of people believe companies should help their consumers by offering discounts and promotions.

Even in the relatively less hard-hit growth markets of South-East Asia, value-for-money is rising as a priority and expectation from brands ⁽¹⁸⁾:

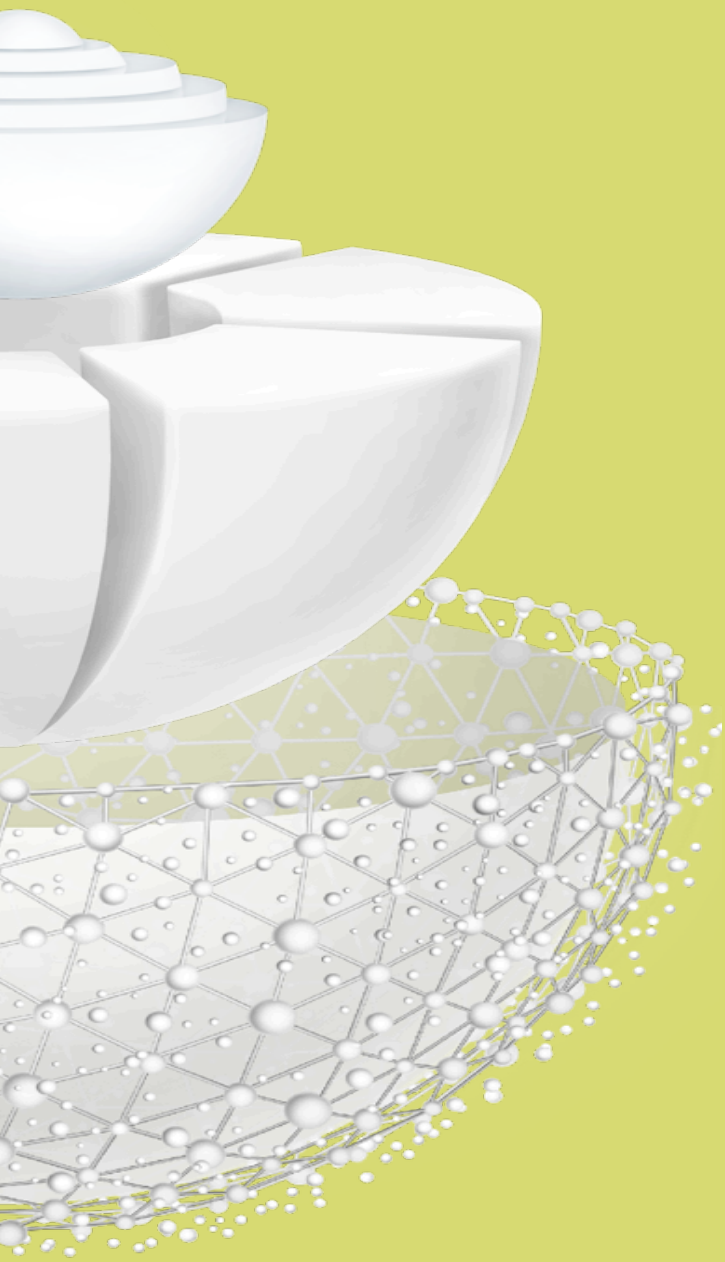


Source: <https://www.campaignasia.com/article/changing-consumption-themes-in-southeast-asia-during-covid-19/461543>

In such value-challenged markets where pricing, promotional and value-add strategies will become critical to brands' sales, marketers should:

- Consider how to maintain, nurture and enhance their relationship and value to (and from) their current users.
- Re-evaluate their mix of SKU, price points and pack sizes – with typically a combination of smaller pack sizes enabling greater affordability, and larger packs providing greater value per ml.
- Use Behavioural Economics principles to reframe value, for example through the use of priming, anchoring, and value framing.
- As mentioned above, these should not be viewed only with a defensive mindset to retain current users, but also as an opportunity to recruit new ones – as for example Beyond Meat's new value packs, priced at \$1.59 per Beyond burger, broadening its appeal beyond its niche early-adopters audience ⁽¹⁹⁾.

*LOOKING
FORWARD*



Marketers who recognise that the Covid-19 Great Pause has brought with it an unprecedented ‘consumption amnesia’, affecting both our System-1 autopilot and System-2 conscious minds, and who follow the practical steps for Zero-Based Re-Habiting contained in this paper, can come out of the crisis on the front foot, and hope to gain competitive advantage in the upcoming recovery.

Rather than just a return to the pre-crisis status-quo, it is those who are bold enough to transform their business, including value proposition, customer experience and route-to-market for a whole new reality, priorities and expectations, who will win the most.

Those who will use the Covid disruption as an opportunity to start afresh, leapfrog and reinvent, paving the way to more sustainable future growth, and the promise of stronger and more fulfilled societies in the process.

That’s what we call **Making Brands Matter** – for now, for next, and for the long-term.

End

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Acknowledgements

My thanks to the generous contributions of:

NATALIE LYALL

Head of Marketing, Asia

REED COLLINS

Chief Creative Officer, Asia

TOM VOIROL

Chief Experience Design Officer, Asia

TIFFANY TIVASURADEJ

Regional Associate, Consulting

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