

Beyond survival tactics

How brands can ensure a positive future once normalcy returns

Nigel Hollis
Chief Global Brand Analyst
March 18, 2020



1

Responding to unprecedented times

A crisis is not a time to slow down. It is a time to speed up.



Put people first

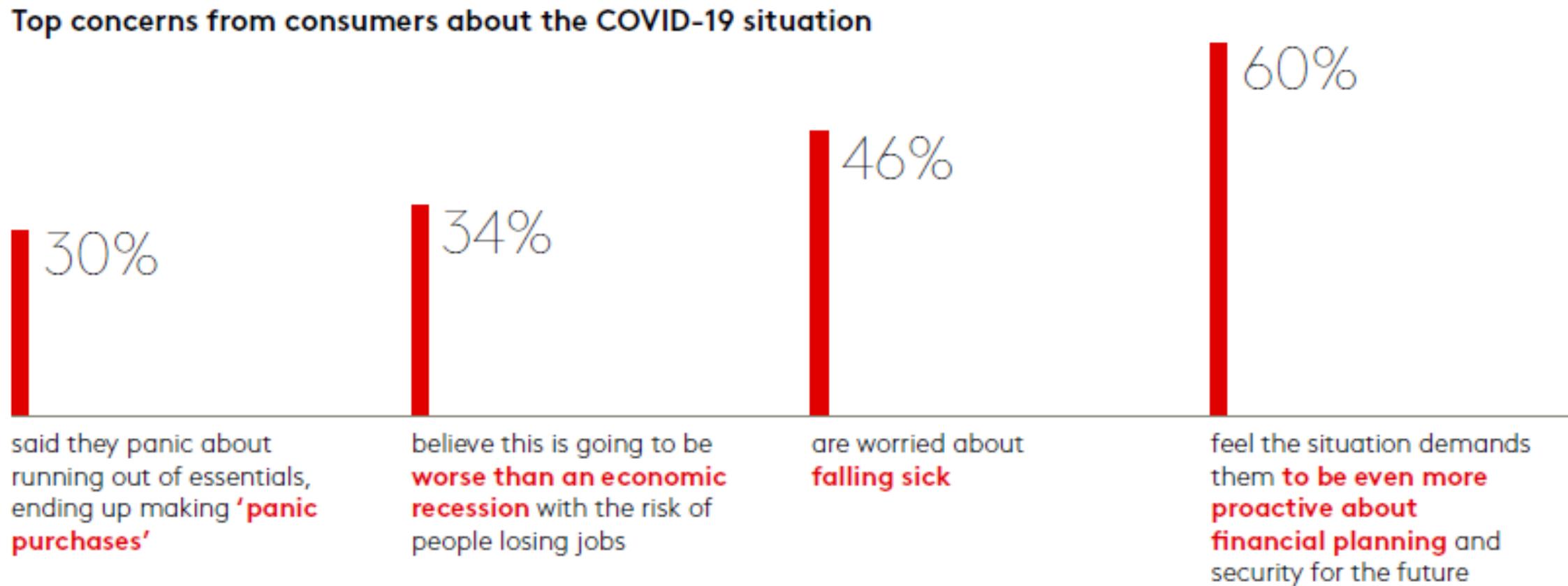
Suspend business concerns, how will your customers feel?

- 1.What are their anxieties and concerns?
- 2.What help do they need?
- 3.How will they expect your brand to respond?



