

# Navigating COVID-19

An essential guide for  
marketers

**dentsu**  
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The COVID-19 disease outbreak continues to escalate. Businesses have engaged in continuity planning; travel restrictions still hold firm, and global sentiment remains uneasy.

Whilst the vigilance to stop the spread of the disease has been commendable; in 2020 **we will almost certainly face socioeconomic impact** that could be far greater than what was witnessed in the SARS outbreak of 2003.

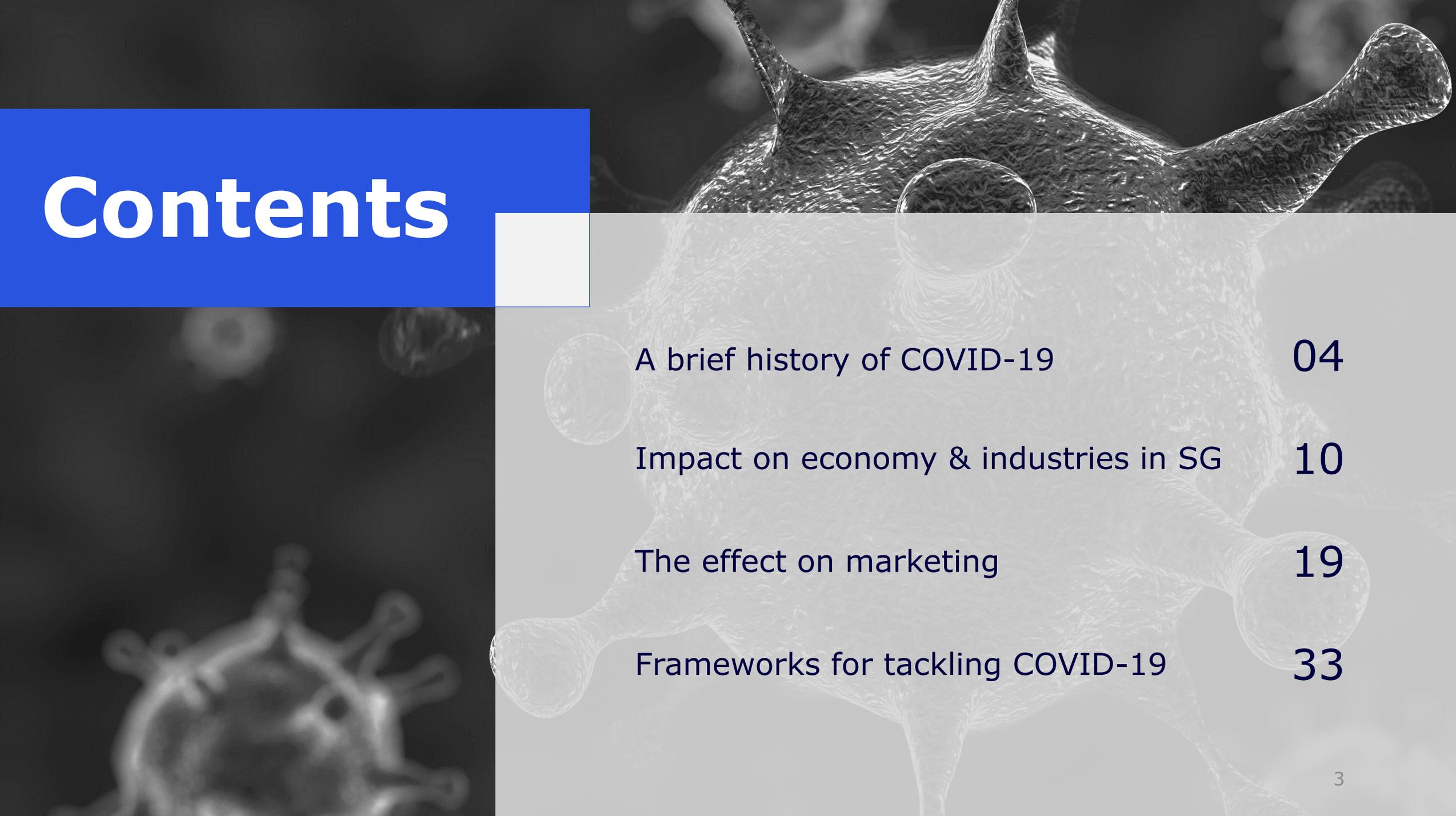
It is therefore imperative that marketers **equip themselves with agile strategies** that can help navigate the potential obstacles and barriers to revenue & success; and it is key that they address **how to best deliver for their customers** in this challenging climate.

**Brands should understand the facts, gain insight from the developments and begin to implement strategies for a speedy recovery.**

The following is an essential guide developed by DAN Singapore that provides insight, counsel and guidance for every marketer; and will hopefully give them ideas for how they can stay vigilant, relevant and successful.

We hope you find it helpful.

