

KANTAR

Manage your business & organization in challenging times

Webinar

March 26th

Kantar Belgium



Your Kantar team today



Isabelle Mérillou

Kantar Belgium
Brand domain lead
isabelle.merillou@kantar.com



Thomas Piachaud

Kantar China
Director - Consulting Division
thomas.piachaud@kantar.com



Machteld Andries

Kantar Belgium
Brand Strategy lead
machteld.andries@kantar.com



Sukanya Acharya

Kantar Belgium
BrandZ lead
sukanya.acharya@kantar.com



Maria Darmi

Kantar Belgium
CEO
maria.darmi@kantar.com

What we are going to talk you through over the next hour

1. Lessons from China



2. How is Belgium coping with the crisis?



3. Responding to challenging times



4. Implications for businesses & organizations





Lessons from China



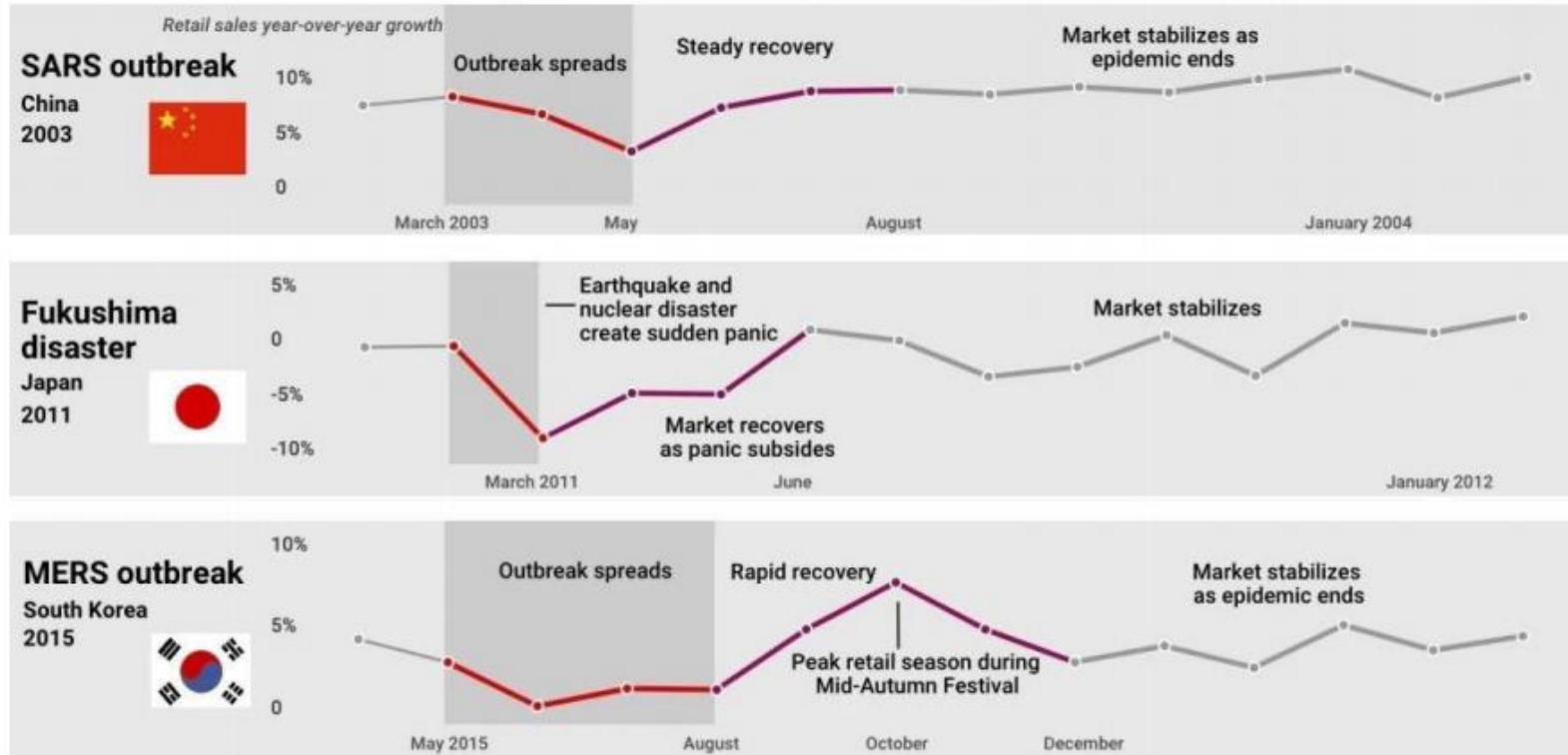
Thomas Piachaud

Director - Brand & Marketing

Consulting Division

thomas.piachaud@kantar.com

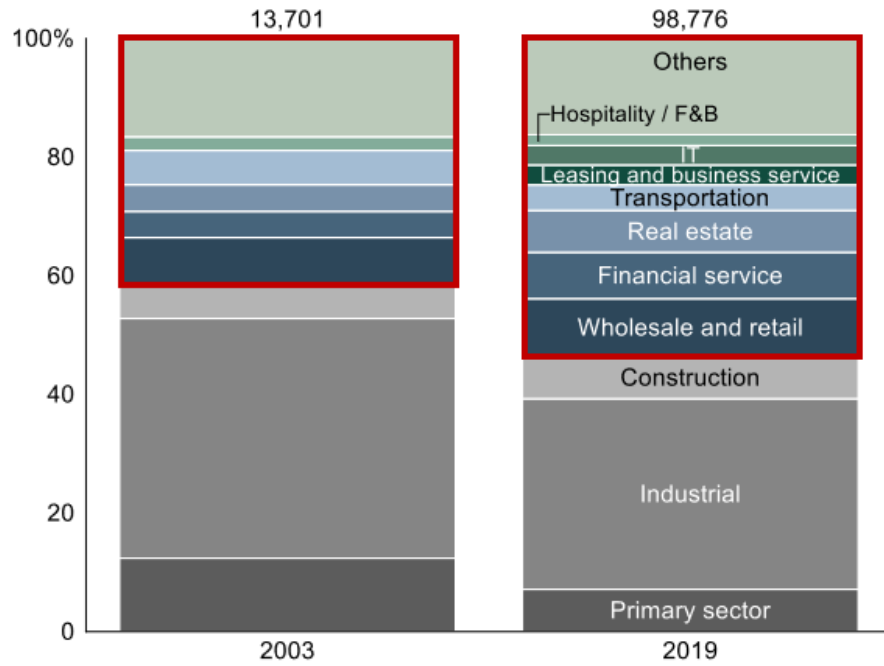
Precedent – Previous Events showed elastic economic behavior



Sources: China National Bureau of Statistics; Japan Ministry of Economy, Trade and Industry; South Korea government statistics

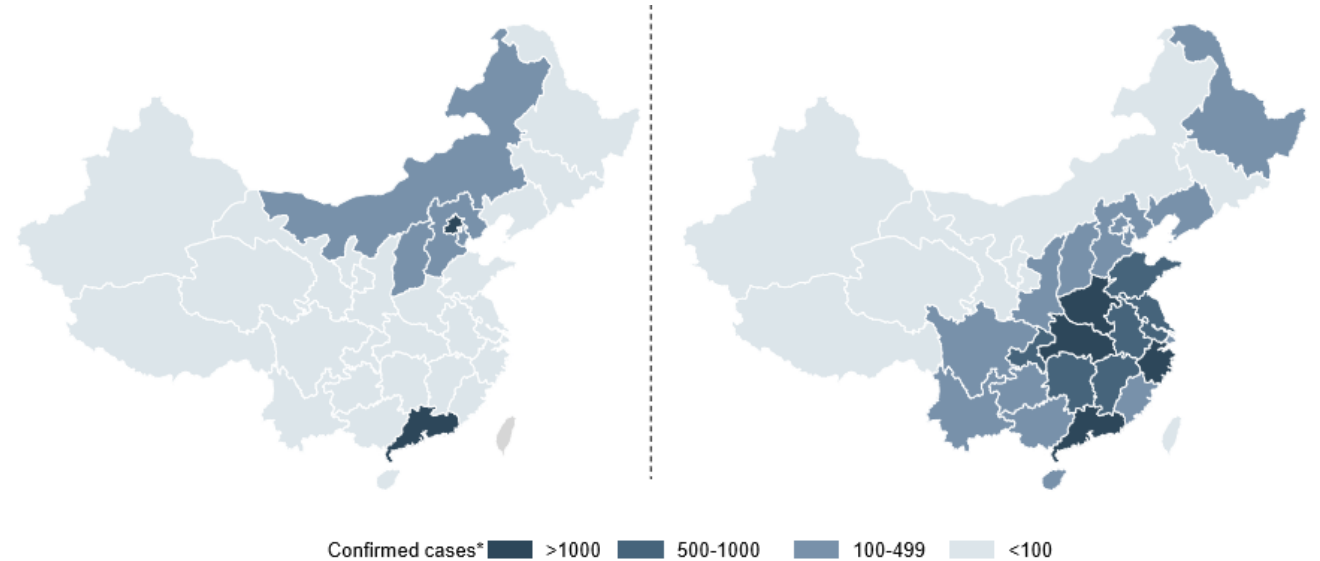
Previous epidemic/disasters have shown short term impacts, but generally recovery is seen over a period.

