

# The Road Ahead

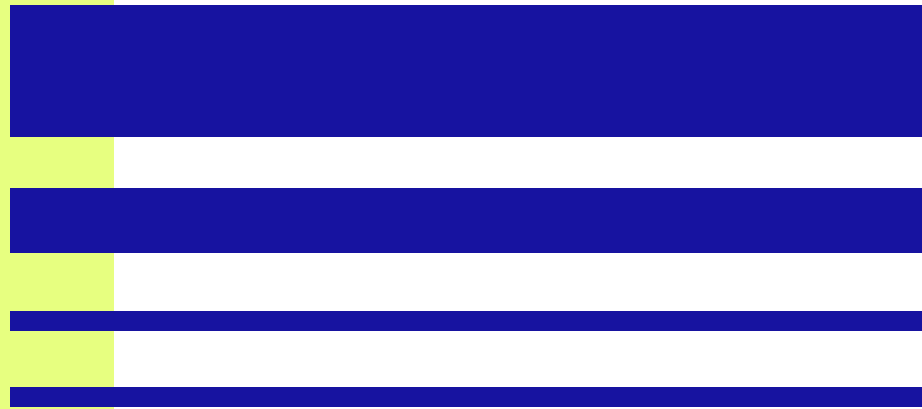
12 Recommendations  
For Brands to Adapt,  
Recover and Succeed  
in the New Normal.

Ogilvy

MAY 2020

**Re·sil·ience**  
the capacity  
to recover  
quickly from  
difficulties;  
toughness.

## Hit The Ground Running



We are living in a world that is rapidly changing. The context within which our brands exist has changed dramatically in the past two months and will continue to change in the months to come.

Our brands need to change with it. There are steps we need to be taking immediately to ensure that as we collectively emerge from quarantine, our brands are equipped to not just survive, but thrive within this new reality.

What follows are recommendations all marketers should take into consideration to ensure their brands are resilient to the changes happening around us and prepared for the future that awaits us.

# Looking Forward

Adapt, Recover and Succeed in the New Normal.

## *Understand Your Customer*

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For brands to connect with their customers they need to understand how they've changed and what matters to them now.

## *Reinforce New Behaviours*

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After months in quarantine, people have developed a new way of interacting with your brand, many of which you will want to perpetuate as we re-emerge into the world.

## *Check In On Your Brand*

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As people's priorities and sensibilities evolve we need to ensure that your brands evolve with them, without compromising your core positioning and values.

## *Optimize Your Media Mix*

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Redesign and optimize your media plans to ensure your brand is moving with your consumer.

# Understand Your Customer

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Your customer's priorities have shifted in the past two months. The things they are worried about, the things in their daily routine, and the things they look forward to may be very different. It's important for your brand to have an understanding of these shifts.



The number of Canadians that report an increase in use of non-cash payment systems and intend to maintain this behaviour post pandemic<sup>1</sup>:

69%

## Adapt for Enduring Health Anxiety

The return to normal won't come easy. Even after recovery, there will be lingering effects. Consumers are worried about their health and safety and may very well retain this feeling of anxiousness. Especially with the seemingly inevitable reality of a second outbreak.

This enduring health anxiety may require changes to products and services. Reducing physical contact with others and on external surfaces is affecting the way consumers buy. Hygiene concerns have resulted in a preference for cashless purchases which will have implications for many services<sup>1</sup>.

People will continue to seek reassurance from brands that their safety is a priority. A recent report by Ogilvy's Behavioural Science division showed that laying out steps being taken in detail helps drive consumer trust<sup>2</sup>.

Rather than tell people that "lots is being done," brands should lay out the line-item details of specifics. While this feels like it risks overwhelming people, it actually gives comfort.