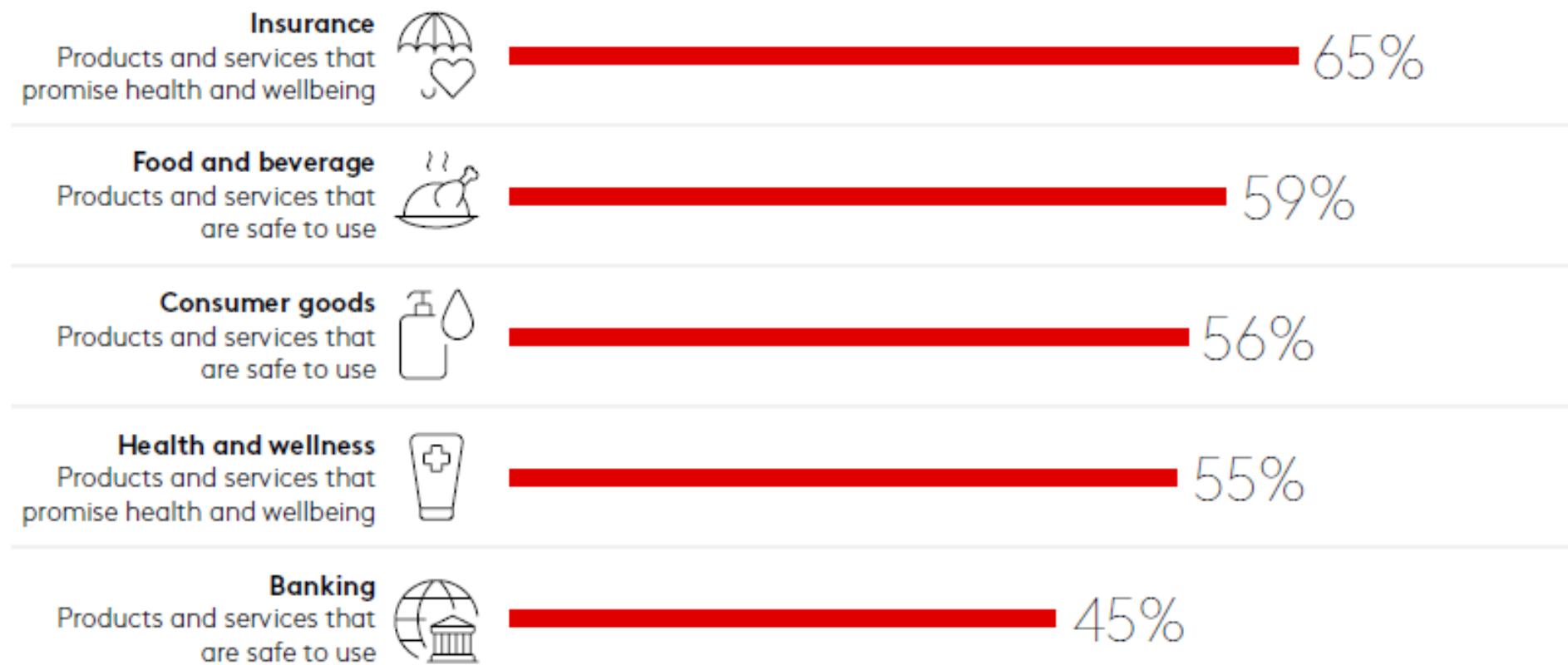
Even early on in the crisis people in Asia were worried about financial health

In Asia*, “Financial health” beats “Well-being” as top fear



As consumers' awareness for their own safety has heightened, they expect the same of brands with the products and services they offer

Consumer expectations from brands across categories



Do's and don'ts of the CORVID-19 crisis response

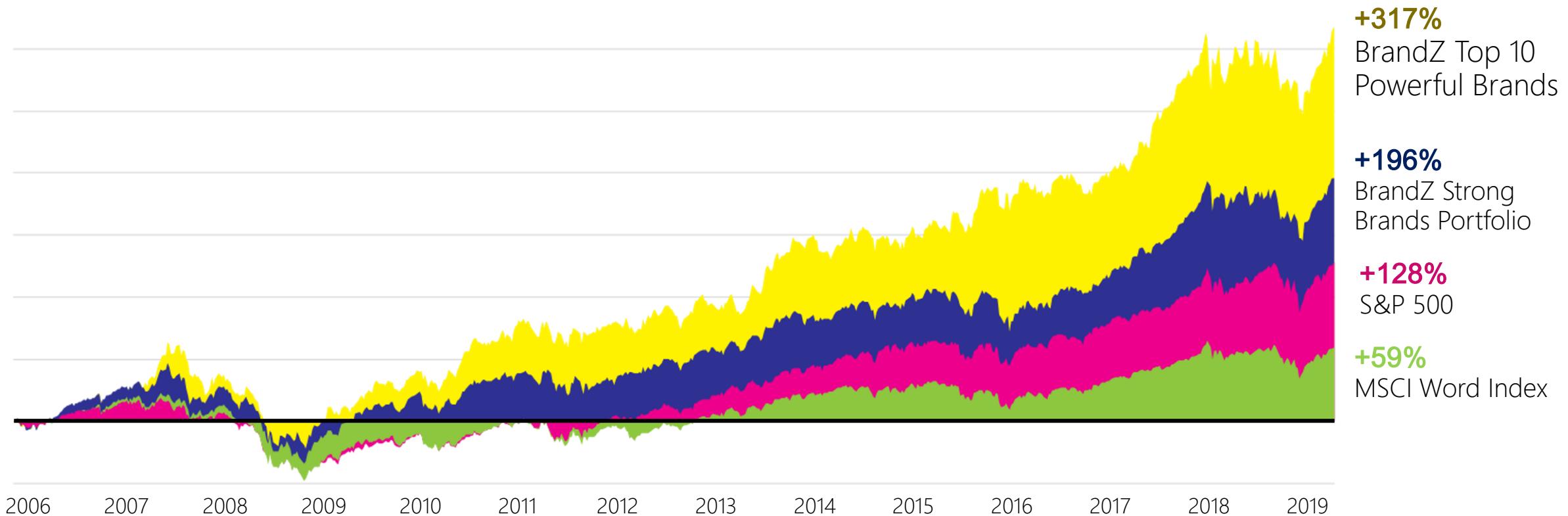
1. Do something purposeful and beneficial
2. Alleviate financial impact on customers
3. Alleviate concerns and reassure
4. Do not exacerbate concerns
5. Do not be seen to take advantage



2

Beyond survival tactics

Strong brands will recover more quickly



The PIMS database confirms the recipe for success

The PIMS database finds that investor brands generate +20% return when the recession ends