Context Matters – A very different landscape to draw comparisons against SARS



Source: NBSC; Bain analysis

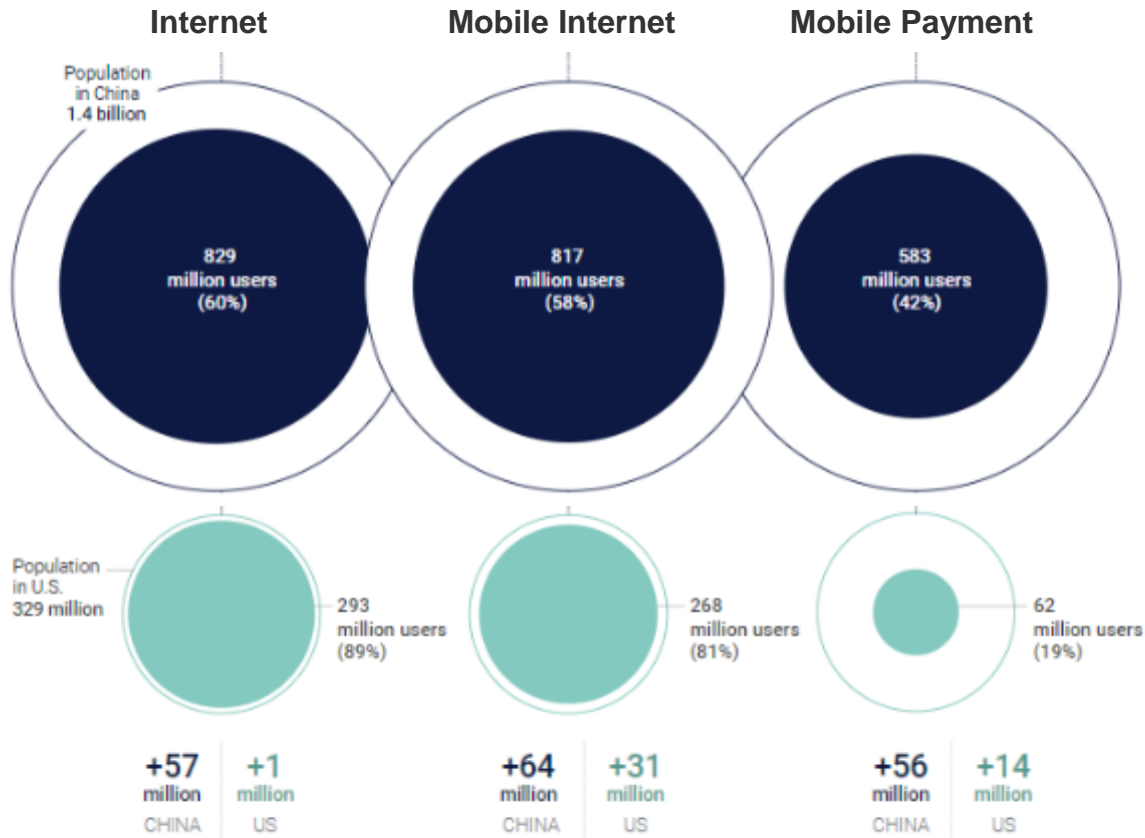
Tertiary sector



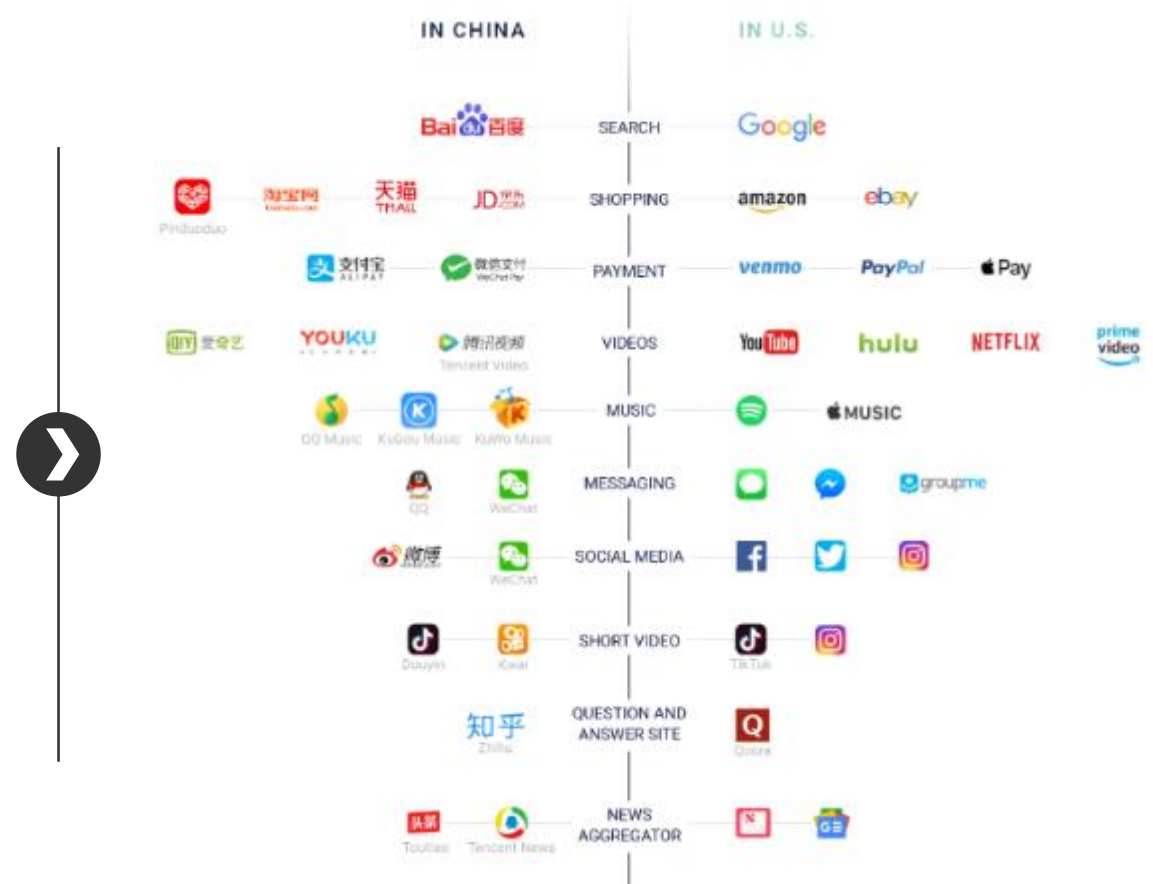
The economic situation globally has shifted since SARS

The nature of the virus is fundamentally different

Context Matters – China's Digital First Economy has shown an ability to build rapid resilience



**Absolute increase in digital consumers: China vs US,
2018 vs 2019**



Context Matters – Robust Retail models, infrastructure and ability to respond rapidly have all shown their worth

1

DIVERSE RETAIL MODELS



Diversified retail Model Multi-type EC & To-Door Models

Front Warehouse (Miss, Fresh, Dingdong)| **Supermarket Delivery Platforms** (Hema, JD mart); **3rd Party Delivery** (Meituan, Eleme, JD to-door)

Self- Service

e.g. Smart Shelf, Self-service mart

2

ADVANCED MOBILE INFRASTRUCTURE AND MATURE SUPPLY CHAIN



Immediate Reconstruction of supply Chain

e.g. **Suning** reconstructed their supply chain within 6 hours, **JD** redeployed their supply chain to support production companies

Merchandizers' Quick

e.g. Hema invited a restaurant chain to share human resources

3

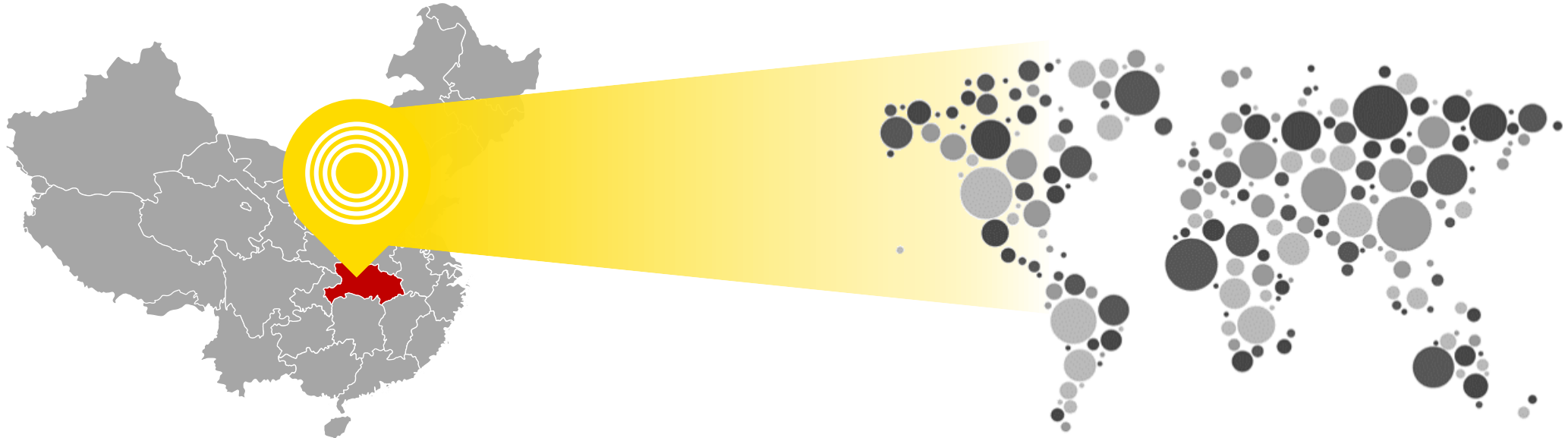
RAPID RESPONSES ACROSS CRITICAL INDUSTRIES



Quick Response And Release of Emergency Plans From All Industries

e.g. **State Grid's**: fast repair approach during the epidemic period; China **UnionPay** emergency systems to guarantee payment services and open new convenience channels

Context Matters – The evolution of the virus has moved from a single node issue to a tough to predict multi-node model



Wuhan is at the center of the outbreak and the epidemic in China has been seen as a Chinese issue to fix. The response of shutting down cities and restricting mobility helped curb some of the wider impact of the virus.

The transition of the virus to other countries adds added complexity as there is no definable epicenter. The response of governments will need to adapt very quickly to new cases and 'hot spots' of cases emerging. A similarly challenging but intrinsically different task

Timing Matters – The huge human movement compounded the severity of the initial response

The timing of the COVID outbreak could not have been worse.



January 9th – Hangzhou East

Pre-COVID Travel Estimates:

2.99 billion trips

- **2.46** billion by auto
- **413** million by rail
- **73** million by air
- **7** million outbound air travel



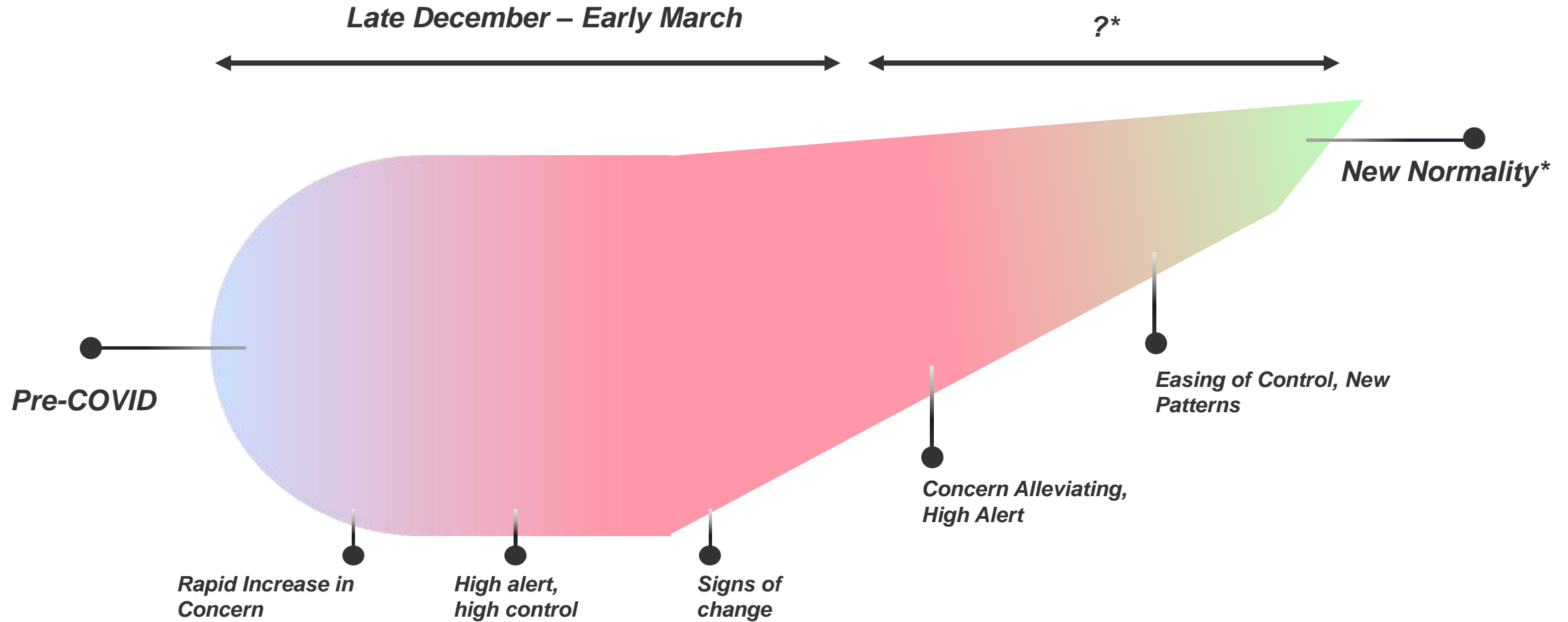
Lunar New Year
January 10th - February 18th

Public Holidays
24th – 30th January

Extended Public Holiday
7th February

School/University Closures
?