<sup>1</sup> Kantar, "COVID-19: Barometer - Consumer Evolution and Brand Implications Summary Report Wave 2", March 27<sup>th</sup> - March 31<sup>st</sup>

<sup>2</sup> Ogilvy, Center for Behavioural Science

# Focus on Your Community

Consumers may tire of “we’re in this together” messages but there is no doubting there is a new sense of community. Even in quarantine, people are finding new ways to come together and virtual experiences like Google’s virtual museum tours or Global Citizen’s Together at Home concerts are winning consumers.

As we emerge from lockdown the desire to connect with others and return to some level of normalcy will be even stronger. Understanding what Canadians are looking forward to when the pandemic is over can provide brands with insights into the type of content that will resonate.

In a recent survey conducted by Ogilvy Canada and Environics, we found that half of Canadians indicated that they are most looking forward to getting back to their routine<sup>3</sup>.

<sup>3</sup>Ogilvy and Environics Research, “COVID-19: Advertising During a Crisis”, April 2020



IMAGE CREDIT: UNSPLASH

# What are Canadians Looking Forward To?

1. Getting back to my routine **52%**

2. Taking a vacation **17%**

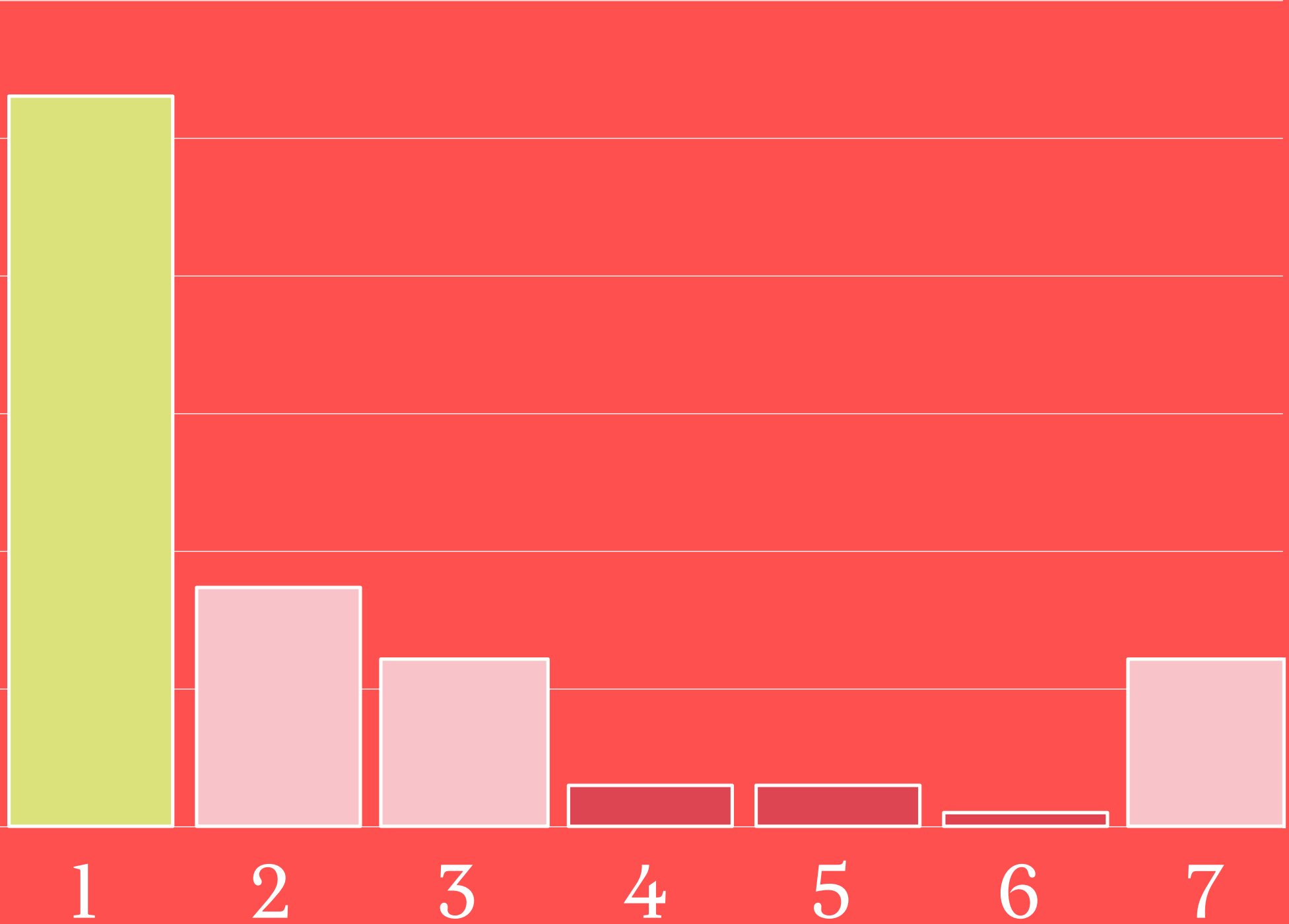
3. Dining out at restaurants or bars **12%**