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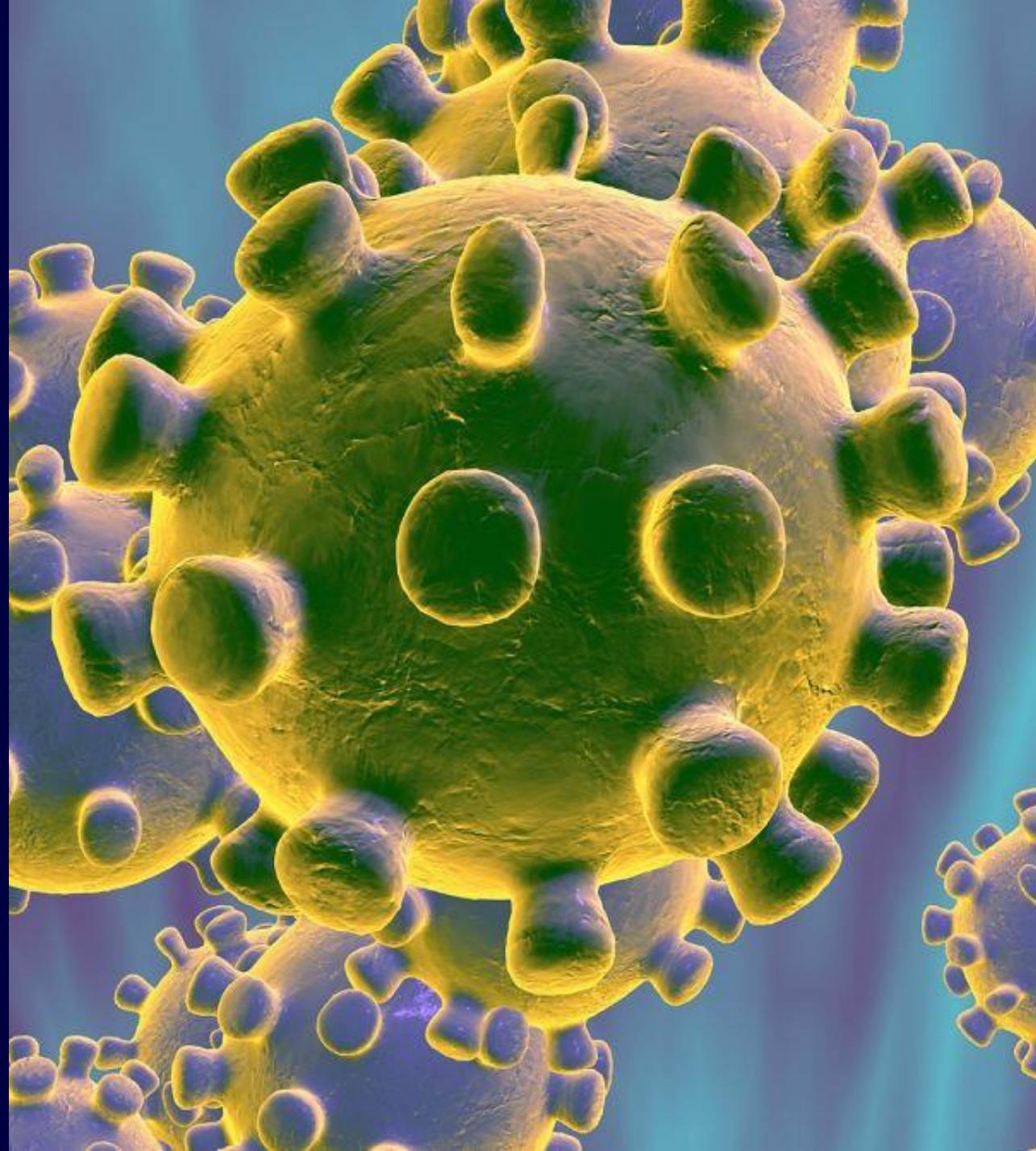


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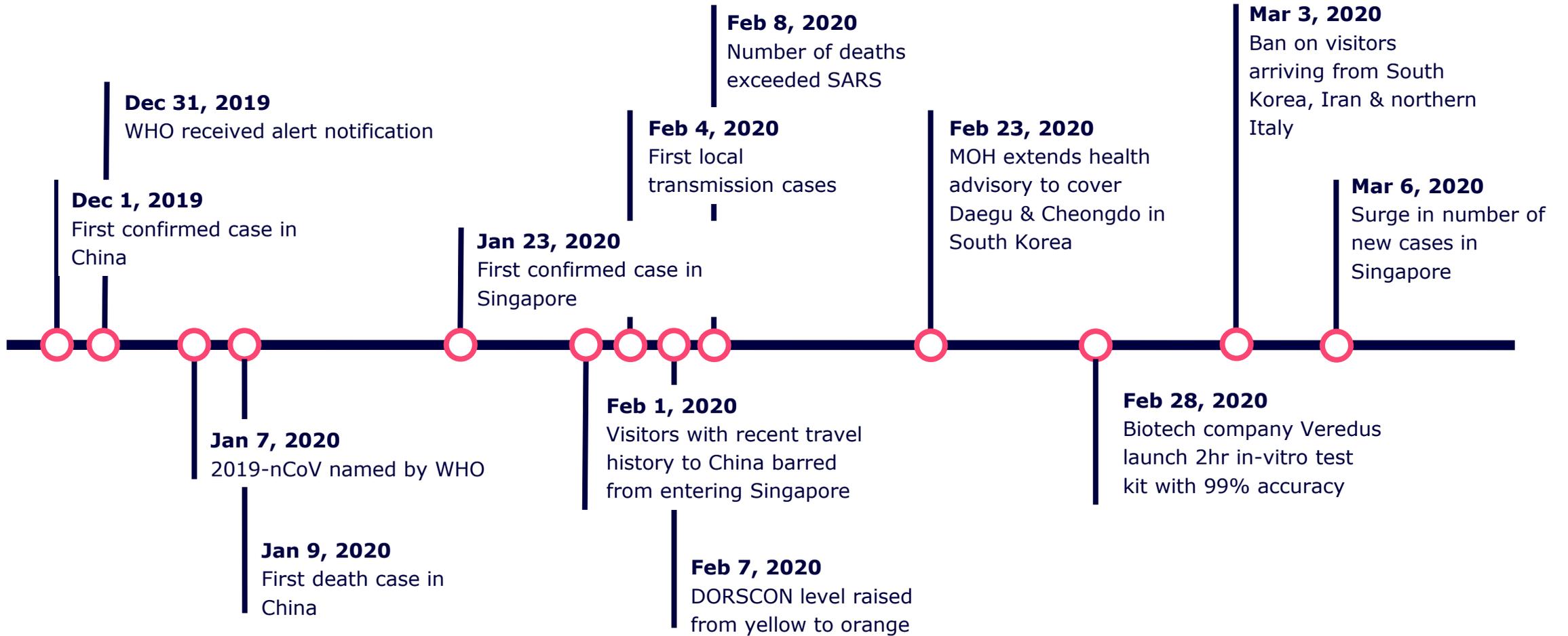
A person wearing a full protective suit, including a cap, mask, and gloves, is walking through a large, modern building with a complex, geometric ceiling structure. The person is carrying a large bag or container. The scene is dimly lit, emphasizing the person's presence in the vast, open space.

# **A brief history of COVID-19**

**The World Health Organisation states that COVID-19 is an infectious disease caused by the coronavirus**



# How did COVID-19 unfold in Singapore?



# The global impact of COVID-19 has been extensive and is still growing, but China has felt the biggest hit

WHO March 11 <sup>th</sup> 2020	China	ROW
Cases	80,924	32,927
Deaths	3,140	875
Fatality rate	3.88%	2.65%

In APAC excluding China; South Korea & Japan are the highest in terms of confirmed cases & deaths