In China, the evolution of the virus happened quickly, with the resettling into old patterns a much slower process that results in 'new normalities'



We see three types of category emerging from the crisis, each with their own challenges to be tackled

Digitally Nimble

Commodity categories:

- Packaged food
- Grocery
- Financial Services
- Health related
- Collaboration / Work

These categories must adapt to a new digital reality to ensure short-term resilience. Need to maintain relevance into normal times for long-term success

Occasions Reinvented

Ambiance categories:

- Alcohol
- Restaurants
- Physical Fitness
- Home furniture
- Entertainment (overall)
- Consumer Electronics

These categories need to understand that the fundamental consumer behavior has shifted and they need to shift with it

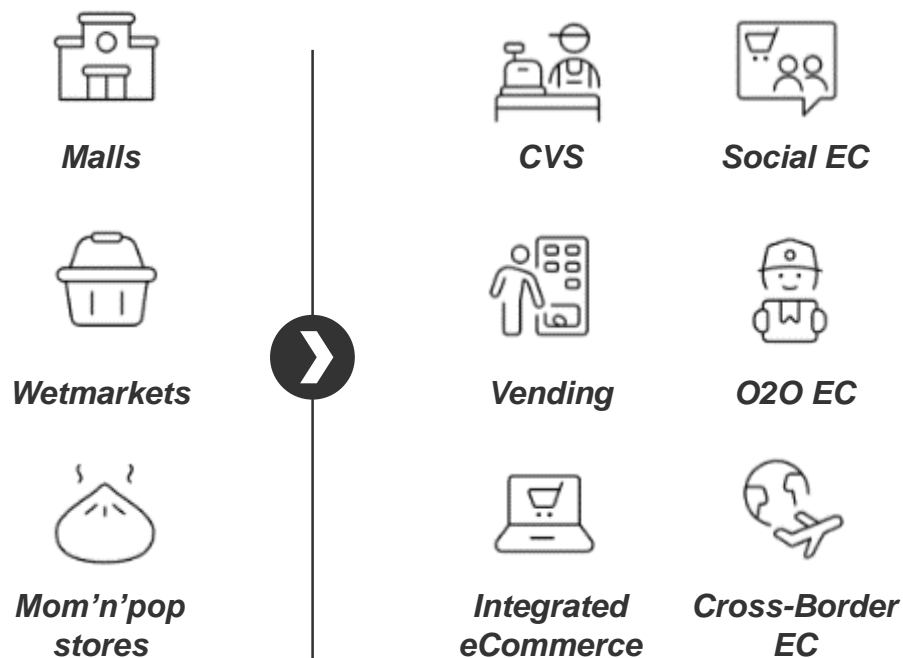
The Long Game

Experience categories:

- Luxury
- Automotive
- Travel & Tourism

These categories are highly experiential and are just not relevant right now. They need to ensure brand relevance, and long-term opportunities

FMCG/Food: A huge shift in channel behavior has created new trends and landscapes which brands need to operate in



Uptake in digital enabled, community centric and lower-idle time channels has been seen across all demographics



MissFresh
Huge demand for fresh food saw MissFresh ecommerce platform's orders quadruple

JD.com
154% YoY growth across selected food categories



Suning APP
Pre-order and pickup service to reduce human contact

Within health related categories we have seen shortages and innovations as demand soars

Sanitation / Prevention

Categories:

Sanitation
Prevention
Drugs
Cleaning
Air Purifiers

Antiseptic Handwash
+1616%
(Suning)



**Innovative:
Makeup with a mask**

Nutrition

Categories:

Health Supplements
Fresh Food
Kitchen
Appliances
Cooking Wear
Recipes



Shi Lianzhong + Xian Hua rose to fame by live streaming their cooking

**JD.com
Sales of baking and Roasting equipment**
>7 times

Vegetables on JD.com
450% growth
YoY

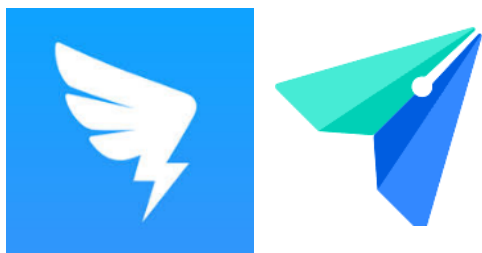
Dougou.com cooking app
~114% rise DAU

Insurance

Categories:
Medical Insurance
Travel Insurance

First weeks of February, insurance providers add COVID support:
China Life
China Pacific
PingAn
ZhongAg

Digital platforms to capture new behaviors have stood out as beneficial during this time; how can your business adapt?



DingTalk and Lark see upswing in downloads of 350% during CNY

On the first day back to school, DingTalk saw over 50 million students and 600,000 teachers in China using its live-streaming feature to hold online classes.



WeChat Work saw a 70% upswing



Huawei WeLink is responding to the crisis



Zoom had 12.92 million monthly active users, up 21% since the end of 2019

A word of caution

DingTalk has seen its rating on the Chinese app store plummet from x to x. Receiving over 15,000 one star reviews on Feb 11th vs 2,000 5 star.

This was driven by school children not wanting to conduct online learning. It is important to adapt to your audience.

Decline in sales as consumers stop socializing, cash flow issues may cause long term problems for on-trade

Widescale Location Closures

“Almost all night entertainment outlets are closed. 50% of dining outlets are closed.”

Carlsberg CEO – Cees ‘tHart



Due to restrictions, wide scale closures of restaurants and entertainment venues have been affected – Diageo warns **~200m** GBP potential loss



SKU Issues

Chinese New Year is typically the peak season for alcohol consumption – stocks of CNY related SKUs may cause a back log



Potential Closures

Mid- to long- term impact may include significant closures. Stone Brewing in Shanghai confirmed its withdrawal from the market

Bad Luck

Google unveiled that online searches for the phrase “beer coronavirus” has surged **3,200%** globally

38% of beer-drinking Americans admit they would not buy Corona beer due to coronavirus

Harbin beer realized their positioning would lose relevance in the short term, so focused on a long-term approach



Name: Harbin Beer, ABInBev

Category: Alcoholic beverages

Key Products: Harbin, Harbin White beer

Commodity / Experiential

Long-Term / Short-Term

What they did

Harbin released a series of on-trend propaganda style posters that gave people advice on how to minimize the impact of the virus.

Realizing their brand positioning of 'together happy, 一起happy' would struggle to be relevant, they instead communicated that following this advice would minimize the time between now and being happy together again



Already an industry in flux, the challenges to the global automotive industry during the period are vast and complex

Wuhan is known as motor city for being home to auto plants for GM, Honda, Nissan, Peugeot and Renault

China – **92%** fall in sales in first half of February.
Forecasted 5% decline for full year
CPCA

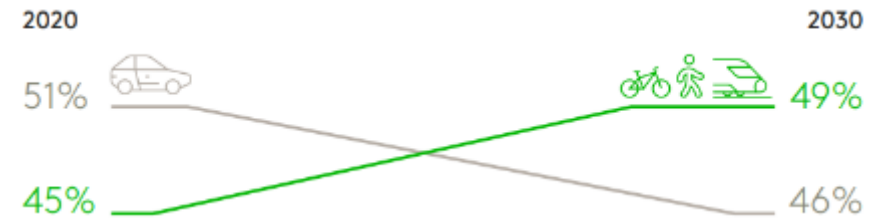
The Domino Effect

"We have flown parts in suitcases from China to the UK."
Ralf Speth – JLR CEO

Geneva International Motor Show Cancelled

Hyundai, KIA and Nissan
Suspend Several Assembly Lines

Solution Still Unclear



Global challenges for Auto – Kantar Mobility Futures



Shared Services:
Upswing in shared mobility as people avoid public transport



VW in collaboration with auto platforms launch VR showroom



Autonomy:
Autonomous delivery vehicles were deployed to reduce contact during the epidemic

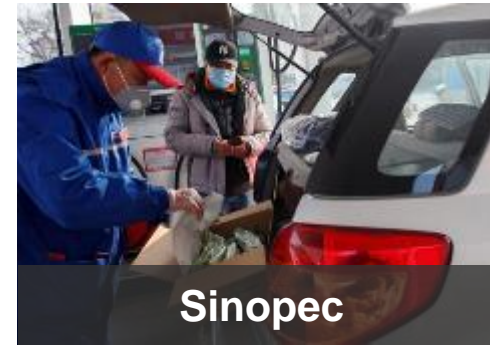
Big name Chinese brands have shown their category leadership during the period, putting people at the heart of their adaptations



Set up a platform “helping farmers by eating”, using live broadcasts to promote featured agricultural products that are unmarketable due to the epidemic limitations



Developed an AI system for COVID-19 diagnosis. Analyzing CT images it can diagnose COVID within 20 seconds and 96% accuracy

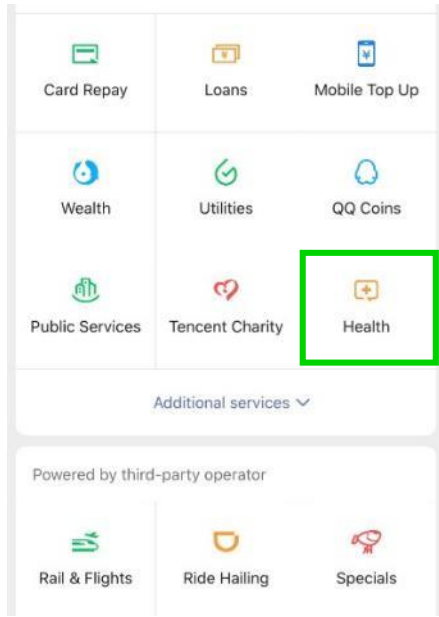


Launched a new scheme last month called "zero-touch" vegetable sales at its 6,000 gas stations in 147 Chinese cities



Deliveries of alcohol-based sterilizers and antibiotic hand soap in addition to caffeinated beverages. Stocking its network of vending machines, with the sanitizer products expanding distribution in hospitals throughout the epidemic period

Data is playing a key role in building narratives and providing assurance; consumers take notice of data enabled solutions



A 'health' tab appeared in WeChat wallet that gave up to date tracking statistics of the spread of the virus



Consumers were given the potential to look at where the nearest confirmed cases were to their current position to help assess their exposure levels



A color coded QR code system is in place to help understand risk levels of individuals based on travel history

Good News: As of March, people are returning to work in China

Overall most sectors are getting back to work



Overall: More than 50%



Financial services: 96%



Food and beverage: 82%



Hotels: 82%



Retail: 74%



Large companies: ~95%*



SME: ~60%

Big retail chains are reopening



Apple reopened all of its mainland stores in China



Starbucks has reopened 90% of its 4,200 outlets



Most Uniqlo stores reopened



Hermès reopened all but 2 stores



Burberry opened most stores



Chow Tai Fook 85% of 3,600 reopened

How is Belgium coping with the crisis?