4. Live sporting events **3%**

5. My kids returning to school **3%**

6. Attending a concert **1%**

7. Other **12%**



The number of Canadians<sup>1</sup> for whom COVID-19 has impacted household income:

67%

## Account for Financial Insecurity

This is a health crisis to be sure, but the impact on the economy cannot be understated. As of April 1, jobless claims reached 2.13M in Canada after lockdown. Young adults are feeling the greatest impact as they are most likely to work in vulnerable roles.

Even when everyone's back at work and the economy gets a jumpstart, there is much speculation that we are already in a recession and no one can predict exactly when it may end. While plans to restart the economy have resulted in boosts to the stock market, most consumers continue to brace for what they anticipate will be a lengthy recovery and their shopping behaviour is likely to reflect this new reality. As a result, consumers are paying more attention to what they buy or deem "essential".

We could see a temporary decline in impulse buys or big-ticket items (travel, cars) and a newfound appreciation for the simple things or affordable indulgences (restaurants, clothes).

<sup>1</sup> Kantar, "COVID-19: Barometer - Consumer Evolution and Brand Implications Summary Report Wave 2", March 27<sup>th</sup> - March 31<sup>st</sup>



# Optimism about country's economic recovery after COVID-19

Research shows that Canada is among the least economically optimistic countries<sup>4</sup>.

We should anticipate a widespread re-evaluation of what products we consider essential.

<sup>4</sup>McKinsey & Company, "COVID-19 Consumer Pulse Surveys" conducted between March 15 and April 19, 2020 <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19>



# Reinforce New Behaviours

Habits are difficult to form. But over the course of two months in quarantine, many Canadians have formed several entirely new habits – some of which are beneficial to our brands. As we emerge from our homes, marketers must adapt their products and services in reaction to these new behaviours in order to retain customers.



The number of Canadians who indicated that how brands respond to the pandemic would influence future purchases<sup>5</sup>:

**65%**

## Optimize Customer Experience

As we enter the New Normal, marketers have an opportunity to redefine their relationship with customers to build a stronger bond for the future.

Experience drives the strongest mental associations vital to brand equity, so now is the time to revisit and optimize all touchpoints along the consumer journey with a particular emphasis on user experience across digital assets. Many touchpoints may have had to change during quarantine. Some will need to stay changed, some will need to revert, and some will require an entirely new solution.

Customer experience should specifically be revisited through the lens of the three new consumer trends identified in section #1 – increased health and economic anxieties and an increased desire for connection.

<sup>5</sup>Kantar, "A BrandZ Perspective COVID-19: Nineteen implications for brands in times of crisis.", April 2020

The number of Canadians who have begun shopping more online as a result of the pandemic<sup>1</sup>:

22%

## Lean Into E-comm

By necessity, most people are buying more online. Consumers are being forced to acclimate to all things digital, especially older generations. This was already happening but COVID has accelerated learning, creating new digital habits. The SARS outbreak helped launch e-comm<sup>6</sup> and this could very well make it essential.