Cost Area	Winning Strategy (vs. Market Size)
Marketing	Increase
R&D	Increase
New Products	Increase
Relative Price	Hold*
Customer Preference	Improve*
Admin	Cut
Fixed Assets	Hold / Cut
Working Capital	Hold / Cut

*Relative to Market Average

During a crisis, people welcome the comfort of familiar, trusted brands



3

Build trust and brand
affinity

Even hard discounters need to prove their worth

Aldi needed to convince shoppers that its products matched big name brands

Aldi's "like brands only cheaper" campaign is the gift that keeps on giving

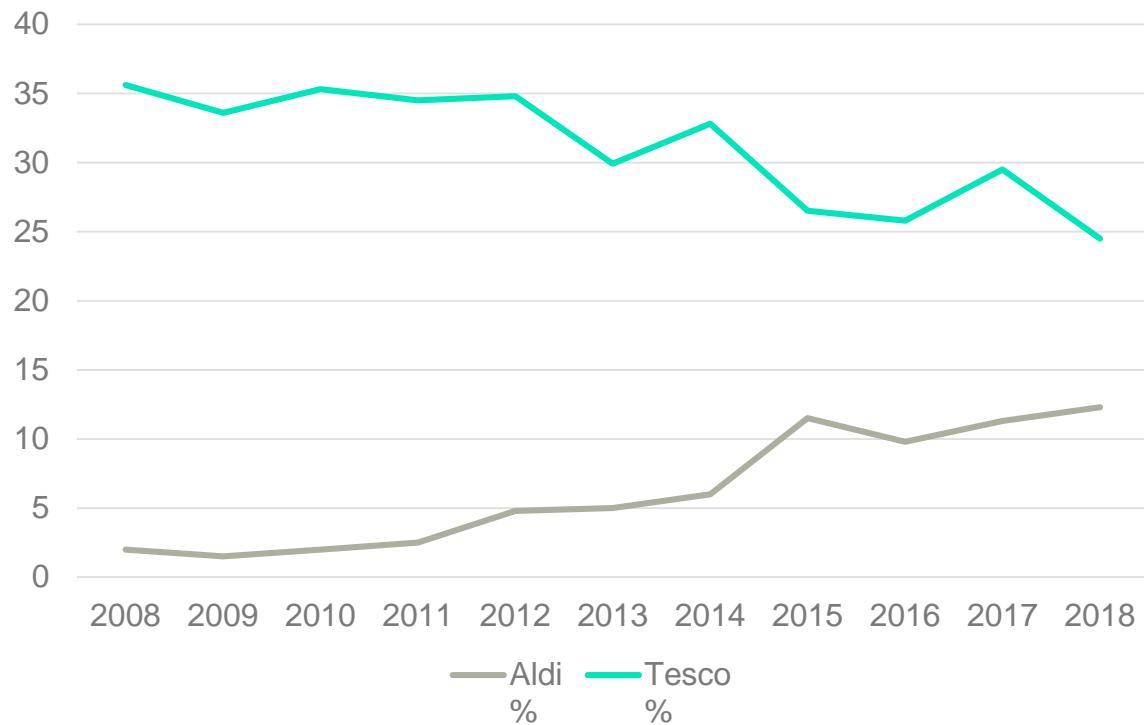


2010

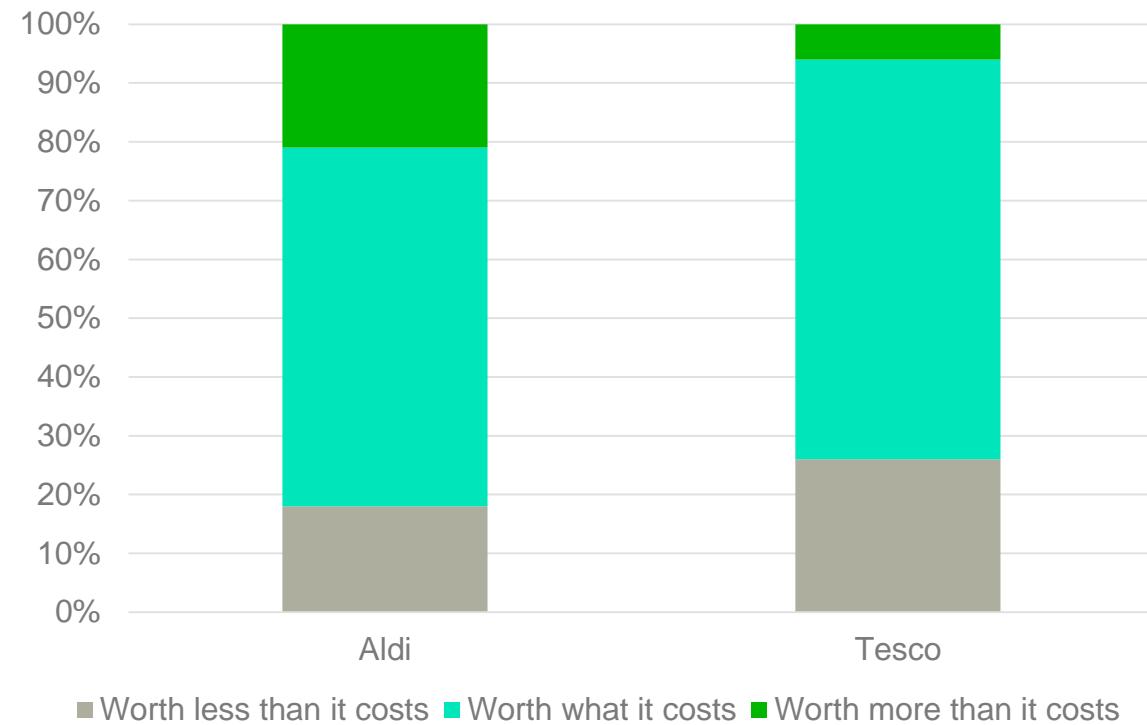


Consistency of message and experience have helped Aldi grow

% Claiming to have shopped store last



Perceptions of value



MORE THAN MEDIA