Isabelle Mérillou
Kantar Belgium
Brand domain lead
isabelle.merillou@kantar.com



Kantar Covid-19 global barometer

Consumer attitudes

Level and nature of concern

Trusted sources of information

Areas of advice sought

Media habits:

Impact on media channel usage

Impact on social media usage

Travel habits:

Impact on transport types**

Impact on online/offline purchase behaviour:

Channel (online/offline, store format)

Price/promotion sensitivity

Stockpiling

Product origin

Willingness to use electronic payments

Categories affected by online purchase behaviour*

Attitudes to online purchase behaviour

Expectations from brands

Appropriate perspective on the situation

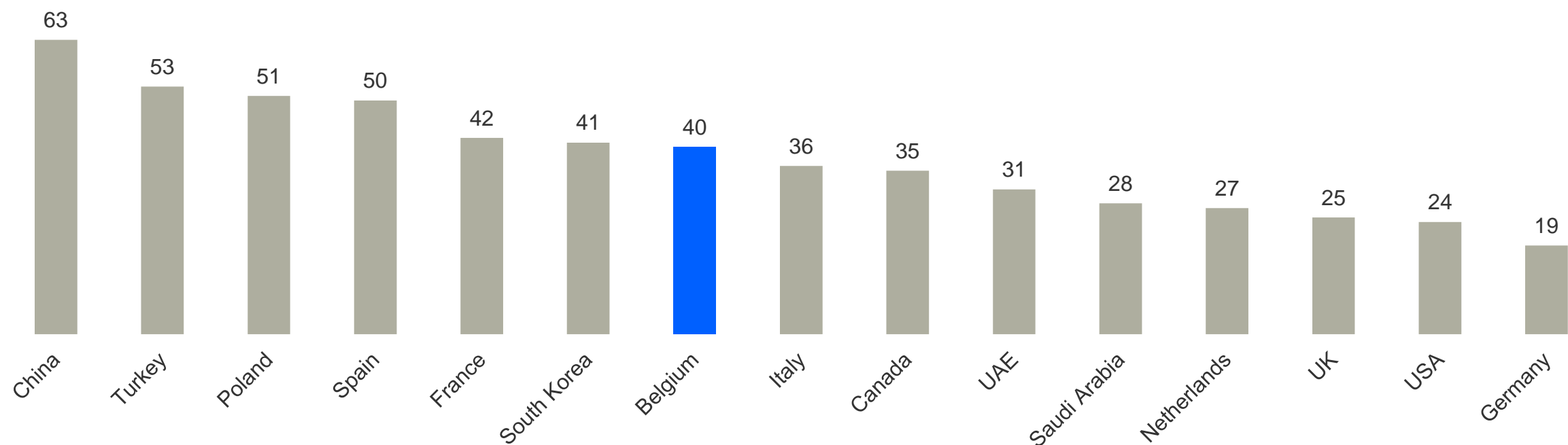
How they should communicate

Tangible actions to take



Last week, Belgians showed one of the highest levels of concern compared to other European countries


“The situation concerns me hugely”





Belgians want to be prepared and informed – and the sense of togetherness and courage are coming up as well.

Which statement best illustrates how you feel today?

		European average	Rank (out of 6)	
1. Being prepared and well informed is fundamental in this moment	34%	36%	5 th	
2. We have to react together, we will make it if we stick together	20%	15%	1 st	 together with France
3. I am ready to take this head-on, in these moments you have to react	19%	21%	4 th	
4. I am worried about myself and my loved ones	16%	16%	3 rd	
5. I am sure I will come out stronger	8%	8%	2 nd	
6. There is too much fear around; the situation will not get that serious	3%	5%	4 th	



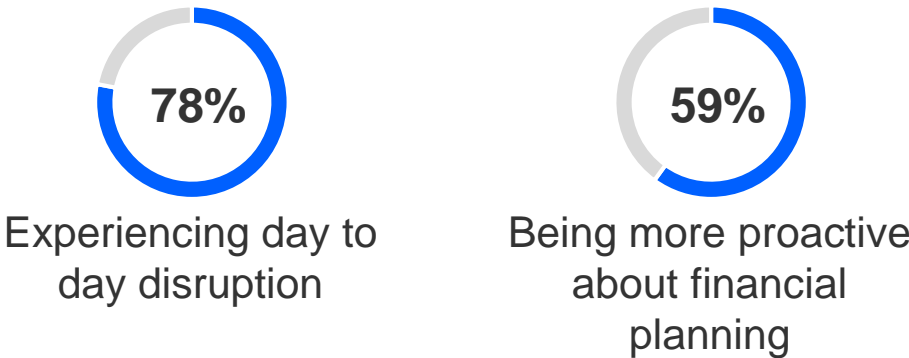
People are primarily concerned about the economic outlook & their health, thinking long term already.

A much lower proportion are actually worried about scarcity of goods.

Feeling concerned



Personally impacted

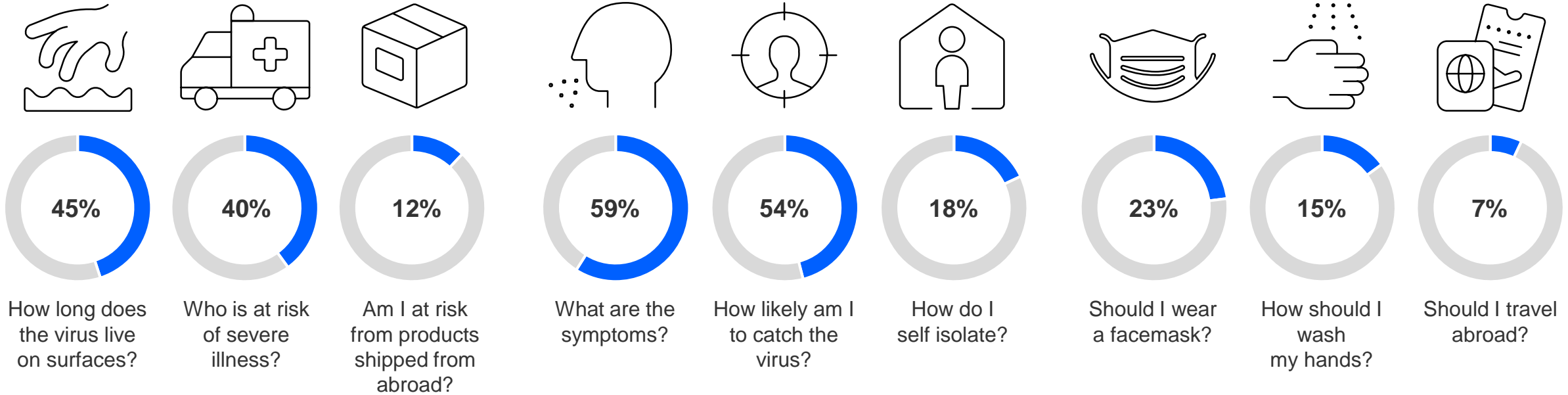


People are looking for practical information, wanting advice about the risks, symptoms, proper isolation and best practices.

Prevention

Diagnosis


Behaviours



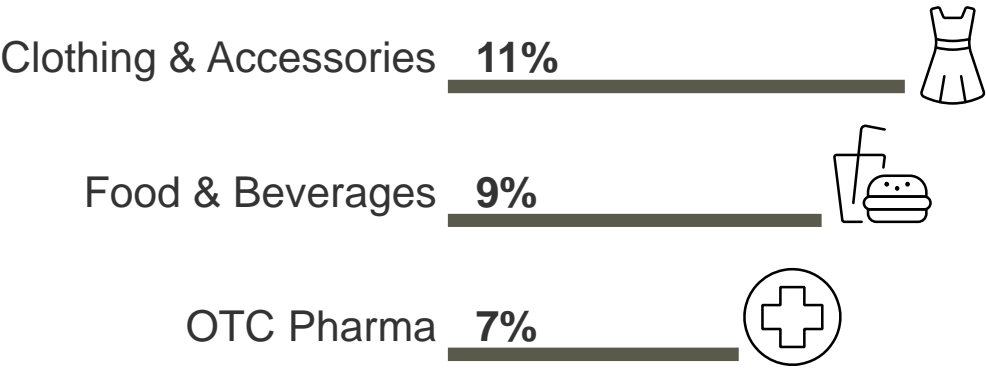


Shopping habits: people are sticking to brands they know, shopping close to home. Still, they are going more and more cashless and expanding online.

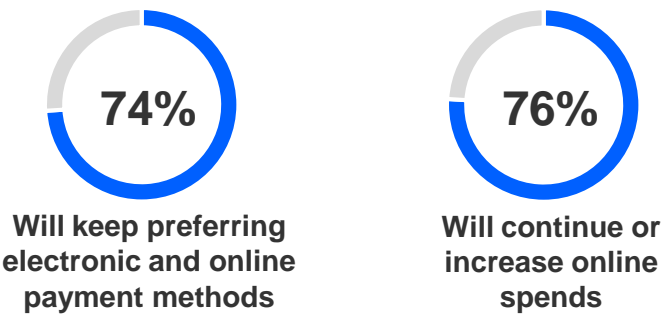
Adapting Shopping habits since the crisis hit

		European average	Rank (out of 6)
Purchasing same brands as always	73%	69%	2 nd
Going cashless for payments	71%	52%	1 st 
Supermarkets close to home	66%	60%	2 nd

1st time online ever this month



Future of online



Businesses leveraging advertising: Belgians don't want brands to stop advertising but it cannot be seen as exploitative or insensitive

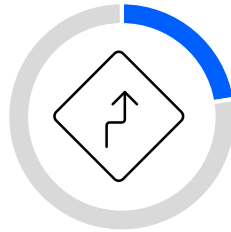


Brands should:



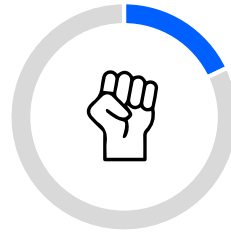
26%

Be practical and realistic and help consumers in their everyday life



20%

Be an example and guide the change

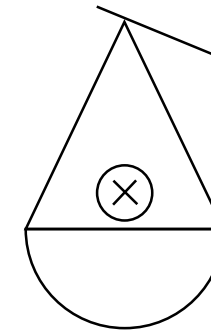


19%

Attack the crisis and demonstrate that it can be fought

Advertising should:

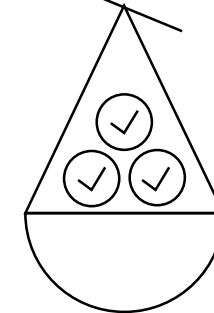
NOT exploit coronavirus to promote a brand
71%



Show how they can be **helpful** in the new everyday life **66%**

Inform about their efforts to face the situation **64%**

Use a **reassuring** tone **60%**



COMMUNICATING IN CHALLENGING TIMES

Consumer responses to situations like a crisis are not generic. They are emotional and depend on personality.