This gives brands little time but a big opportunity to optimize their customer journey to suit a full online experience. In some instances that may include an enhanced presence on platforms like Amazon or Walmart. For years Canadian marketers have lagged behind their US counterparts in their willingness to invest in e-comm, now may finally be time to develop a more robust Amazon strategy.

For other marketers, it may be time to embrace social media channels with shoppable advertising formats to assist with selling online.

<sup>1</sup>Kantar, "COVID-19: Barometer - Consumer Evolution and Brand Implications Summary Report Wave 2", March 27<sup>th</sup> - March 31<sup>st</sup>

<sup>6</sup>CNBC, "The Sars Epidemic Threatened Alibaba's Survival in 2003 - here's how it made it through to become a \$470 billion-dollar company", March 2020 <https://www.cnbc.com/2020/03/26/chinas-2002-2003-sars-outbreak-helped-alibaba-become-e-commerce-giant.html>

## Use CRM to Nurture New Relationships

Any brand affinity built during lockdown should continue in the post-COVID world. Now is the time to leverage Customer Relationship Management (CRM) and social platforms to build momentum, activate existing users, and turn new customers into loyal customers.

As attitudes around privacy continue to change, we predict more open-mindedness around data sharing and new CRM opportunities for brands.

The first step for many marketers may be to map their customers evolving needs against their business's evolving business objectives to better understand how they intersect and what role your brand can play in customers lives on an ongoing basis.



## Stay Connected With Social

Since the outbreak, people are spending 44% more time on social<sup>7</sup> including a serious uptick in live streaming. Facebook, Instagram, LinkedIn and Twitter have seen spikes in usage and engagement which serve to provide advertisers with a highly engaged audience.

Because of the increased usage and their potential for agility, social channels have become a primary means for brands to stay connected with their consumers. We have even seen brands re-invest in organic social, shifting marketing efforts to owned channels. Consumer interest will drop off, but we should see a renewed focus on community.

As we emerge from lockdown, marketers should continue leveraging these channels as a means to communicate more regularly with their customers, many of who will continue seeking out information on how you are evolving to meet their changing needs.

<sup>7</sup>Econsultancy, "Stats round-up: Coronavirus impact on marketing, e-commerce, & advertising", April 2020  
<https://econsultancy.com/stats-roundup-coronavirus-impact-on-marketing-ecommerce-advertising/>

# Check In On Your Brand

As people's priorities and sensibilities evolve we need to ensure that our brands evolve with them, without compromising our core positioning and values.

