

THE POWER OF BRANDS

AMIDST COVID-19



During the times we can feel powerless about the COVID 19 situation, we are reminded through many actions seen in the last week, about

THE POWER OF BRANDS AND THE EFFECT THEY HAVE ON CONSUMERS THROUGHOUT THE WORLD.

Whether it is with a service, a functional response to a crisis, or emotional support to survive isolation and become inspired to adapt and evolve, brands, through commitment, purpose and creativity prove again and again that they can help change the world.

NIKE

is one of the best examples of a brand that is in tune with the context of what people are facing, inspiring people and showing social responsibility during COVID-19.

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

**NOW IS
YOUR CHANCE.**

Play inside, play for the world.



Consumers' frame of mind **IS QUITE DIFFERENT** *these days.*

At a time of crisis such as a pandemic, **people tend to shift priorities to safety** (health, personal security, employment, resources, property) **and physiological needs** (air, water, food, shelter, sleep, etc.)



Source: hierarchy of human needs by Abraham Maslow



It's with this in mind that brand message, and its tone, need to be sensitized to what people are dealing with and consider more than ever what type of information consumers need and expect.

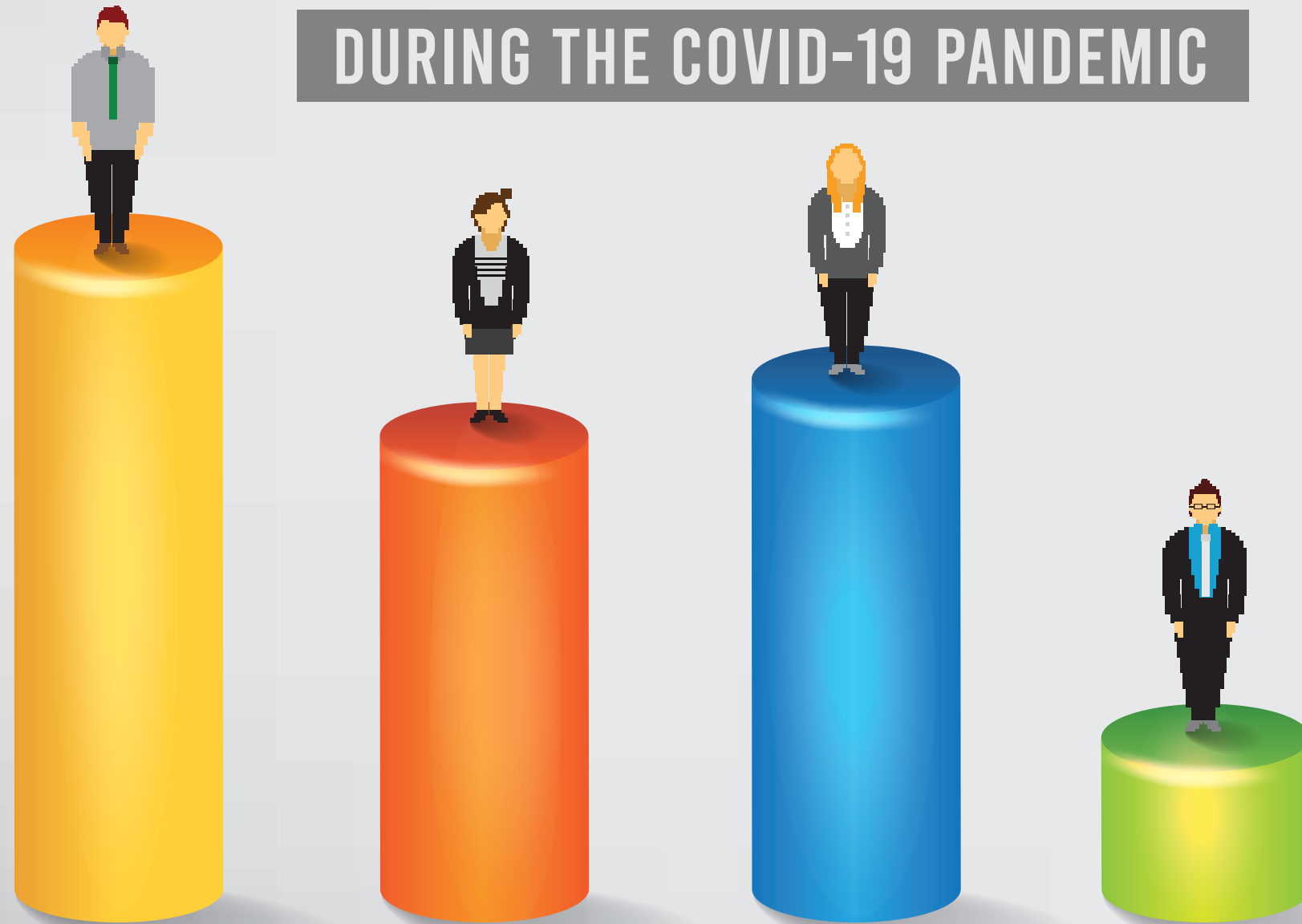
According to 4A's real time market research,
**CONSUMERS SHOW POSITIVE ATTITUDES
TOWARDS BRAND COMMUNICATION
DURING THE COVID-19**