Put yourself in your consumers shoes. How do they feel, what do they do, what help might they need?



Machteld Andries

Kantar Belgium
Brand Strategy lead
machteld.andries@kantat.com

Brand responses to challenging times require a disciplined approach

Applies for any crisis: company, category disruption.

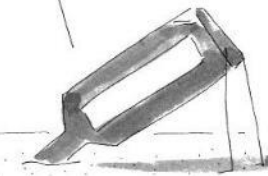
Explicitly to macro- or socio-economic crisis it is about how your brand can improve its relevance in a time of need.

BRAND CAMP

IMPACT

EMERGENCY SURVIVAL TACTICS

SOMEONE TELL ME
WHEN IT'S OVER



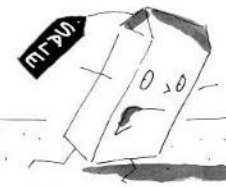
HIDE

NOW'S THE TIME TO
INVEST AND GROW
SHARE



FIGHT

THE SKY IS FALLING!
CUT AND RUN!



FLIGHT

MMM, EASY PICKINGS



SCAVENGE

DARE I TAKE THE
LEAP?



EVOLVE

TOMFISHBURNE.COM

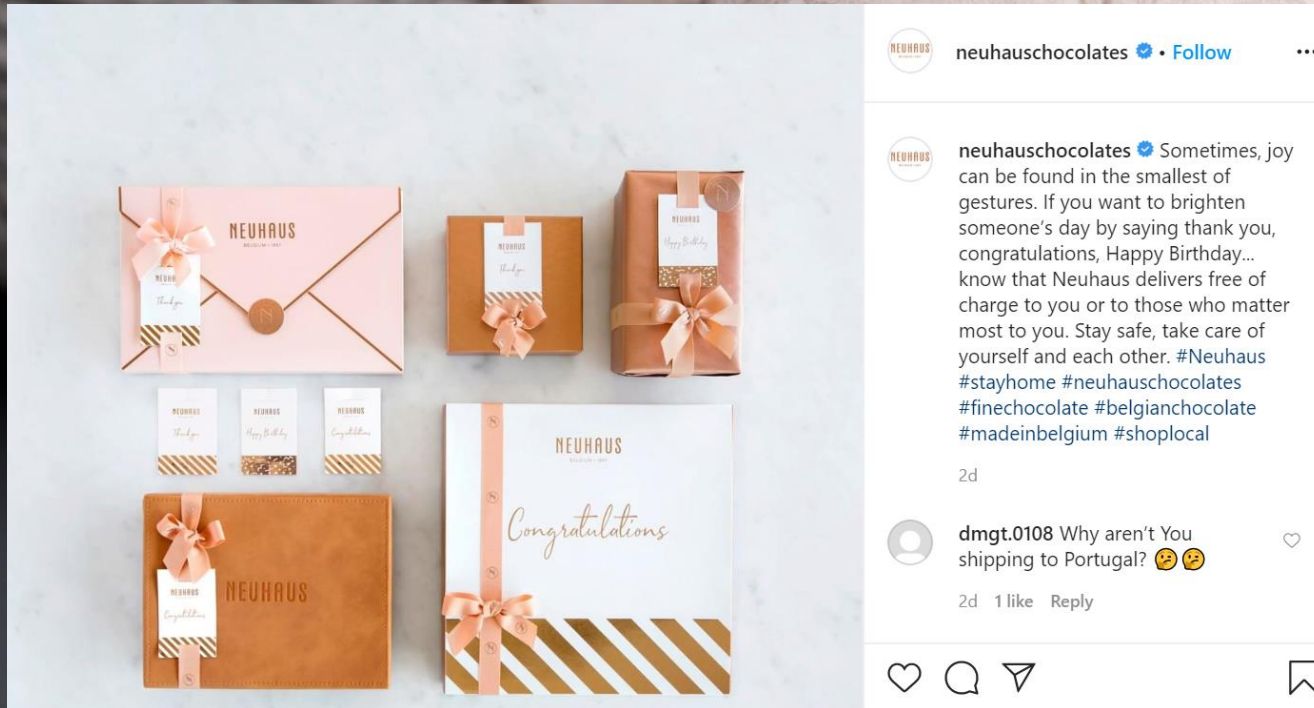
Framework to make sense of a time of disruption in a way that's aligned to your brands emotive positioning

How will your brand respond? How can you be relevant?



"In a gentle way, you can shake the world."

Mahatma Gandhi during Indian Independence



RETREAT AND DEFEND

Worried, for themselves and others

Remove any anxiety, provide security through certainty. Show solidarity

Retreating to the familiar and personal.

Spend more time talking to the consumer to provide support

Donating for a good cause

"Let's support them as they gather again for worship. We are one. They are us."

Jacinda Ardern after the Christchurch terror attacks



ACCEPT AND COLLABORATE

Will get through if everyone plays their part, social conscience.

Getting on with the everyday, as little disruption as possible.

Trying to take a responsible but pragmatic and realistic attitude.

Be genuine and honest, use the human tone

Find ways the brand can get right alongside consumers i.e. in the community

"I've heard there's going to be a recession. I've decided not to participate."

Walt Disney



AVERT AND DEFLECT

Refuse to be dragged down, frustrated by hype.

Overtly looking for ways to avoid anything to do with the crisis.

Life goes on as usual

Offer escape and self-expression

Think outside the box, be creative in your messaging

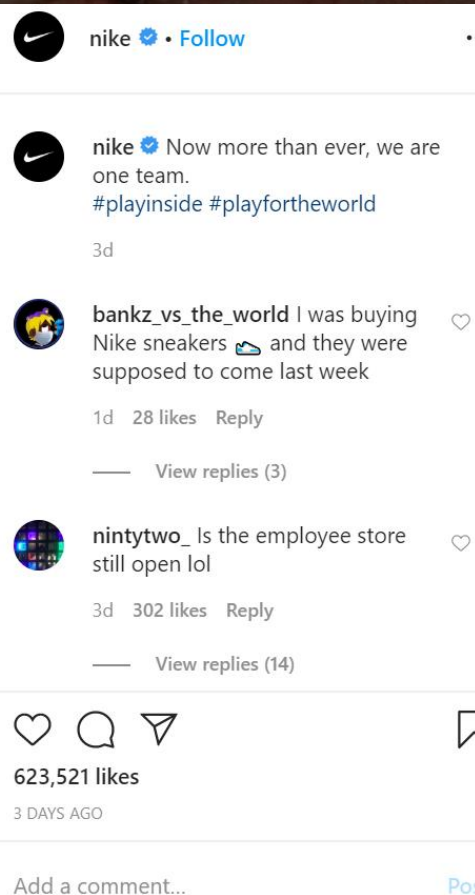
"I don't want your hope. I don't want you to be hopeful. I want you to panic... and act as if the house on fire."

Greta Thunberg on climate change

**IF YOU EVER
DREAMED OF
PLAYING FOR
MILLIONS AROUND
THE WORLD,**

**NOW IS
YOUR CHANCE.**

Play inside, play for the world.



FIGHT AND COMBAT

Refuse to be a victim or hibernate.

Still want to live life to the full.

Confronting crises head on. Think about how it can be beaten

No "doom and gloom" messages.

Be bold, attack directly

"We shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."

Winston Churchill on World War II



STRENGTHEN AND LEAD

There will be set backs. But be above it

Confident we come out of this -
better and stronger than before

Recognise there is less certainty,
but not fazed by this

Lead by example, maintain brands
superiority (but less overt about status
and town down flashy cues)

Reward effort

“Our duty, and certainly the message that we give to the finance ministers, to the policy makers, is ‘be prepared’. Make sure that your financial sector is under good supervision, that it’s well regulated, that the institutions are rock-solid, and anticipate at home with enough buffers so that you can resist the potential crisis.”

Christine Lagarde on future global financial crises

STRATEGISE AND PLAN

Acknowledge, but show you are prepared and remain firmly in control // help to be prepared and in-control

Stay clear-head and calm.
Take a long-term view

Be the brand that has a detailed plan, all the answers, facts and figures

Taking long term view – analysing decisions carefully.

Provide relevant information at various touch points to aid decision making



So, responding to challenging times



- Different ways to it, How have you handled or reacted to disruption or crisis in the past?
- What are your consumers feelings and needs in challenging times, what are they doing, what's relevant for them?
- Think about what kind of brand you are and what would be authentic for you to do as a brand?

Of course these strategies can also come in handy when it comes to coping with disruption in your market.....