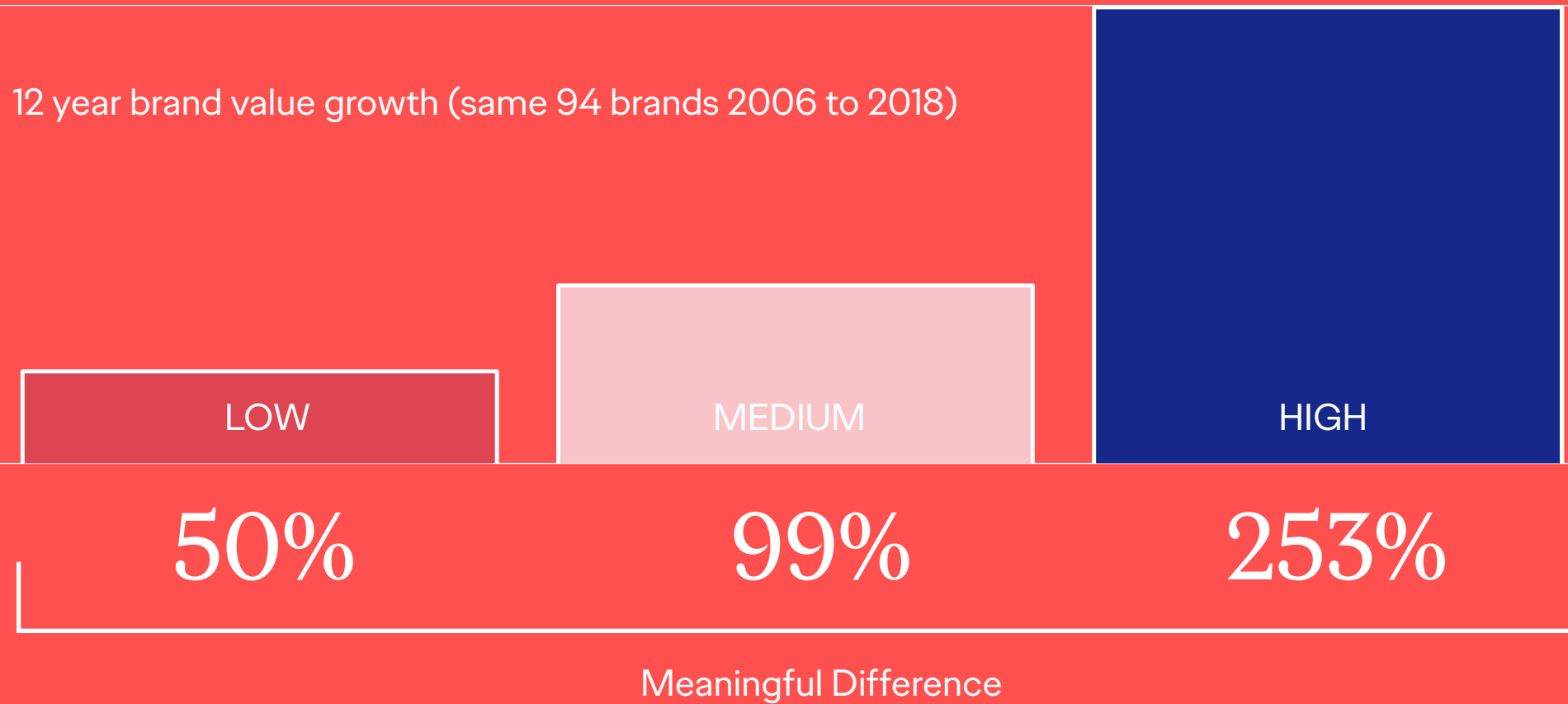


# BrandZ Top 100 Most Valuable Brands

The more differentiated your brand is from your competition, the more likely you are to drive growth over time<sup>4</sup>.

<sup>4</sup>Kantar, "A BrandZ Perspective COVID-19: Nineteen implications for brands in times of crisis", April 2020

12 year brand value growth (same 94 brands 2006 to 2018)



## Revisit Brand Positioning

COVID has forced everyone to make changes. This is a total refresh. Coming out of lockdown, brands need to revisit their positioning to adapt to these new realities to ensure relevance for today and into the future.

Now is the time to revisit your brand foundations and determine what, if any, adjustments need to be made to future proof your brand without losing the core of what made your brand unique in the first place.

Even in the New Normal, differentiation will remain the best indicator of long-term brand value growth. Setting your brand apart from the competition, both in its emotional and functional equity will help you rebound faster and achieve lasting competitive gains<sup>4</sup>.



## Adapt A Communications Plan

Your brand positioning is who you are and your communications plan is what you say. And just like your brand positioning, your communications plan will also likely require revisiting if you haven't already. In many instances, these plans are set a year (sometimes more) in advance so there's a high likelihood that the products you planned to promote and the campaigns you developed to promote them may need to be reconsidered in light of our new context.

As we move away from campaigns specifically tied to COVID, brands still need to be sensitive. Context is everything - anxiety and public concern are not going away any time soon. But sensitivity doesn't always mean earnest. On the heels of two months of brands telling and showing us just how compassionate they can be, for many brands now is the time to re-introduce levity.