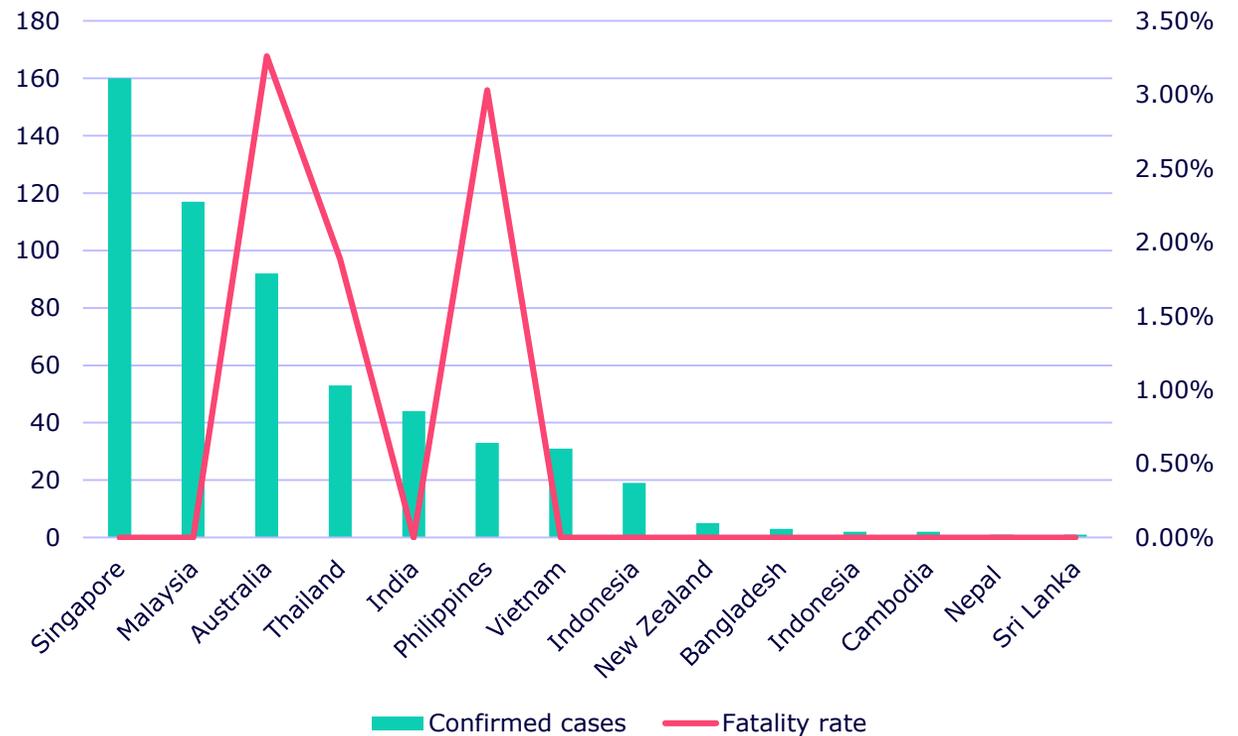
Korea  
7,513 cases & 54 deaths

Japan  
514 cases & 9 deaths

# In APAC (excluding South Korea & Japan), the impact is not as widespread but has grown vastly

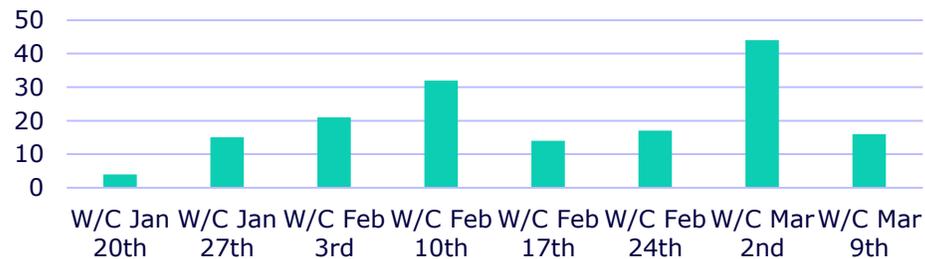
**Singapore has the most cases in South-East Asia, but 0 deaths as of March 11<sup>th</sup> 2020**

**Globally; we do not know how many unreported cases there are, or how many undiagnosed or quarantined that could still carry & transmit the virus**



# In Singapore, the outbreak grew through early February and March has seen a surge in growth

Confirmed cases by week



Confirmed vs Discharged cases (cumulative)



**There have been rapid & responsible measures implemented by the Singapore government, but the outbreak continues to grow**

**The outbreak seems to have plateaued in China; where in the Hubei province 30,358 are currently infected with 33,762 having recovered**

**Europe and other parts of the world however are still facing high growth in numbers of cases**



# **Impact on economy & industries in Singapore**

**Singapore has seen continued growth in the number of cases, and how this will play out remains an unknown**





**In spite of world class preventative measures; there will still be an impact on **economy** & **industries** in Singapore**

# Singapore's 2020 GDP growth forecast has been revised down from 0.7% to between -0.5% and 1.5%

## Manufacturing & wholesale trade

Affected by supply chain disruptions (closures, labour shortages) in several of Singapore's key final demand markets

## Travel & tourism

Hotels, airlines & holiday agents all hit by sharp fall in tourist arrivals to Singapore

## Domestic consumption

Cut backs in shopping and dining out will adversely affect segments such as Retail and F&B

## COVID-19 continuation

If the outbreak becomes more severe and widespread, this will further exacerbate the impacts felt to date

# A declining Chinese economy is not good news for Singapore

Largest export market



Weaker Chinese import demand coupled with reduced demand in transport & logistics will impact Singapore

Leading source of tourism



Whilst tourism is only 4% of Singapore's GDP, the reduction in travel & hospitality spending will still affect the local economy

# And other Asian markets are also adversely affected

**Hong Kong's GDP expected to contract in 2020 as per 2019 (-1.2%)**

It is believed the virus will extend many of the economic effects seen during the height of 2019 demonstrations

**China's GDP growth stood at 6% in Q4 2019**

This is now forecast at 5.4% for 2020 (down from 5.9%); and could decline further unless the virus is brought under control within Q2