Implications for Businesses & Organizations



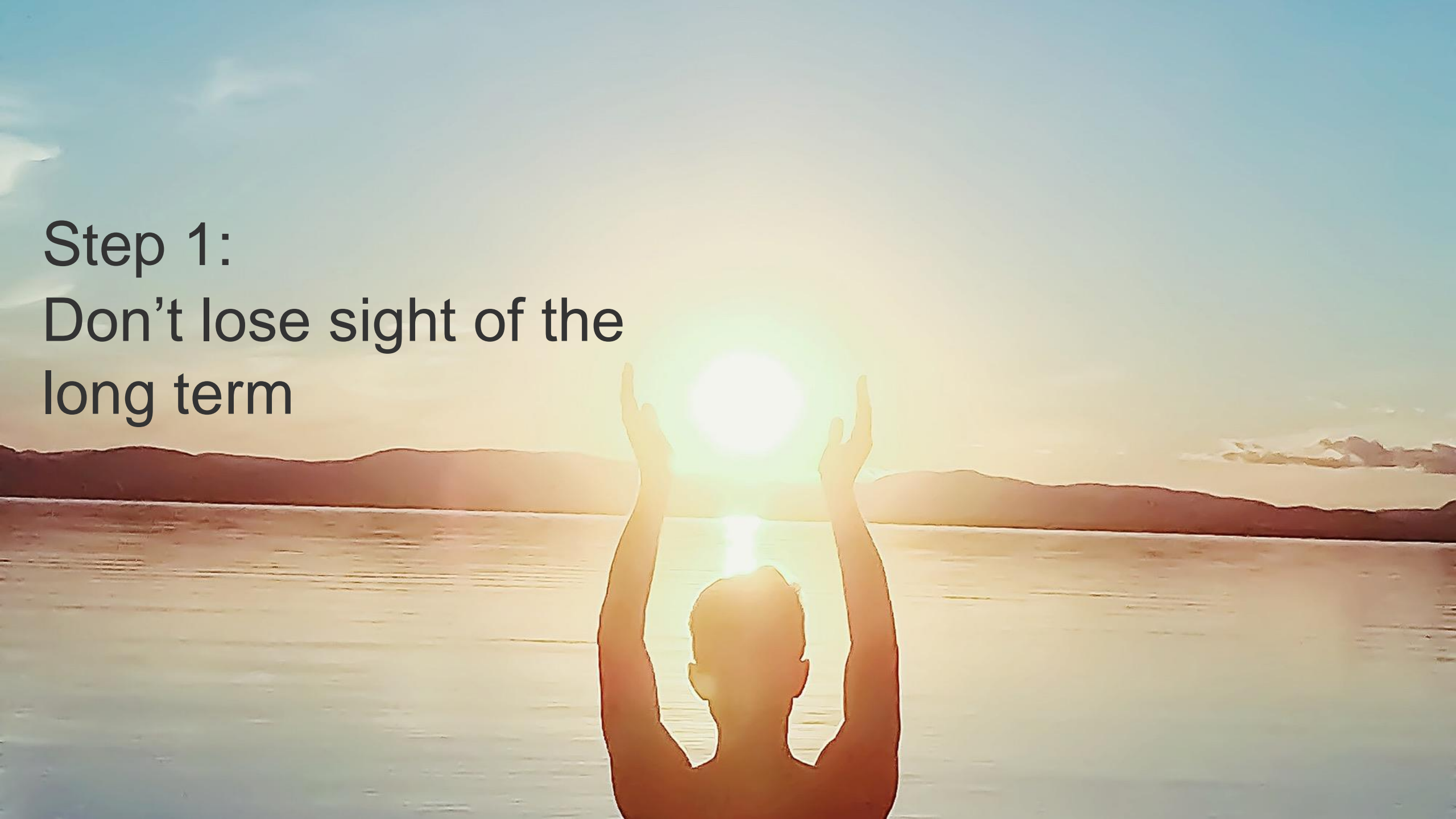
Sukanya Acharya

Kantar Belgium

BrandZ lead

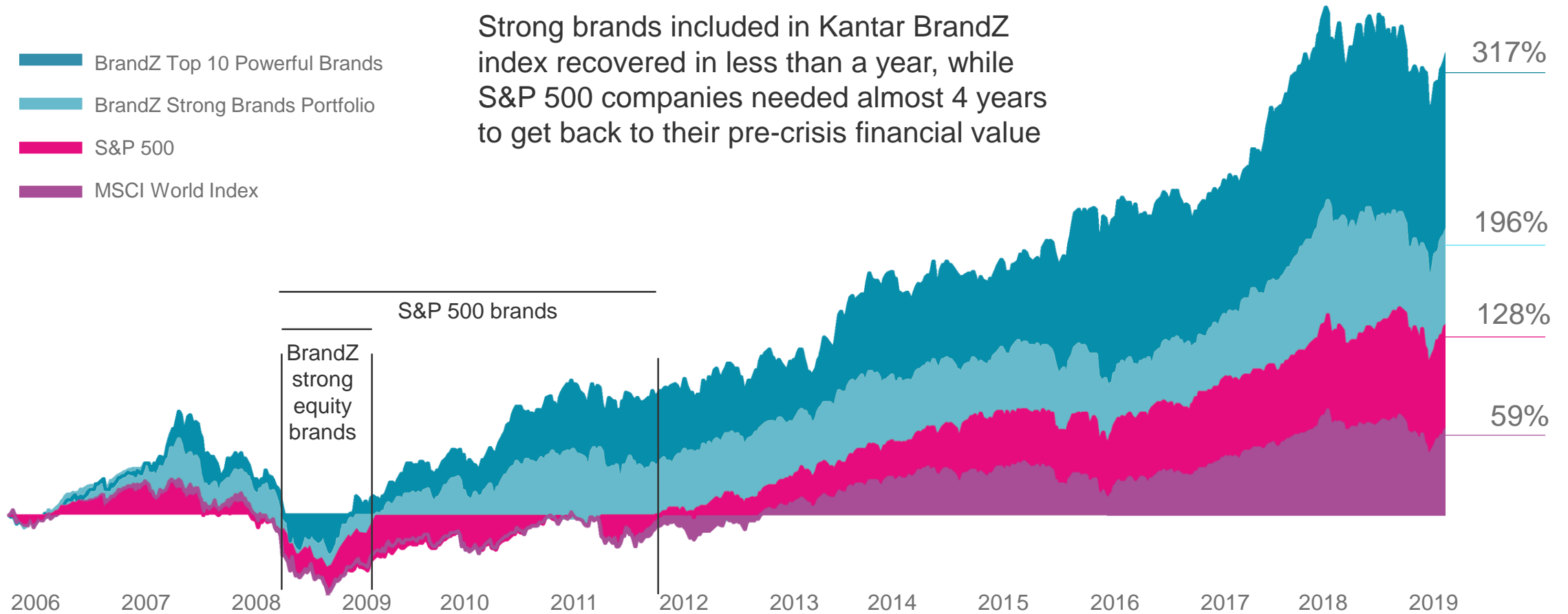
sukanya.acharya@kantar.com

Step 1:
Don't lose sight of the
long term



We know that strong brands recover faster than others

Consider investing in brand building – but make sure the messaging is appropriate



Travel & tourism sector in particular is under huge pressure today

Airlines, travel agencies, hotels and cruise companies face potentially huge losses

Coronavirus: travel industry crisis sparks comparisons to 9/11 aftermath

As workers limit travel and would-be vacationers stay home, airlines, hotels and cruise companies face bleak outlook



Brussels Hotels Association estimates €10Mn revenue loss

Belgian tourism reeling as coronavirus fears plague travellers

Tuesday, 03 March 2020



Hotels in Brussels said they expected up to €10 million in losses due to cancelled bookings. © Belga

Brussels Airport employees on temporary unemployment

Brussels Airport to send staff on temporary unemployment

Thursday, 19 March 2020

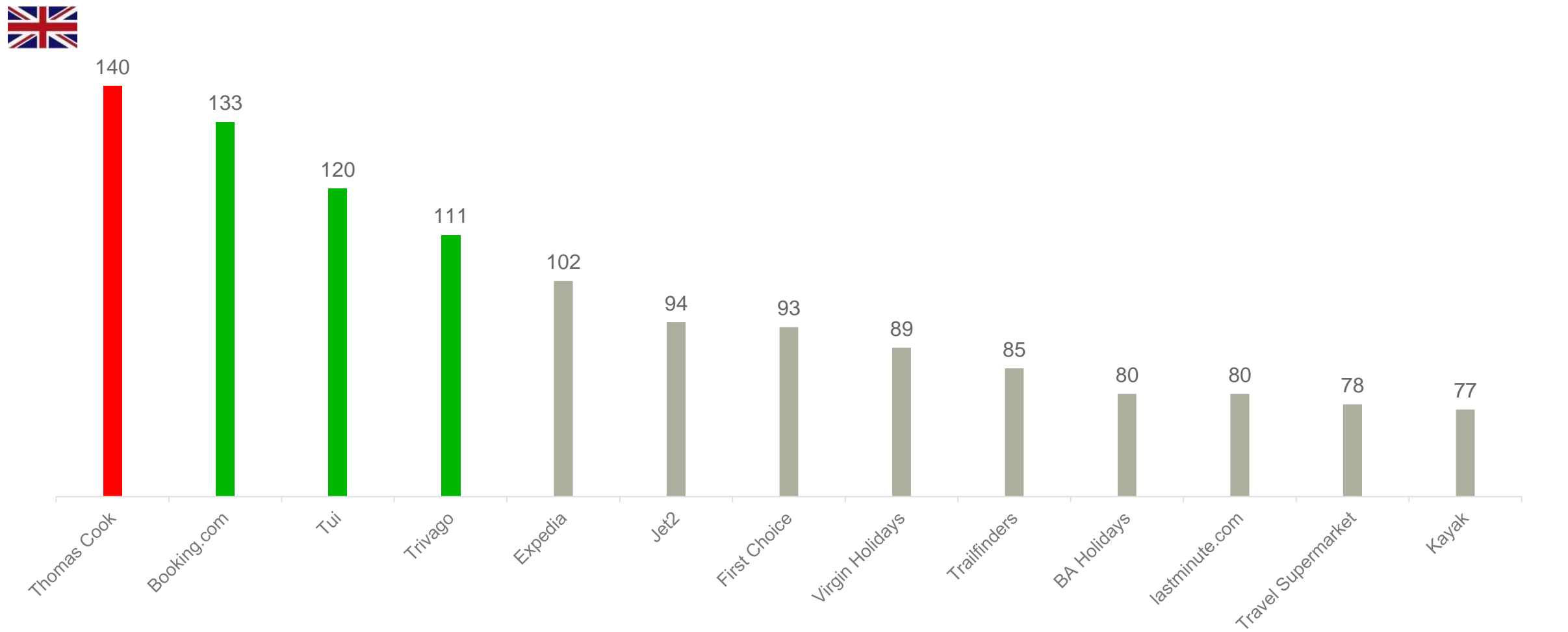


Salience is
incredibly important
at times of crisis –
particularly in
commodity
categories