GOOD  
VIBES  
ONLY

In April, Trudeau announced a public investment into Canada's Innovation Economy<sup>8</sup> of:

# 250MM

## Revisit The Innovation Pipeline

Crisis brings innovation. Airbnb came in response to the 2008 financial crisis. New consumer needs and behaviours have already resulted in new products and features and will continue driving innovation in the years to come.

Marketers should continue to invest in R&D to maintain relevance both during a crisis and beyond. Think of the food delivery services who quickly adapted their delivery to be contactless in response to health safety concerns. You should consider how your brand's service or product could be enhanced or modified to serve new needs and benefit your customers.

Now is the time for marketers to leverage data and insights to identify the most lasting shifts, then reshape your portfolio to align with the new reality.

<sup>8</sup> Press Release, "Prime Minister announces new support to protect Canadian jobs", April 2020  
<https://pm.gc.ca/en/news/news-releases/2020/04/17/prime-minister-announces-new-support-protect-canadian-jobs>

# Optimize Your Media Mix

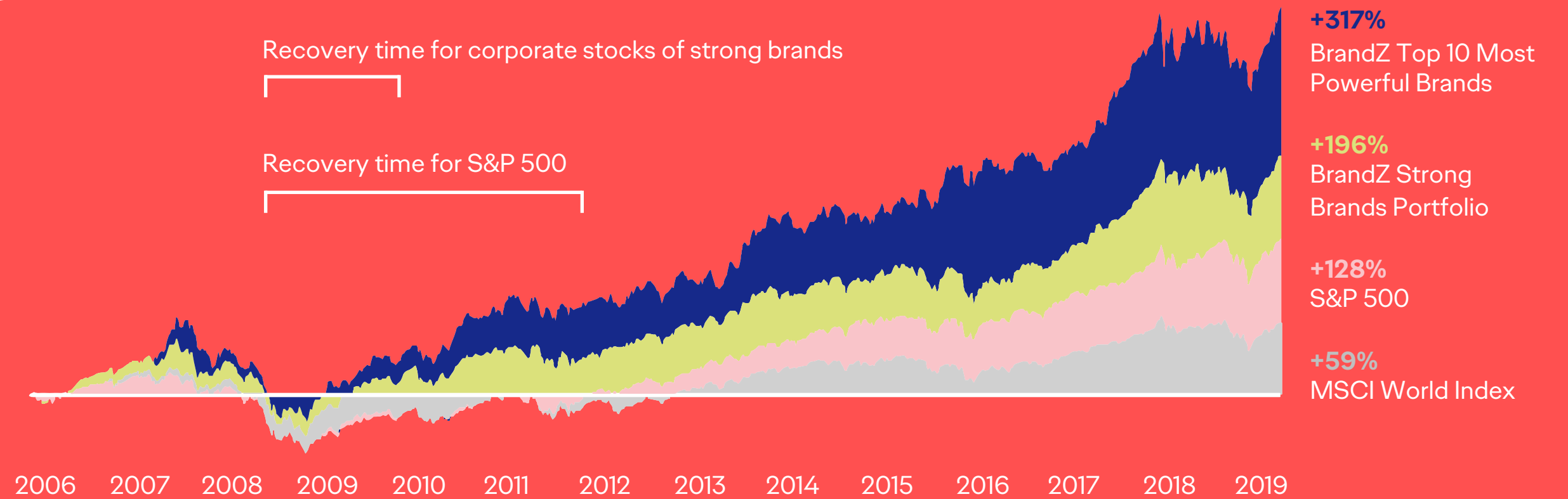


If your product is still for sale, you should still be selling it. But that doesn't mean status quo. Brands should be redesigning and optimizing their media plans to drive efficiency and factor in new consumer behaviour.



# Strong brands recovered nine times faster following the financial crisis of 2008

Source: BrandZ Global, 2019



## Invest in Your Brand

Now is not the time to go “dark”. Maintaining ad spend during a recession and capitalizing on any positive momentum or goodwill, will be important to ensure long term brand growth.