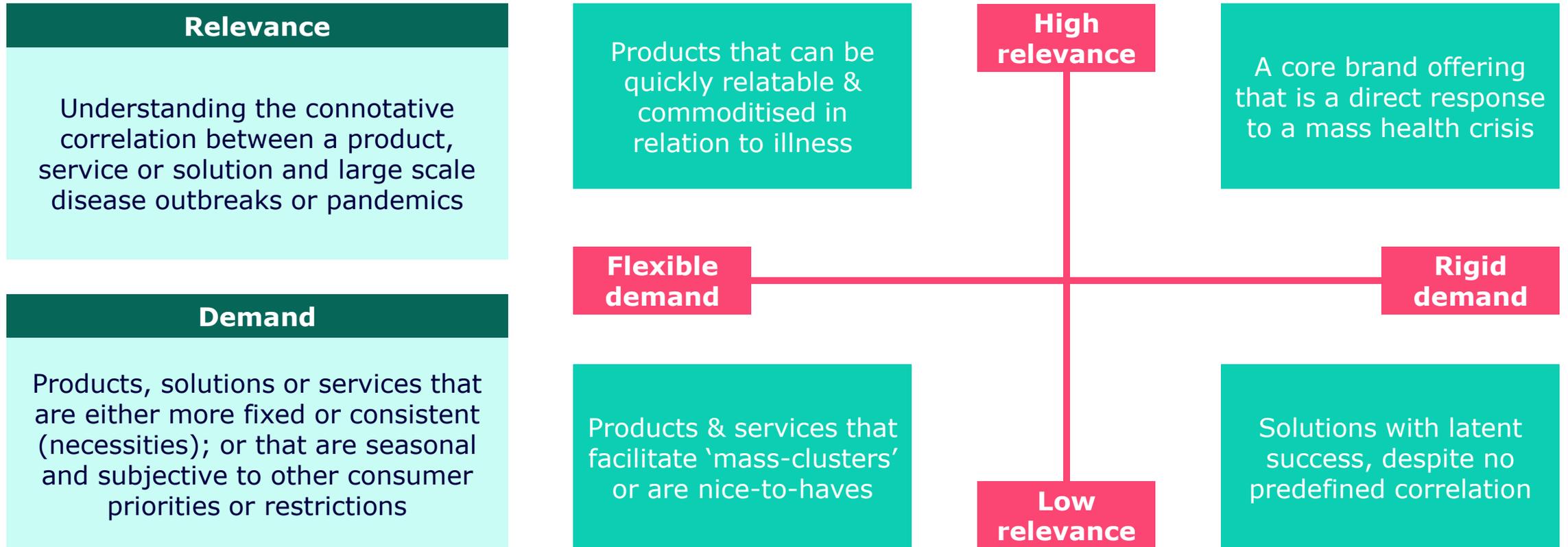
**Thailand's GDP growth forecast for 2020 reduces from 2.4% to 2%**

Thailand's tourism sector accounts for around 20% of GDP, and could spell the weakest performance since 2014

**If the economy & industries are affected, how can you tell which brands are at risk or could benefit?**

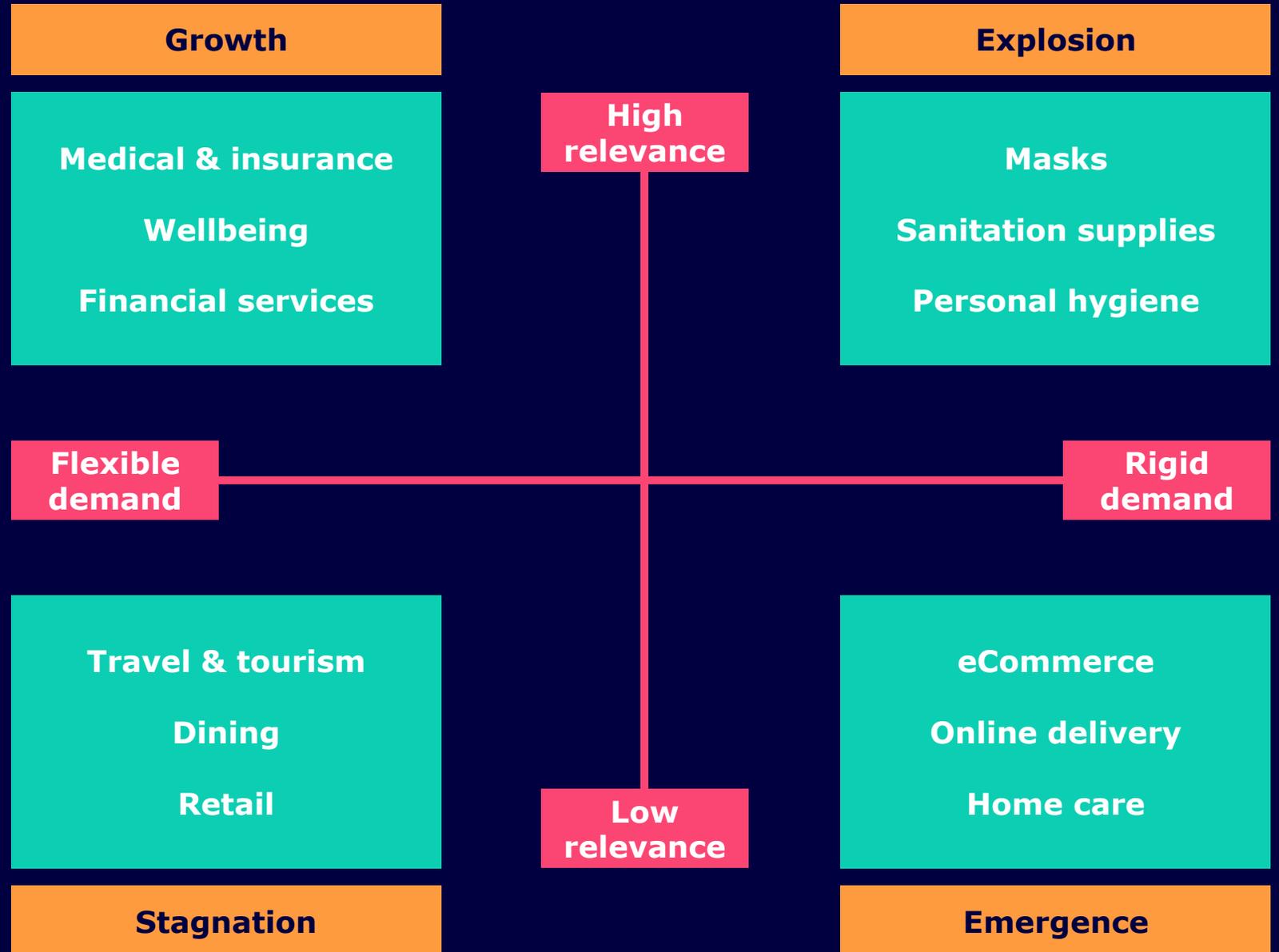


# DAN have created a matrix to help contextualise the extent of impact to certain industries & verticals



**If you understand where a brand sits in the matrix, you can start to build a strategy for readiness & effectiveness**

Growth: Bolster  
Explosion: Fulfil  
Emergence: Capitalise  
Stagnation: Remedy



A grayscale photograph showing the back of a person's head and shoulders. The person is looking at a wall covered in various marketing diagrams, charts, and handwritten notes. The diagrams include flowcharts, circular diagrams, and rectangular boxes with text. The overall scene suggests a creative or analytical workspace.

# The effect on marketing

**How are  
consumers  
responding,  
and what should  
marketers do?**



## SITUATION

### Consumers spending more time indoors

- Footfall in shopping malls shrunk by an average of 63%, with greatest impact on malls in central regions
- Entertainment is also shifting- with “out-home” entertainment in decline, and rise of “in-home” entertainment (Mediacorp’s ‘meWATCH’ saw 15% rise in unique video viewers)
- FTA TV consumption rose by 8%, especially amongst news programmes – CNA surging by 23% in viewership

## RECOMMENDATION

### **Assess:**

Redeploy focus according to behavioural shifts - identify new ‘in-home’ consumer touchpoints to reduce reliance on offline and physical resources while maximising digital channels to reach your audience.