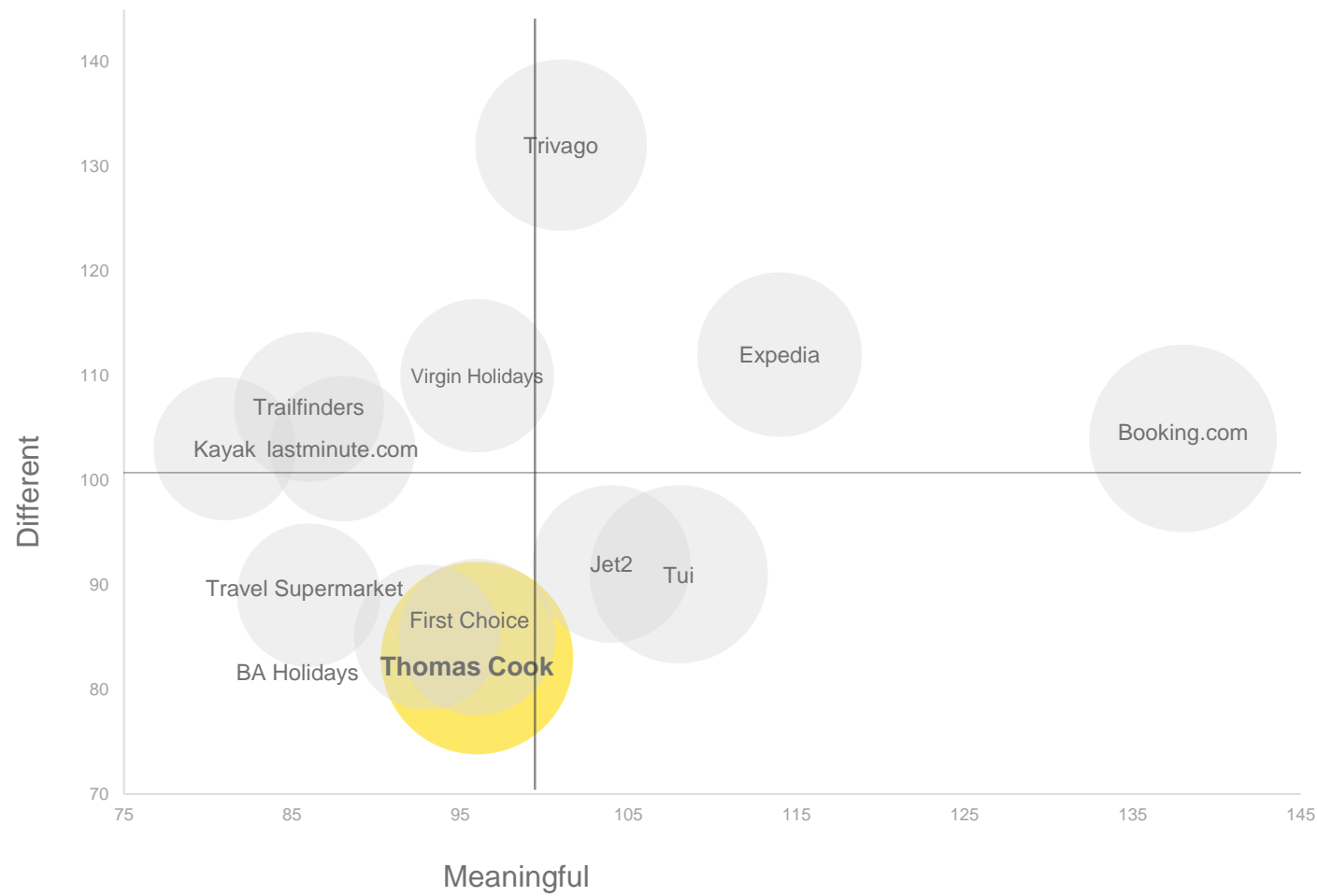
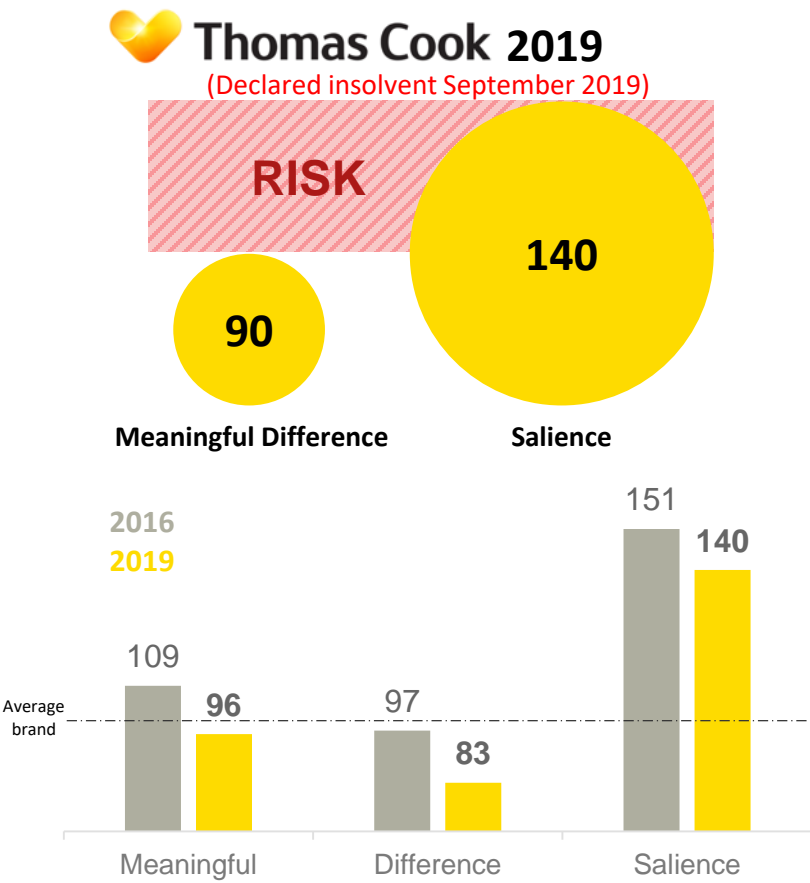


Thomas Cook WAS the most salient travel agent for UK holidaymakers...?

Travel and Holiday agents - Salience

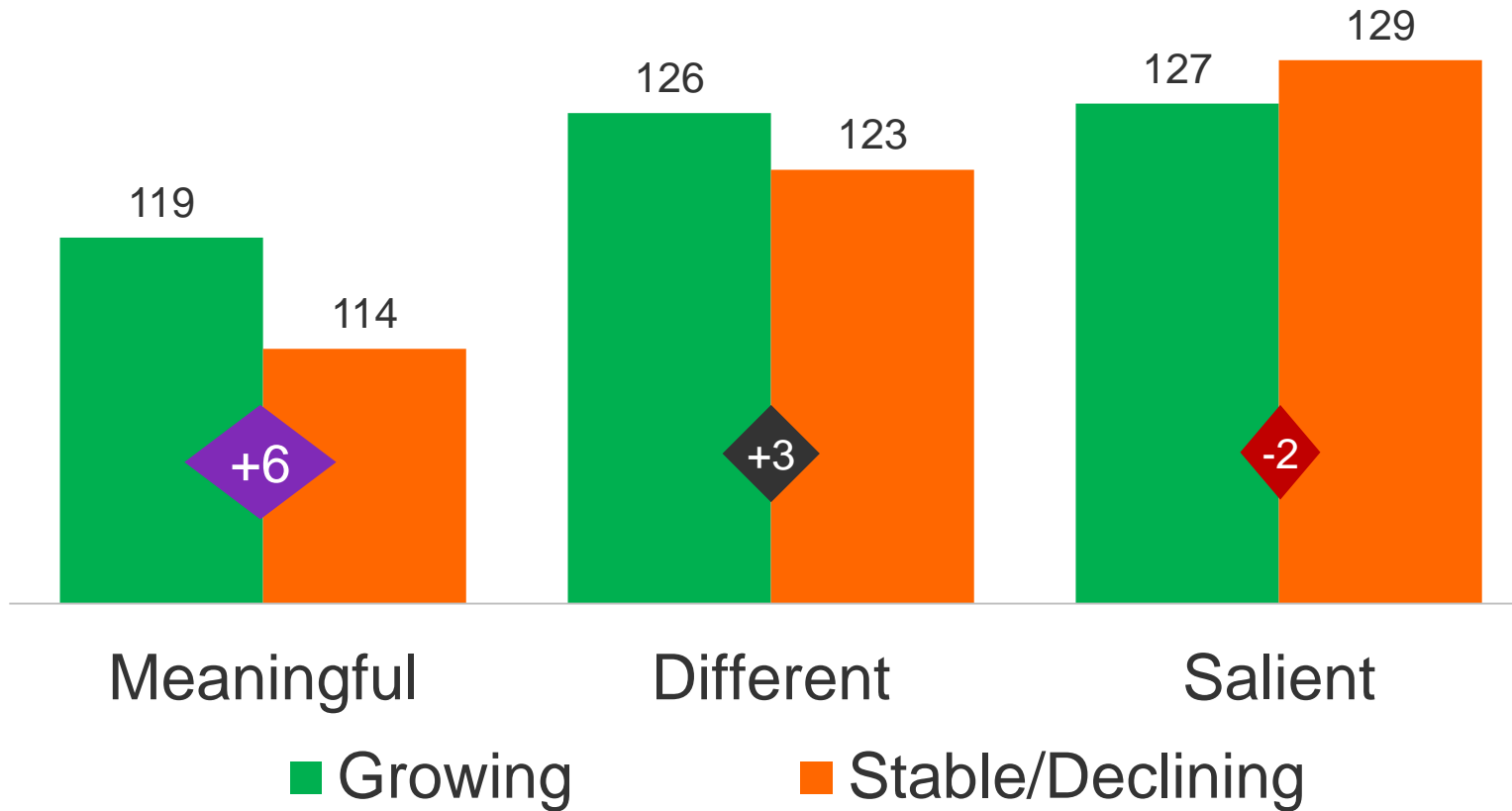


Yes but salience alone is Not enough. For Thomas Cook, declining meaningful difference proved to be the brand's undoing in the long term.



Stronger brands that resist decline, do so on the foundation of their strong meaningful difference