Kantar’s BrandZ study<sup>4</sup> has shown that brands

that maintain mental availability are not only the best placed to grow their brand value and deliver superior shareholder returns. They are also more likely to be resilient and bounce back more quickly during challenging economic times.

Peter Field’s analysis of 354 brands over the course of the 2008 recession shows brands that reduced their media pressure were much more likely to suffer a loss of market share as a result<sup>9</sup>.

<sup>4</sup> Kantar, “A BrandZ Perspective COVID-19 Nineteen implications for brands in times of crisis”, April 2020

<sup>9</sup> Peter Field, “Marketing in a downturn”, Market Leader, 2008

Online viewing changes are more pronounced among the younger audiences across most media channels as markets enter severe restrictions.

	18-34 yrs.	Vs all Canadians
Internet surfing	64%	+13
Social network	62%	+16
TV on demand/streaming	57%	+14
Online videos	55%	+16
IM systems apps	51%	+14
Email	45%	+10
Podcasts/Music streaming	43%	+18
Online/streaming radio	32%	+10

## Follow Your Consumer

Quarantine has rapidly accelerated several already changing media consumption habits. More time is being spent with social, streaming media, gaming media, and podcasts, opening new touch points<sup>1</sup>. Where your consumers are spending time is changing and you need to change with them.

This shift has been particularly pronounced amongst young people. TikTok is going mainstream, offering up a creative outlet for consumers and a refreshing change for both users and advertisers. The elimination of sports and cinema has accelerated online gaming as a medium for entertainment. This shift bolsters the already formidable importance of live streaming platforms like Twitch who offer a suite of options for brand advertising and integrations.

As we enter the recovery phase, brands should begin testing new formats to meet consumers where they're going.

<sup>1</sup> Kantar, "COVID-19: Barometer Consumer Evolution and Brand Implications Summary Report Wave 2", March 27<sup>th</sup> – March 31<sup>st</sup>