+135%

market share growth
2008 to 2017



Leffe associated itself
with aperitifs



Leffe

Source: Difference from BrandZ and market share from Euromonitor

Success required orchestrating all aspects of the brand

Starting with rejuvenating the brand's differentiating but forgotten heritage and then rehearsing the experience



Leverage the
brand's
heritage

Create a strong
association with
a specific
occasion



Distinctive
packaging with
visual reference
to champagne,
add variants to
broaden appeal



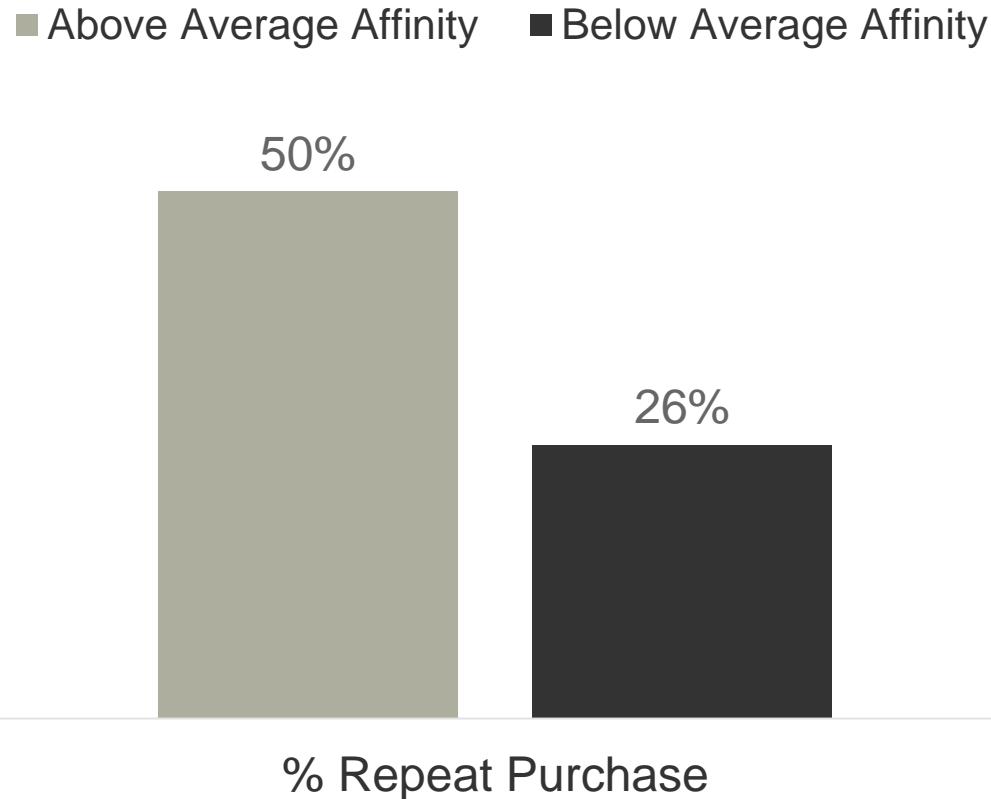
Ensure mental
connectivity



Create depth of
engagement
with events and
Maison Leffe

Higher affinity encourages repeat purchase

Perceptions of relevance and difference help confirm the decision if someone thinks about it