## SITUATION

### Consumer preferences shifting from 'wants' to 'needs', with increasing online purchases

- Over 40% of APAC consumers are buying more of essential necessities, and over 20% buying less of non-essential or luxury items
- E-commerce purchases within the region have also risen with 32% increase in online shopping

## RECOMMENDATION

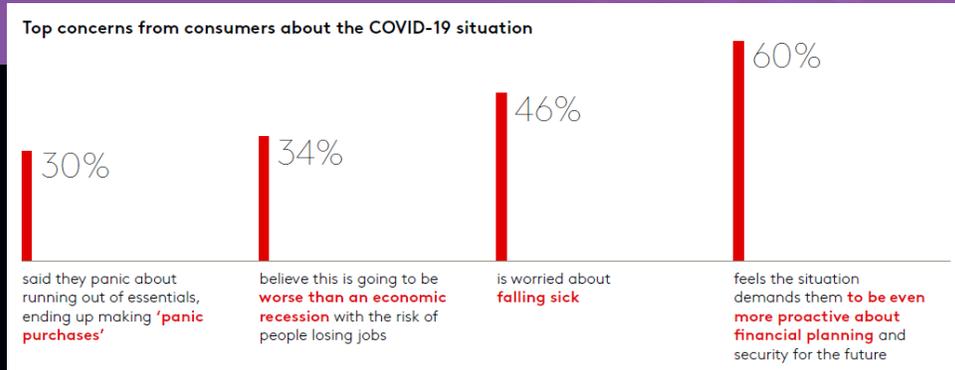
### **Leverage:**

Grow eCommerce presence and familiarity, and pivot product CVPs & RTBs to become needs-based in order to meet new customer behaviour.

## SITUATION

# Financial worries outweigh health concerns

- There are greater concerns about financial security than health risks within APAC
- Turbulence in confidence will likely translate to tighter spending habits in near-future



## RECOMMENDATION

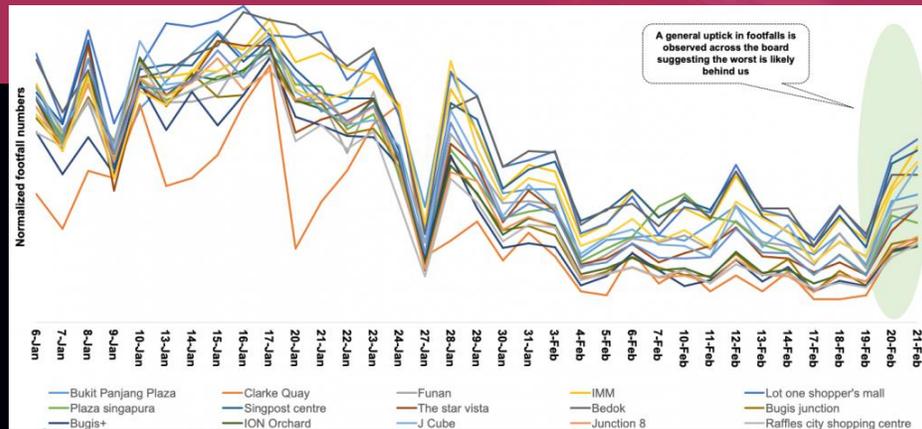
### **Anticipate:**

Greater discernment in consumer expenditure means you must retain customers by demonstrating **strong value-benefit**; to alleviate concerns around spends & costs.

## SITUATION

### High degree of confidence in Singapore

- Trust in the local government is highest in the region (78% vs 9% in Japan), with footfalls of malls already witnessing a general reversal
- Around a third of those aged 15–29 claimed that they would stay indoors more, with two-thirds of Singaporeans unworried about the impact of COVID-19 to their daily lives



## RECOMMENDATION

**Prepare:** Consumer cautiousness could rebound faster than expected; so be prepared to capitalise on the reversal by developing a **fast-deployment recovery plans** involving all stakeholders and departments.

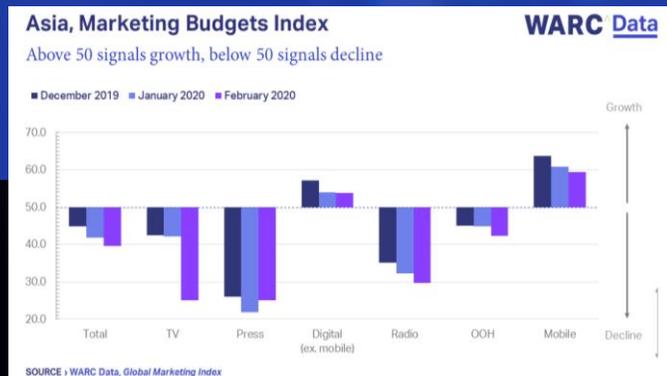
**How can brands  
react & recover in  
Singapore?**



## SITUATION

### Traditional media spends decline; and digital media slowly grows

- Media budgets tightened to a 7-year low, with the spend decline exacerbated in Feb, especially for on-the-go media like Radio and OOH
- Brands expected to deploy recovery strategies soon



## RECOMMENDATION

### **Invest:**

Continue to focus on digital as a media, sales, CX and customer support channel.

Instead of physical activations, focus on the virtual to keep momentum in customer contact

## SITUATION

### Price discounts emerge as a common response to defend top line

- Brands and categories that are most impacted are quick to offer price discounts and promotional offers to attract customers in times of lowered footfall

## RECOMMENDATION

### **Offer:**

'Value UP' rather than 'Discount DOWN'.

### **Optimise:**

To maximise efficiency, focus on **performance tactics** in a time of uncertainty.

## SITUATION

### Reassurance becomes hygiene

- Brands, especially those with physical or experiential offerings like hospitality tourism and F&B, are communicating additional precautionary measures like increased sanitation to build brand confidence
- 'Contactless' services a proposition of value

## RECOMMENDATION

### **Mandate:**

Take all necessary action  
without compromise.

### **Communicate:**

Proactively, reassuringly & with  
empathy. Link reassurance  
back to your brand.

## SITUATION

### Brands finding/creating greater relevance

- Disrupted lifestyles yield opportunities for brands to reinforce or re-position their relevance – e-commerce, health and wellness, communication technology
- Some brands are agile and adapt, exploring new ideas and consumer offerings

## RECOMMENDATION

### **Leverage:**

What about your products, people, and brand **are of value** in times of COVID-19?

### **Create:**

What **products or solutions can you create** that can be of value during and after COVID-19?