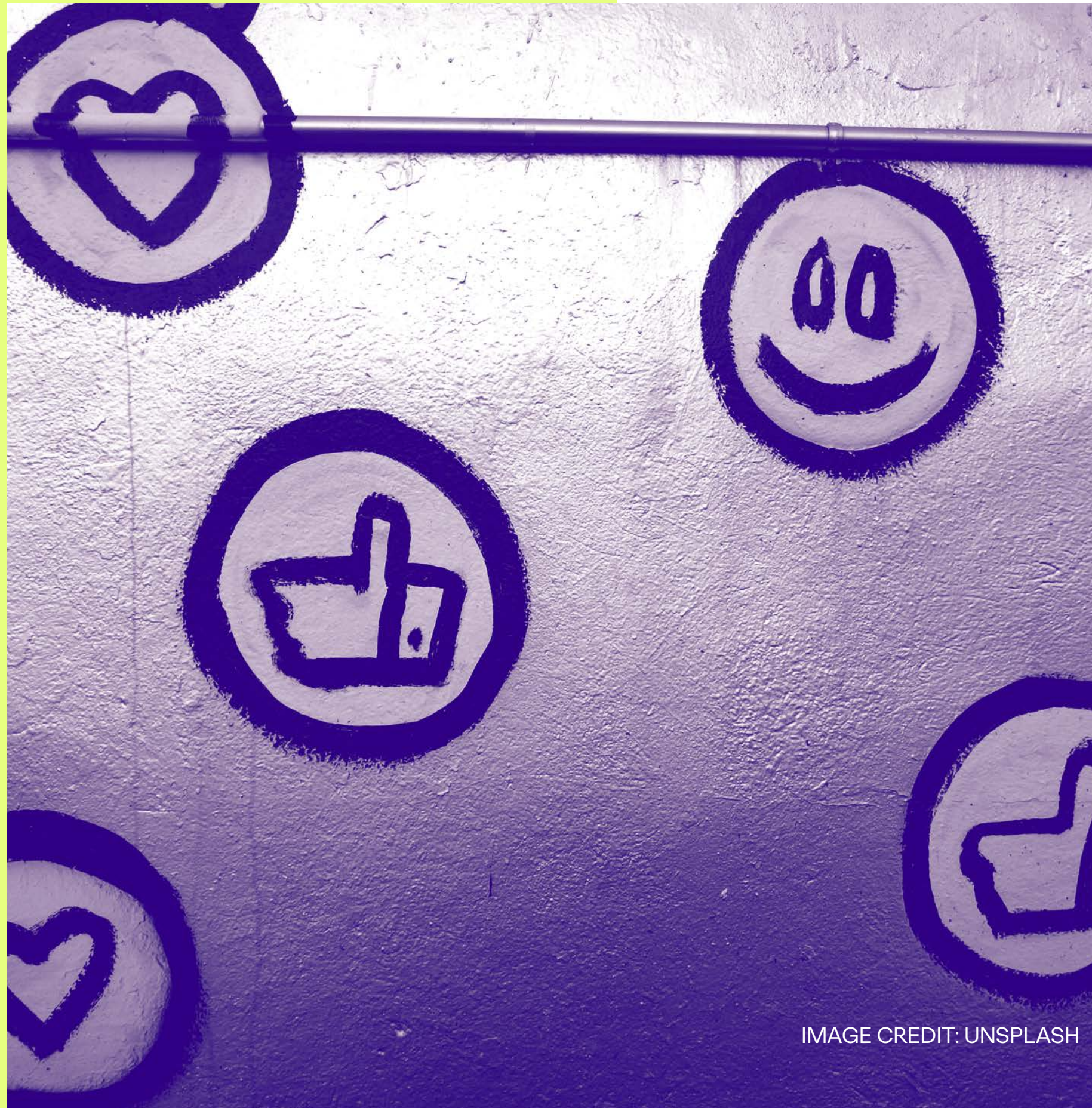


IMAGE CREDIT: UNSPLASH

Ogilvy

# Brand Resilience Checklist

## *Understand Your Customer*

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- 1. Adapt for enduring health anxiety.**  
People will continue to seek reassurance from brands that their safety is a priority.
- 2. Focus on your community.**  
Consumers may tire of “we’re in this together” messages but there is no doubting there is a new sense of community.
- 3. Account for financial insecurity.**  
While plans to restart the economy have resulted in boosts to the stock market, most consumers continue to brace for what they anticipate will be a lengthy recovery and their shopping behaviour is likely to reflect this new reality.

## *Reinforce New Behaviours*

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- 4. Optimize customer experience.**  
Customer experience should specifically be revisited through the lens of the three new consumer trends.
- 5. Lean into E-comm.**  
Brands have little time but a big opportunity to optimize their customer journey to suit a full online experience.
- 6. Use CRM to nurture new relationships.** Leverage CRM and social platforms to build momentum, activate existing users, and turn new customers into loyal customers.
- 7. Stay connected with social.**  
Social channels have become a primary means for brands to stay connected with their consumers. Brands should continue leveraging these channels.

## *Check In On Your Brand*

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- 8. Revisit brand positioning.**  
Now is the time to revisit your brand foundations and determine what, if any, adjustments need to be made to future proof your brand without losing the core of what made your brand unique in the first place.
- 9. Adapt a communications plan.**  
And just like your brand positioning, your communications plan will also likely require revisiting if you haven’t already.
- 10. Revisit the innovation pipeline.**  
Marketers should continue to invest in R&D to maintain relevance both during a crisis and beyond.

## *Optimize Your Media Mix*

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- 11. Invest in your brand.**  
Maintaining ad spend during a recession and capitalizing on any positive momentum or goodwill, will be important to ensure long term brand growth.
- 12. Follow your consumer.**  
Begin testing new formats to meet consumers in the new channels they may have familiarized themselves with over the past couple of months.