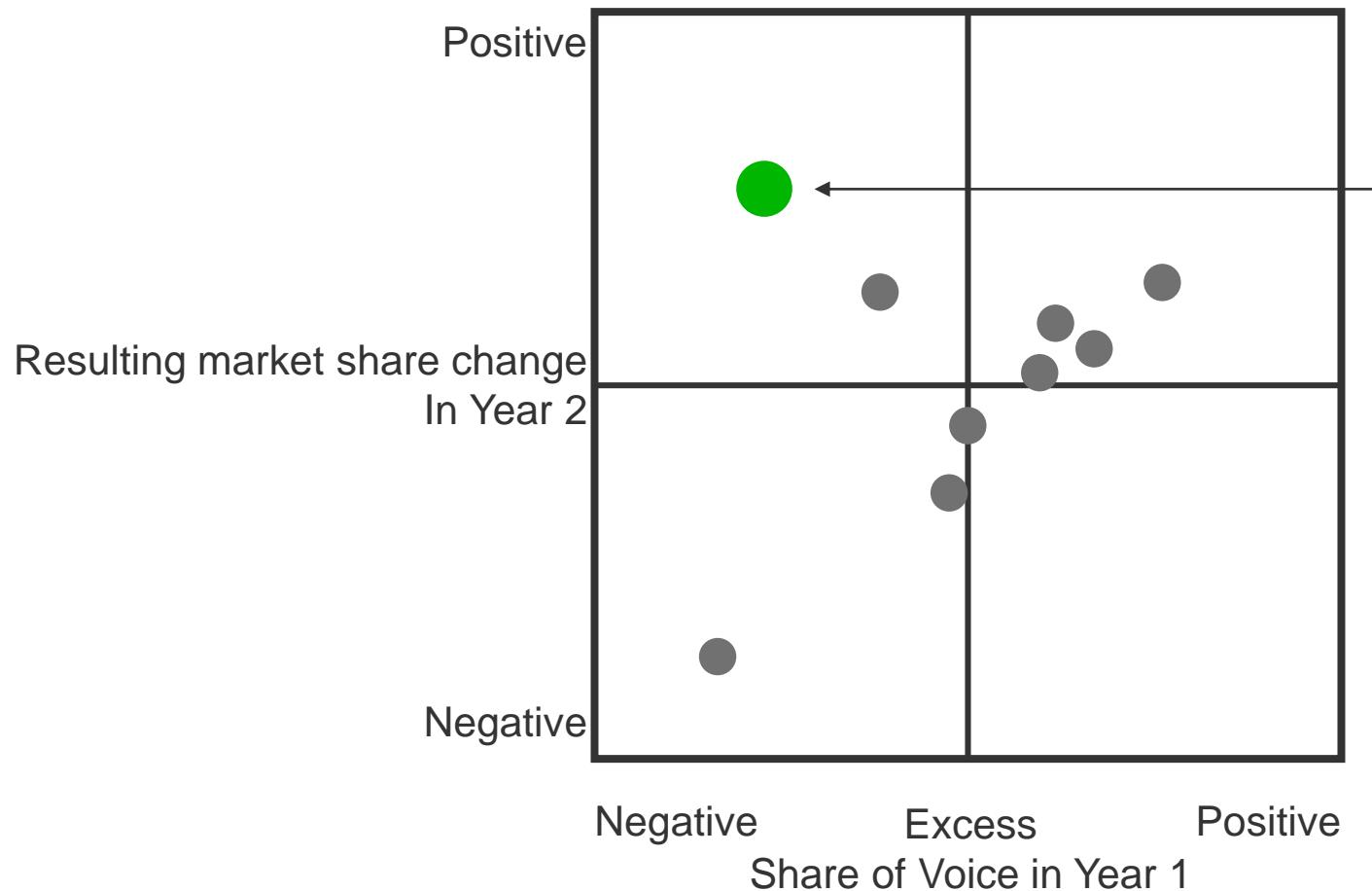


Leffe has the highest affinity of any beer brand we measure in France

- This is the outcome of 5 years of consistent brand building forging strong links with a specific occasion
- And rehearsing what it is like to experience the brand

Meaningfully different brands with great content can outperform the norm

You cannot buy people's attention, you have to earn it with a strong brand and great content



Today, Leffe manages to generate strong returns from below average share of voice because of its strong positioning and effective marketing communication