## SITUATION

### Short-term recovery vs Long-Term Equity

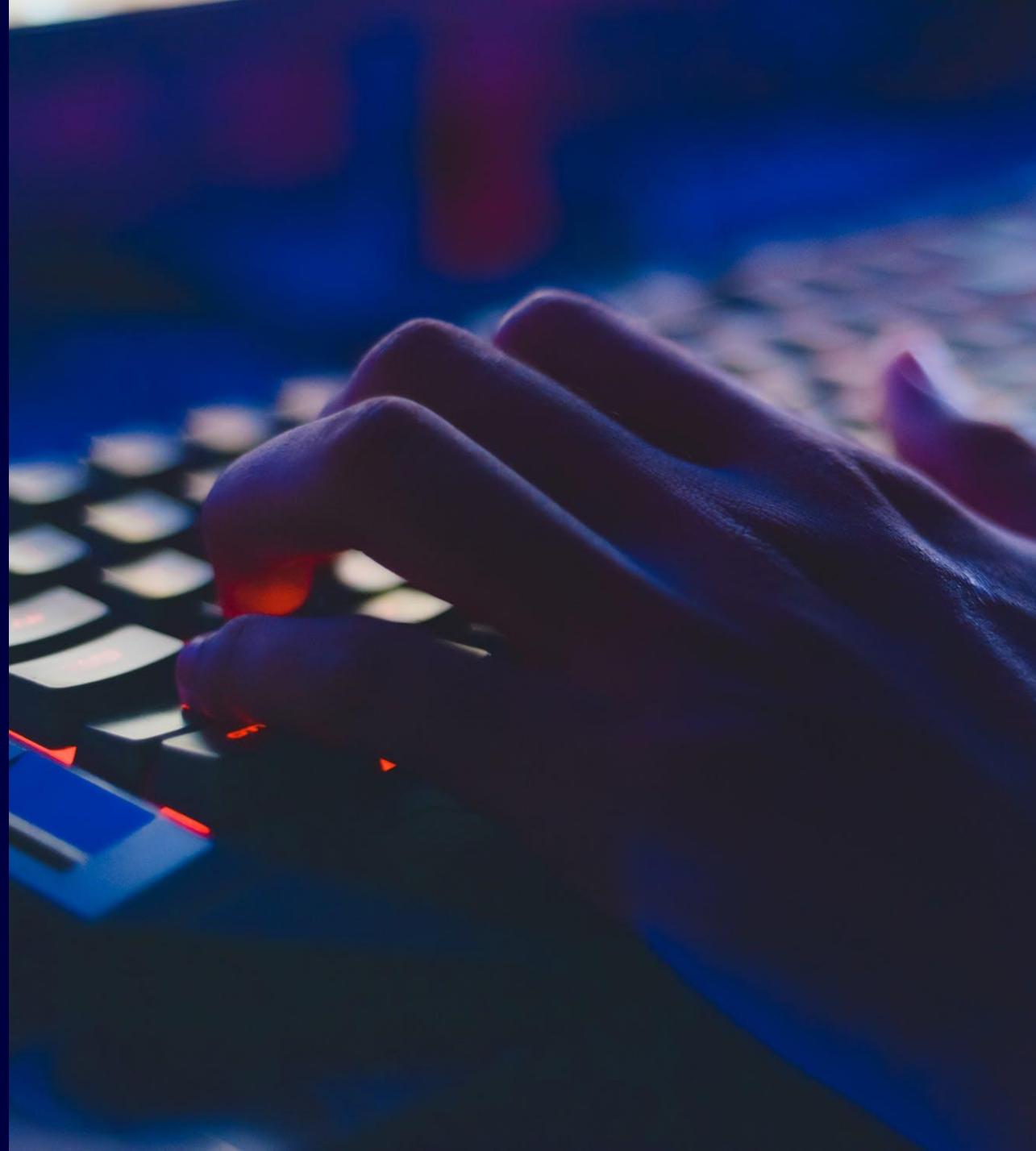
- Despite the immediate challenges, some brands are investing in their brand equity and build community support
- These increased business costs can reap positive returns in future

## RECOMMENDATION

### **Build:**

Investing in building brand consideration & preference can yield returns in H2 and beyond, giving your brand a head-start when recovery kicks in.

**How will these  
changes shape  
marketing  
throughout the  
rest of 2020?**



# H1: Understanding & navigation.

## H2: Rebuilding & recovery.

### H1

- Marketers will strive for short term tactical goals but also could be more restrained and aim for awareness & affinity vs hard-to-drive acquisition
- eCommerce will rise as channel of choice, affecting basket choices – consumers may conserve, experiment or even indulge more (in-home feel good)
- Shift away from events, OOH and towards digital, in-home channels and long format/lean-back formats
- Relevant, reassuring, empathetic communication with rational & utility-oriented messaging may find favour

### H2

- Re-distribution of spends either from big brand campaigns pushed back or aggressive deployment of performance budgets to drive recovery in revenue
- eCommerce stands to gain in the festive season from having inducted new users in more categories in H1
- Economic impact will likely dampen consumer confidence and discretionary expenditure through 2020
- Supply chain repercussions on demand, a 'demand shock' may extend suppressed consumer spending



# **Frameworks for tackling COVID-19**

# This is how DAN recommends marketers can approach consumer uncertainty in the developing situation

## Composure

Consumers will be altering their behaviour and spending habits, and many brands cannot change that overnight; so now is the time to act with higher levels of equanimity

## Sensitivity

This is a grave global matter; and brands should as such avoid flippancy or the temptation to drive quick engagement with an ill thought out topical execution

## Efficiency

When new customer acquisition could be challenging, brands should look closer to home to cross & up sell to drive maximum value from existing customers

## Positivity

Brands should look to reinforce and celebrate positivity where it is relevant and respectful; as consumers will be grateful to find that 'feel good' factor in these difficult times