Factors driving value growth vs. decline



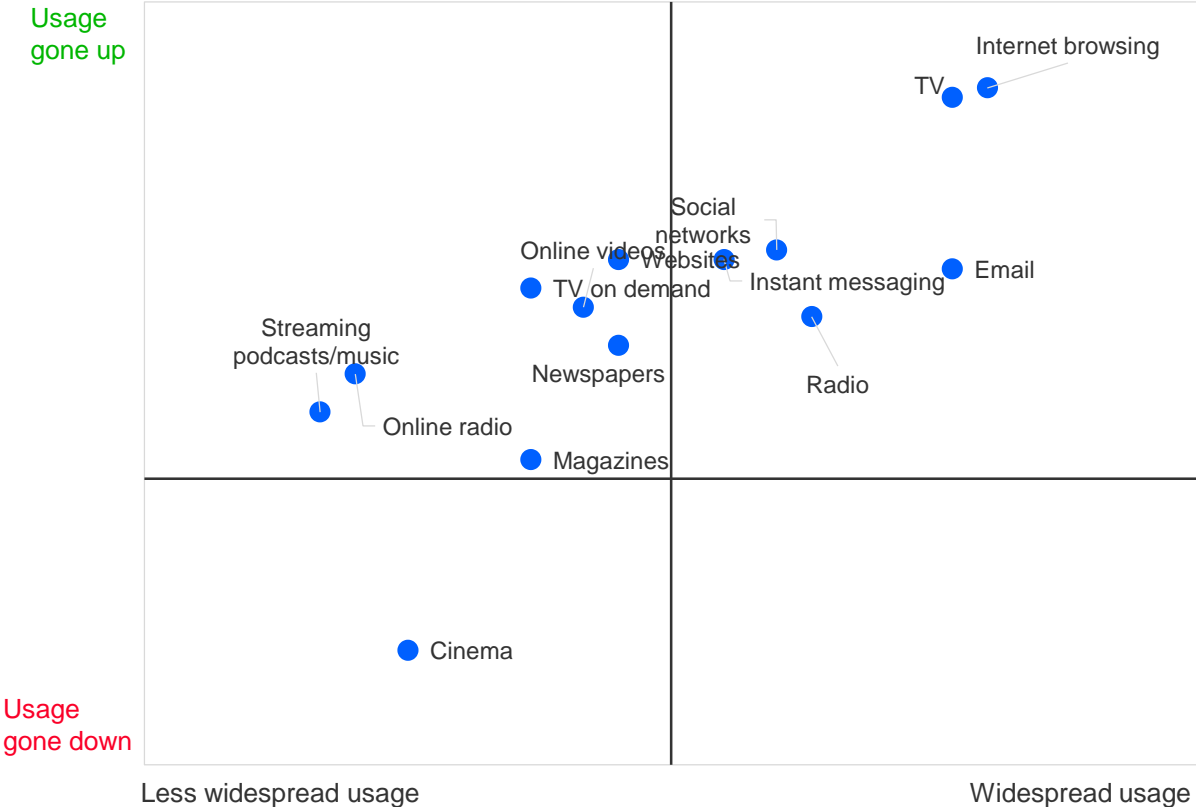
Step 2:
Reaction



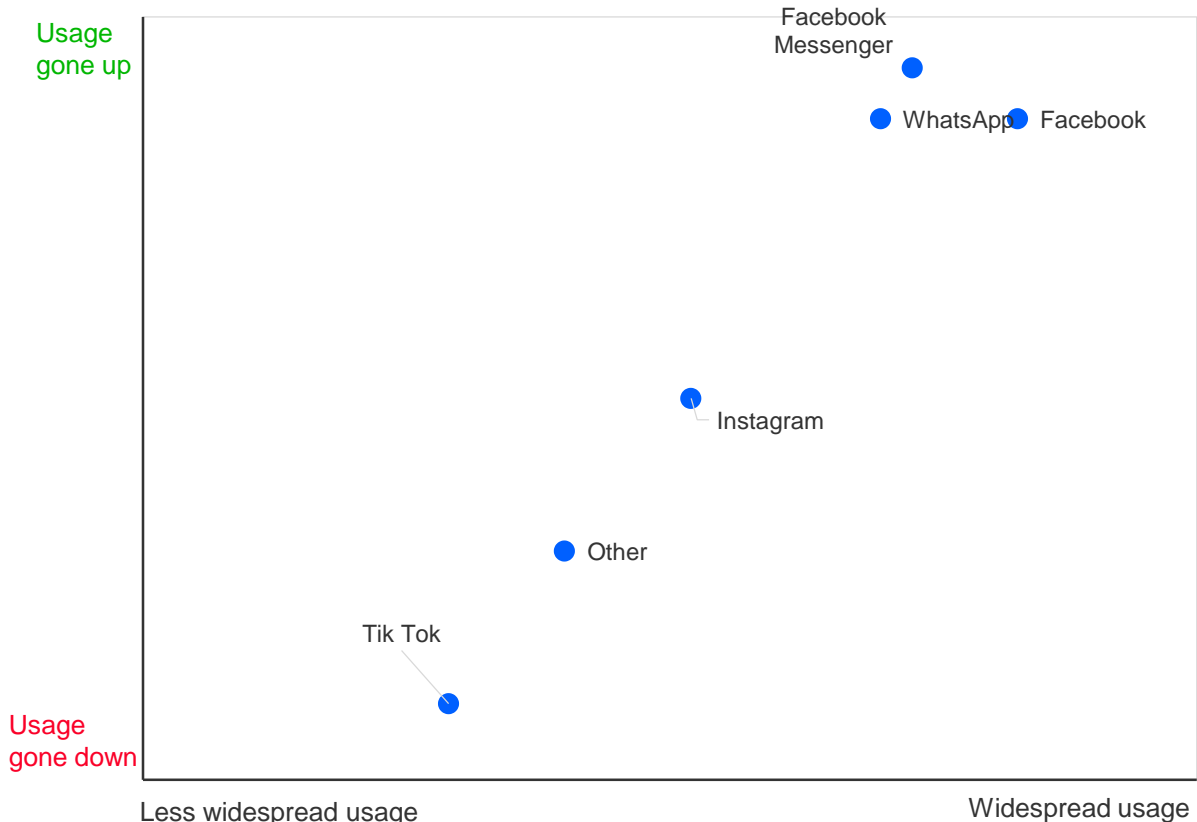


We are consuming more media – communications that cut through the clutter are more important and challenging than ever

Claimed Media Usage (past month):



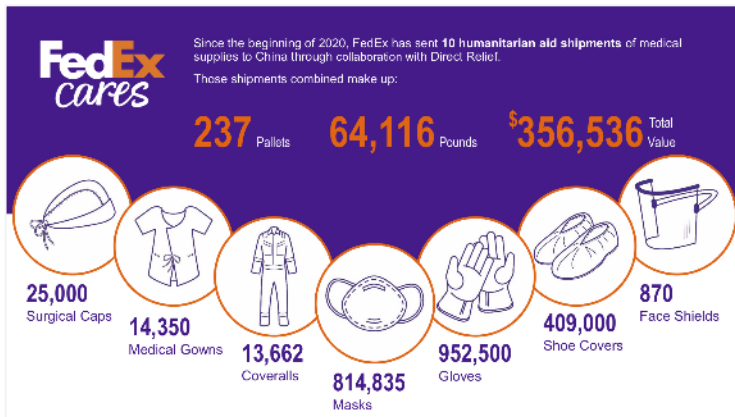
Claimed Social Media Usage (past month):



We see great brand initiatives already around the globe on different levels

Donations

During the crisis many brands donating money or resources to the cause. This type of baseline CSR is important to show brands are supporting their audiences



Altered business models

Faced with impact on their business, some brands have altered their business models to enable consumption of their products during the epidemic



Category leadership

Certain brands have taken a leadership role during the crisis. Even in the face of their businesses being disrupted they are re-defining their categories to unlock long term growth



More & more companies are contributing to making people's lives better in these challenging times



Too Good To Go

Too Good to Go launched 'We Care' program, helping local restaurant to transform their business into take-away/catering restaurant.



LVMH

LVMH, Givenchy, Dior and more brands stopped producing perfumes and are manufacturing hand sanitizers instead.



Givenchy, Dior, and More LVMH Brands to Make Hand Sanitizer to Combat Spread of COVID-19



...need its perfume and makeup factories will produce hydroalcoholic gel to prevent a shortage of hand sanitizer.



GIVENCHY

Dior



Deliveroo, Take Away.com, Pizza Hut is now exclusively doing contactless deliveries to ensure everyone's safety.



In Belgium also we have ideas to help during this troubled time.



Foodmaker has given all the food from closed shops to hospitals.



Décathlon & Basic-Fit partnered to offer free online gym videos on social media.



Tiense Suiker making sanitizers in their factories to support during the crisis



Telecom providers have made a gesture offering more content on TV, extra data mobile, unlimited calls landline to landline.



Retailers **Delhaize & Colruyt** partnering to offer deliveries for care-givers



SMEs as well are contributing, for instance **SALUS** (furniture maker) is now making aprons for hospitals





Key Imperatives and Long Term Implications from the COVID-19 crisis so far - what do organisations & businesses need to do?



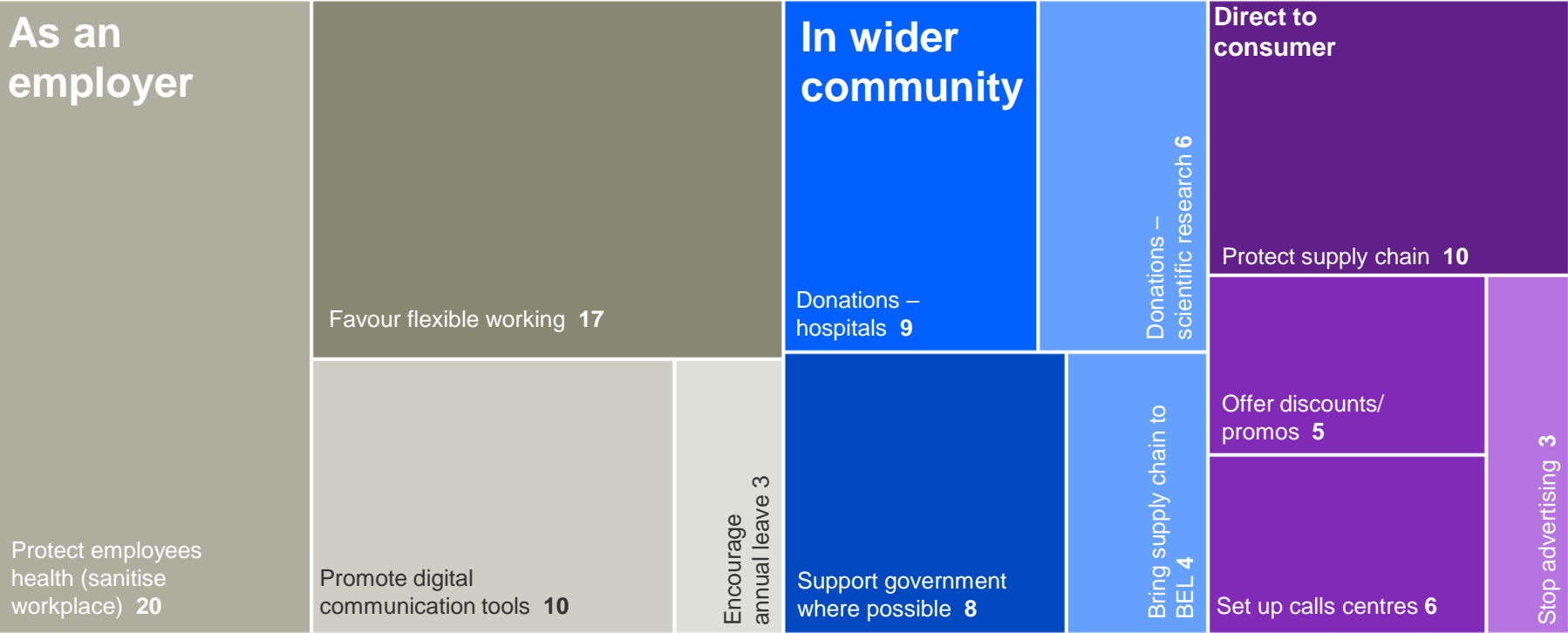
Maria Darmi
Kantar Belgium
CEO
maria.darmi@kantar.com





We have high expectations from companies to fulfil their responsibilities as employers and in the wider community

What should companies do in this moment?



Key Imperatives and Long Term Implications



Be People Centric



Think Hard, Act Fast, Be Flexible



Where Possible Provide Assurance, Even At Your Expense



Be True To Your Brand



Don't lag behind digitally



Change With Your Consumer



Take a Fearless Approach to Brand Leadership



Don't freeze, ACT!

KANTAR

Questions?

Contact us:

maria.darmi@kantar.com

isabelle.merillou@kantar.com

machteld.andries@kantar.com

sukanya.acharya@kantar.com

thomas.piachaud@kantar.com