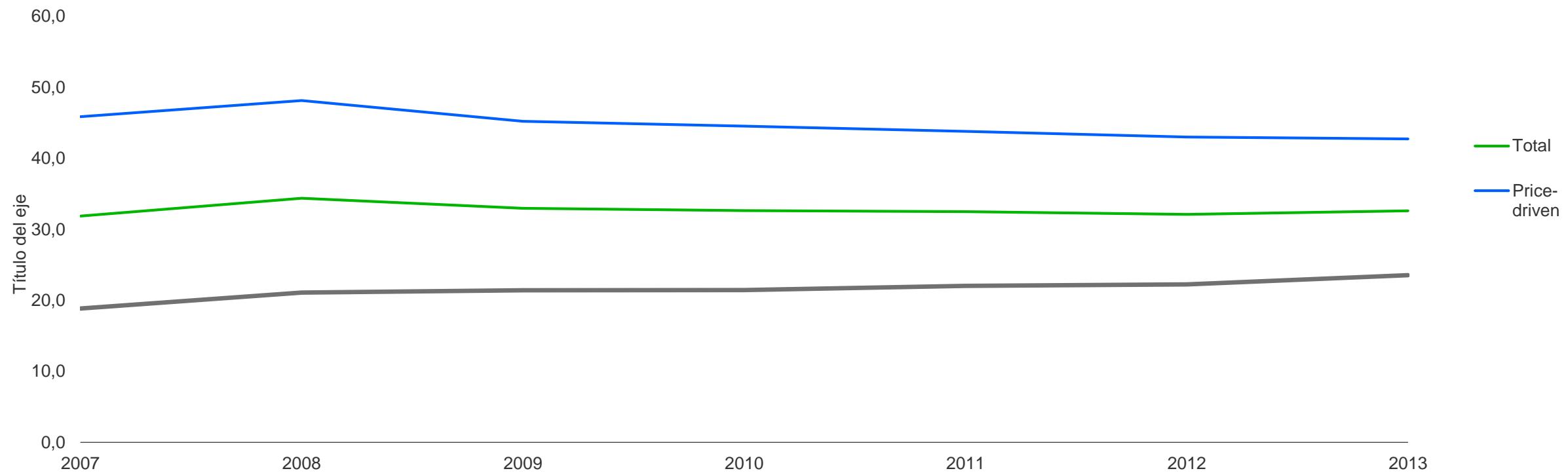
4

Lower prices are not
necessarily the answer

The proportion of price-driven shoppers changed relatively little in 2008

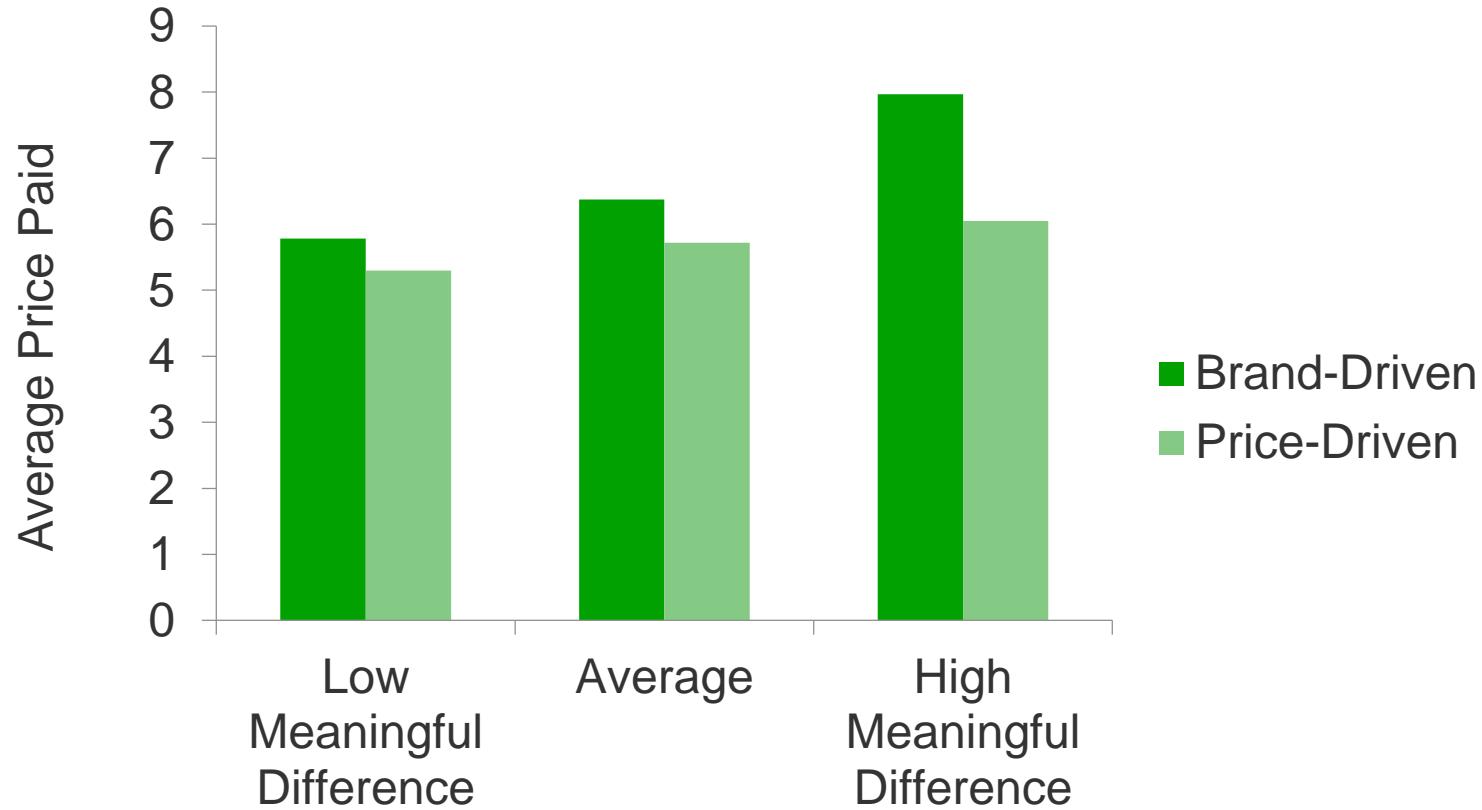
Most people still think choosing the right brand takes priority over the best price

Change in proportion of category buyers claiming to be price-driven



The majority of people in most categories will still value brands

And even people who choose on price first will pay a little bit more for a meaningfully different brand



In 2008 Fairy Liquid in the UK had not grown for over 10 years

With huge market share and weakening equity scores should the brand attack or defend?