**If your focus has shifted from  
campaigns, BAU & media spend; then  
there is no better time to:**

**Take stock  
Gain understanding  
Build recovery strategies**

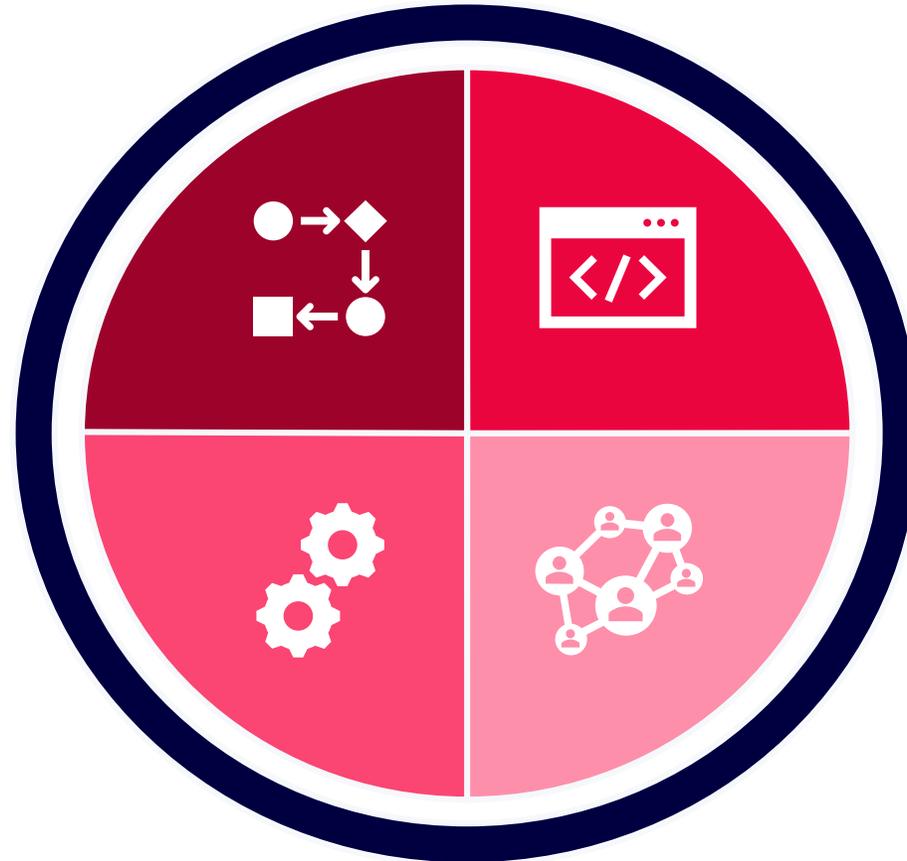
# A holistic perspective to help drive business outcomes

**Capabilities**

**Data**

**Performance**

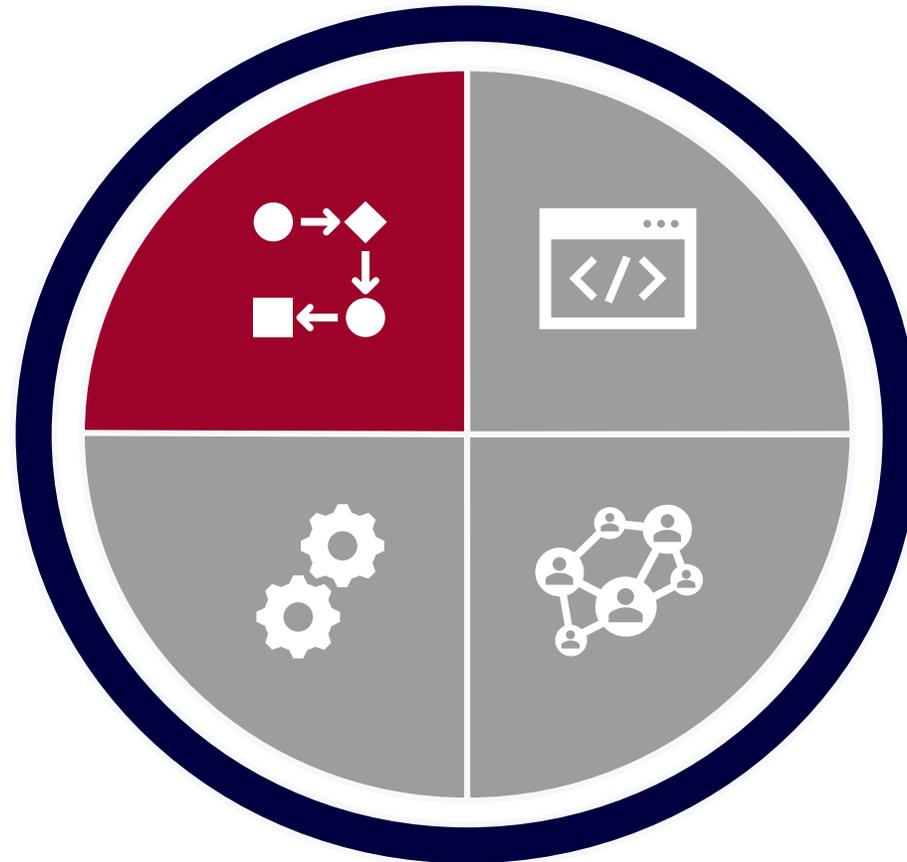
**Insights**



# Ensuring that marketers feel, think and do; to drive best possible efficacy

## Capabilities

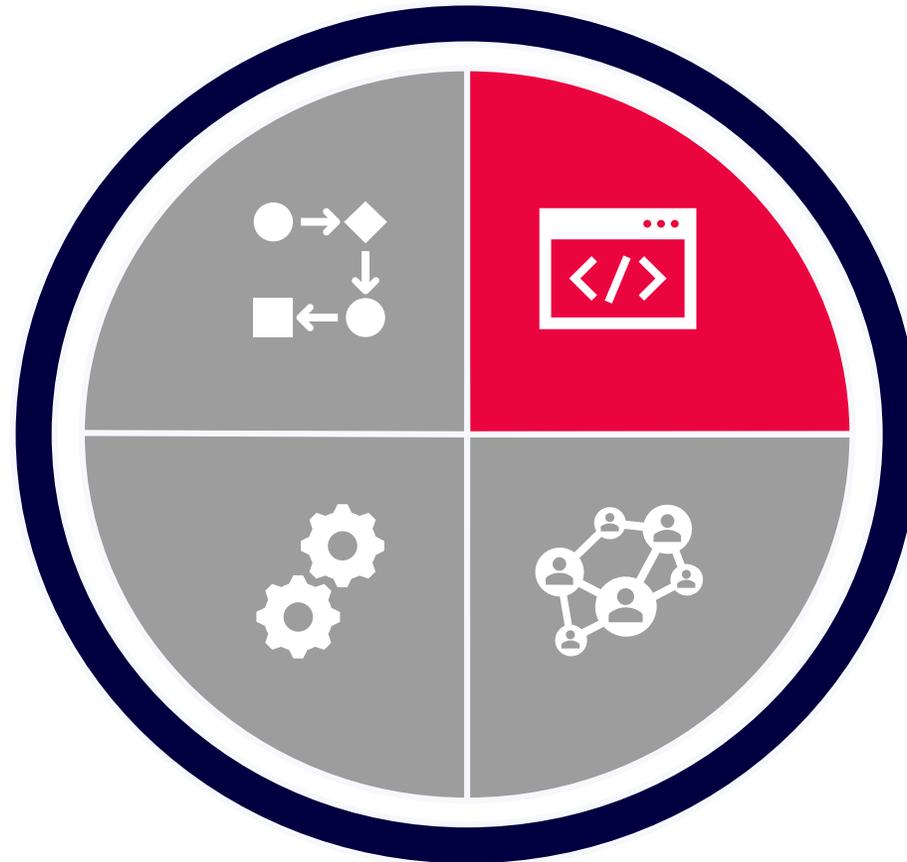
Digital trainings, workshops & strategy planning to enable marketing teams and to drive collective alignment & success