The study found that **43%** find it reassuring to hear from the brands they know and trust. It also shows how the social roles of brands are important as **56%** feel pleased to hear about brands taking actions such as donating goods and services.

Consumer Sentiment

ON BRAND COMMUNICATION

DURING THE COVID-19 PANDEMIC



56%

I am pleased to hear about brands taking actions like making donations of goods and services.

40%

I want to hear what brands are doing in response to the pandemic.

43%

It is reassuring to hear from the brands I know and trust.

15%

I do not want to hear from brands at this time.

CONSUMERS

also expect brands to provide relevant information and orientation such as:

What brands are doing in regards to the pandemic

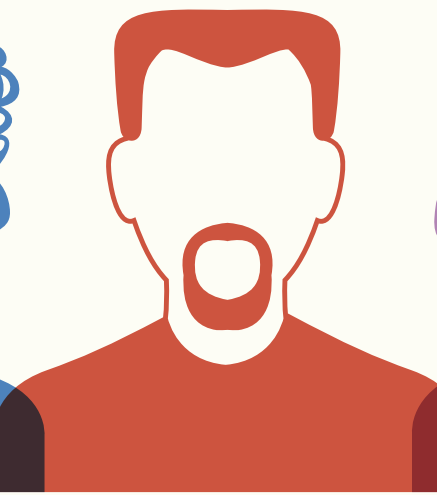
Special hours and services to shop, particularly for the elderly