52%

value market
share

price premium over store brand

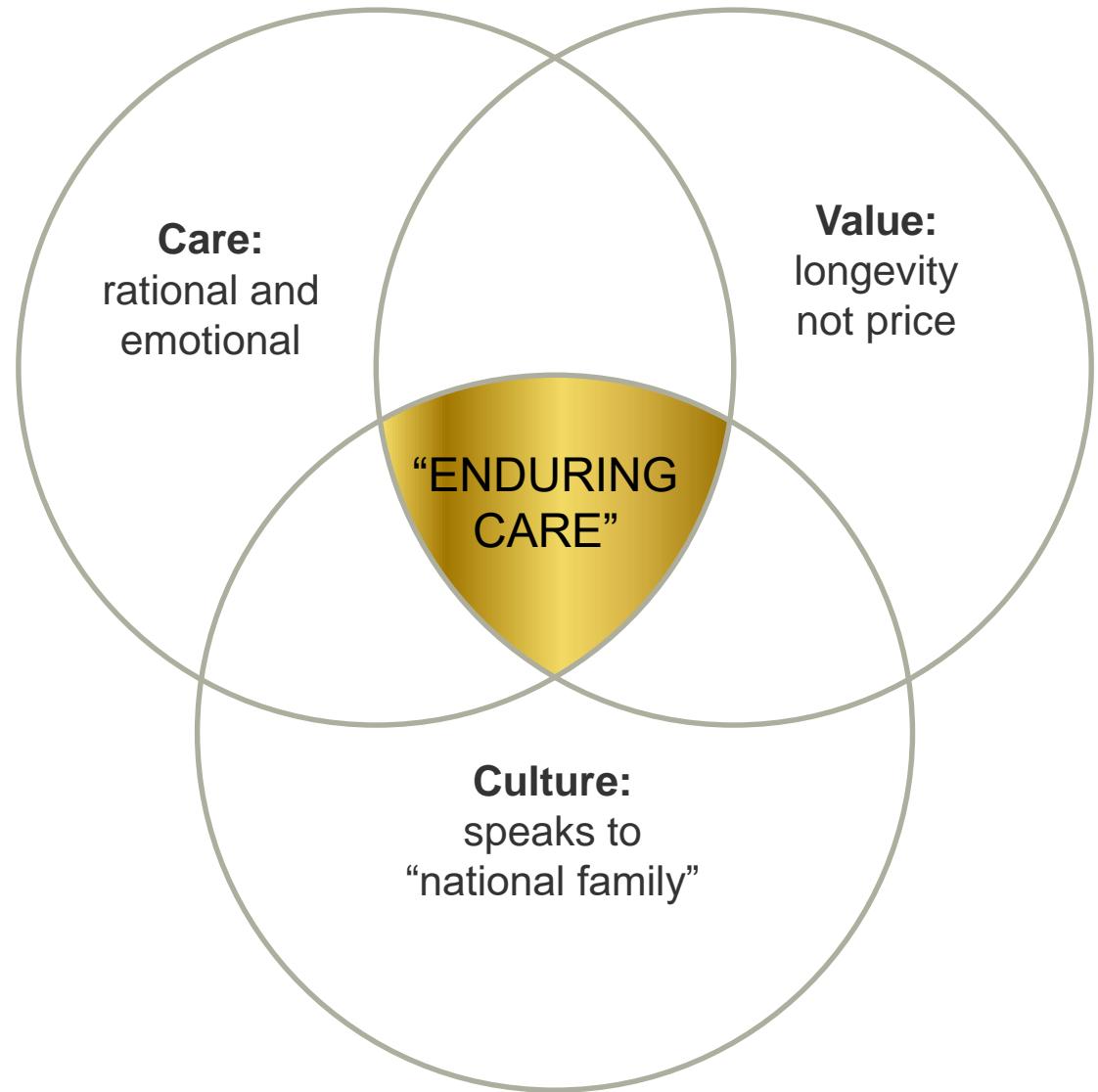
+66%

-

No category
growth

Identify the brand's meaningful difference

“Enduring Care” originated from over 50 years of iconic advertising



“Heritage” echoed previous ad campaigns for a knowing, modern audience

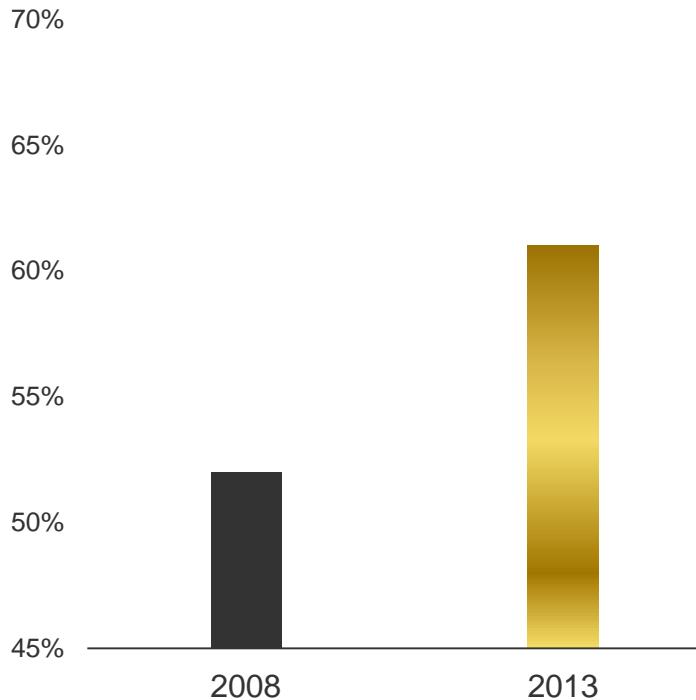
Media spend was doubled over pre-Enduring Care levels



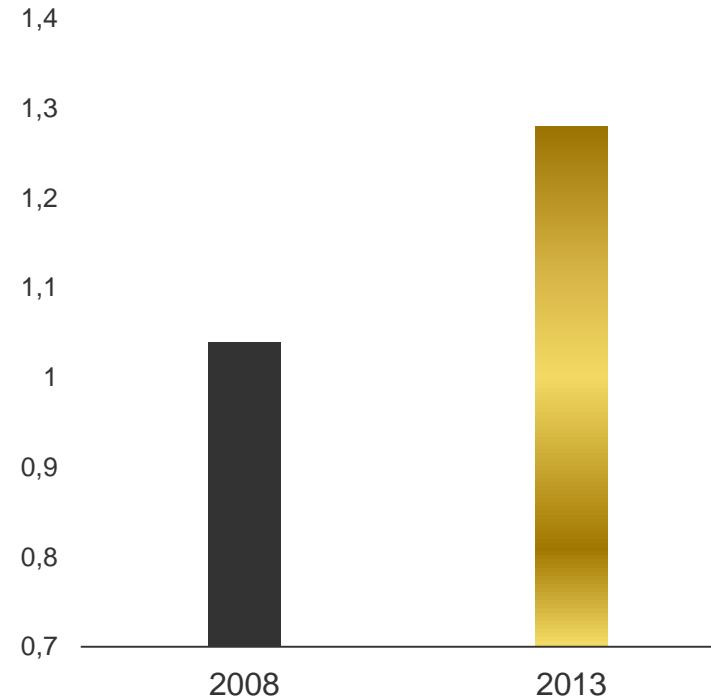
The results were impressive

The average annual sales value as measured by Kantar Worldpanel grew by 40%

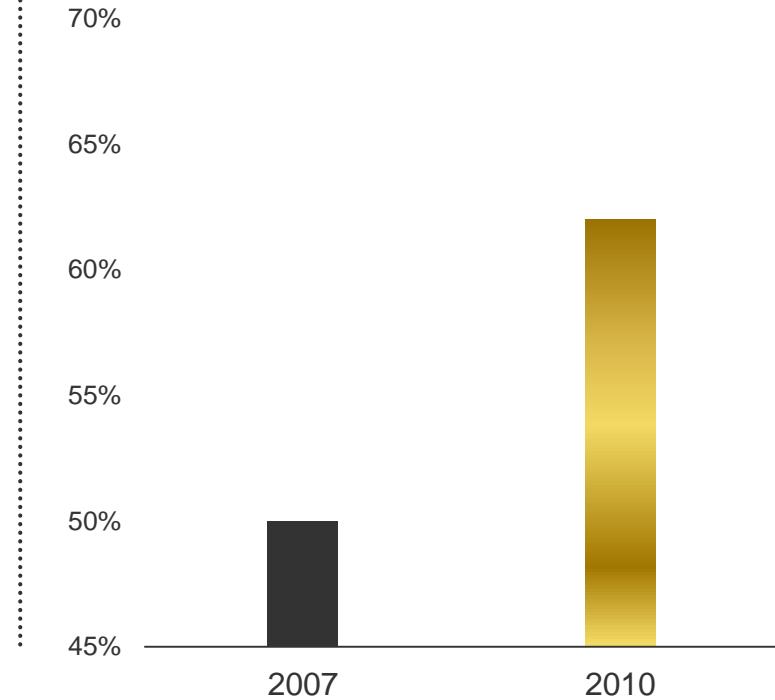
% Market Share



Price per pack



Very good value for money



5

Takeaways

Don't panic! People still want the reassurance and comfort that brands have to offer

- In uncertain times people need reassurance and look to the brands they trust
- Disposable income may be constrained but that does not mean people will choose any brand
- Any increase in price sensitivity is likely temporary and brands need to plan for the long-term
- Focus on what makes your brand meaningfully different and build trust and affinity
- Invest in above the line media and compelling content
- Brands that do so are likely to recover faster and grow more strongly once the crisis is over