- **Business planning & workshops**
- **Digital marketing training**
- **MarTech & eCommerce advisory**

# Being 'data-informed' is a powerful marketing asset in times of uncertainty

- **Data strategy & design**
- **MMM & Attribution**
- **Customer journey mapping**



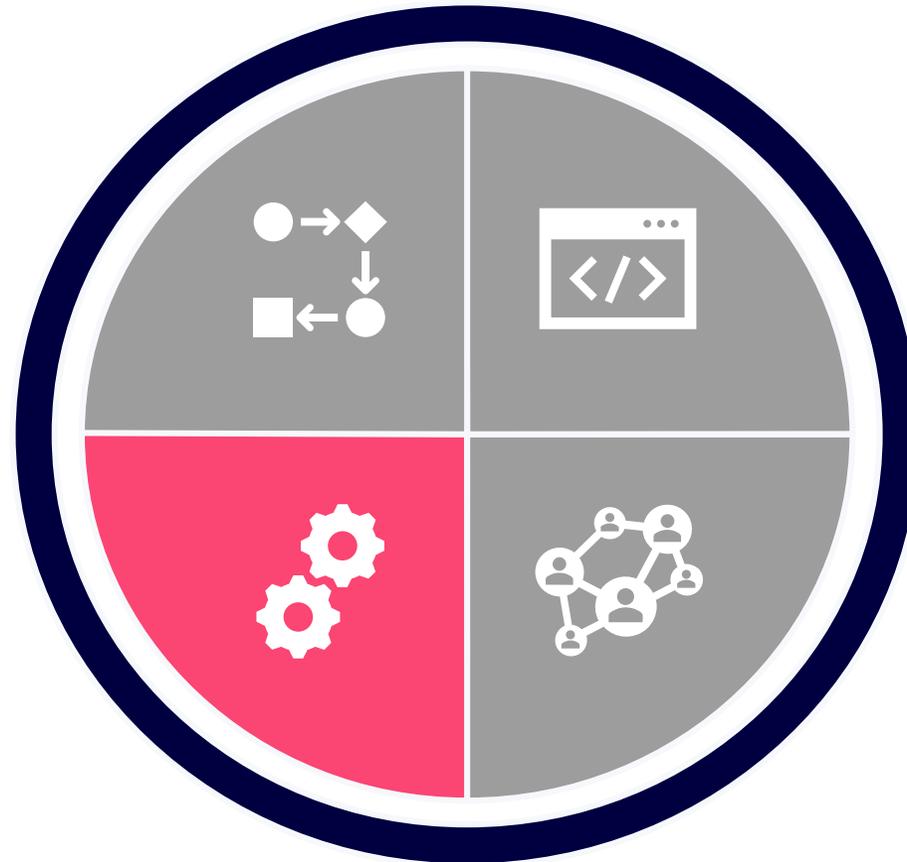
## Data

Outlining how best to collect, organise, visualise, utilise & activate with data; focusing on both existing customer data and new prospects

# Hygiene & best practice auditing is often left behind in the whirlwind of BAU activity

Delving deep and understanding the gaps, opportunities and recommendations to bolster & future proof our marketing

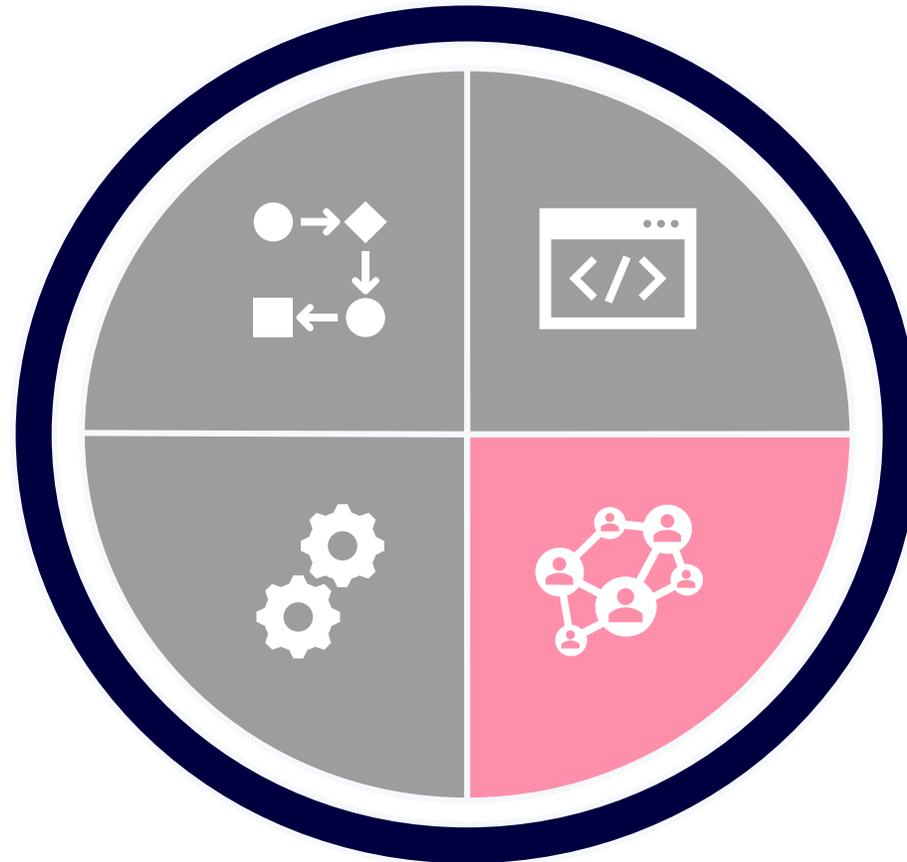
**Performance**



- **Media & creative audits**
- **Dynamic creative readiness**
- **Website speed & navigation**

# An investment in knowledge pays the best interest; and good insight puts us on that path to success

- Granular market & consumer reports
- AI-driven creative insights



By understanding our customers, competitors, performance & creative better; we can drive incremental effectiveness

**Insights**



**If you would like to discuss how  
Dentsu Aegis Network Singapore  
can help you, please reach out:**

**[Hello\\_SG@dentsuaegis.com](mailto>Hello_SG@dentsuaegis.com)**