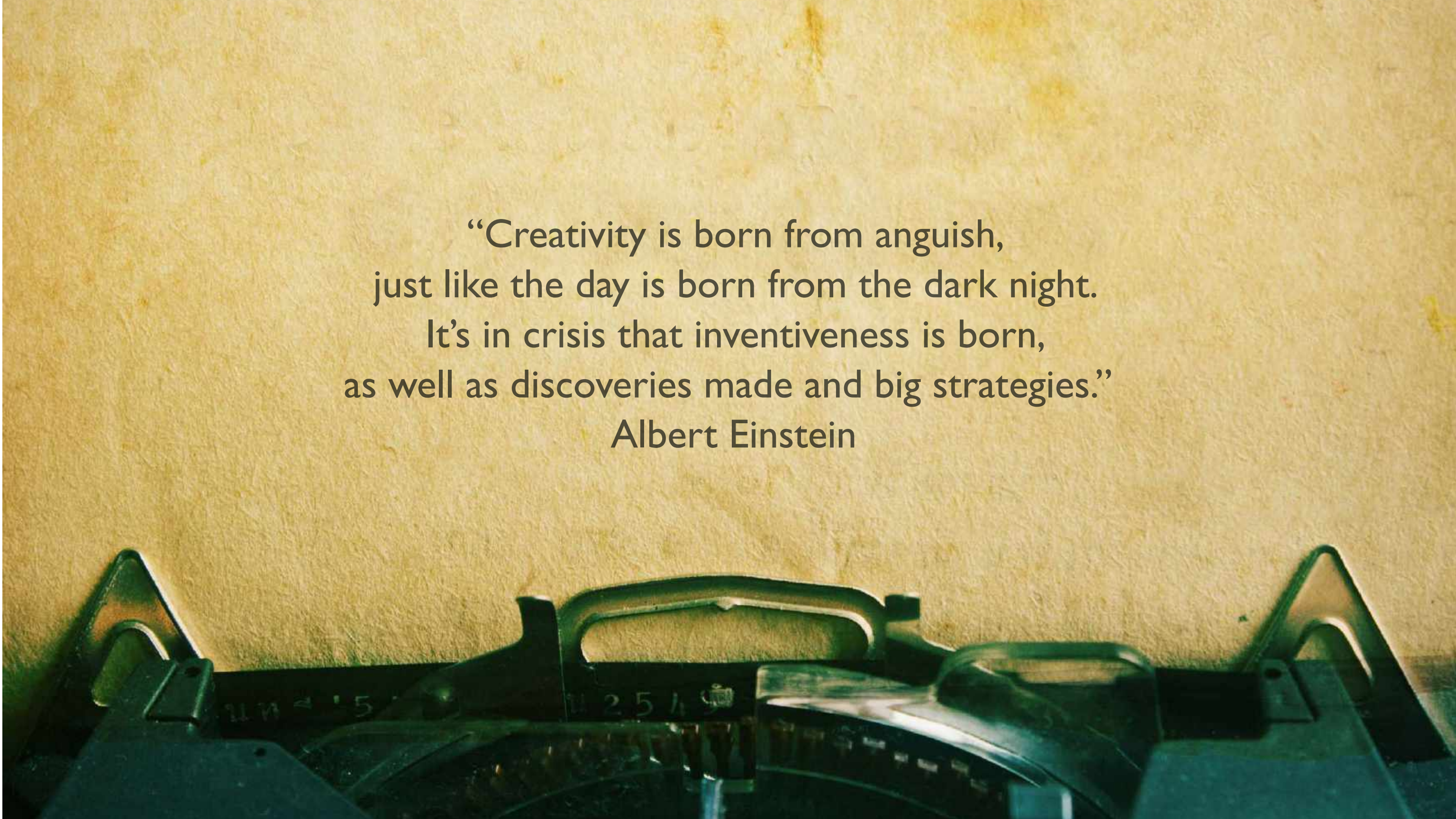
Additional measures taken to increase cleaning of facilities and to keep customers safe

- Delivery options
- E-commerce options
- Payment options

▪ Any limitation in availability of products and services

▪ And other information that can vary from business to business





“Creativity is born from anguish,
just like the day is born from the dark night.
It’s in crisis that inventiveness is born,
as well as discoveries made and big strategies.”
Albert Einstein

BUSINESSES

have been very

CREATIVE

in adapting to the crisis

IN ORDER TO SERVE CUSTOMERS AND PROVIDE

A GREATER GOOD:



LVMH Mötet Hennessy Louis Vuitton (France) is converting their perfume facilities to produce hand sanitizer

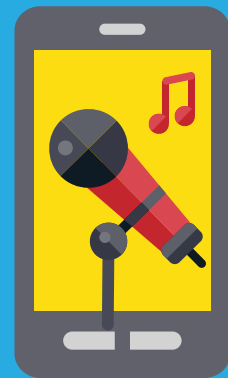


Destilería Serrallés is producing ethyl alcohol to donate to Puerto Rico's hospitals



Supermarkets, both globally and locally:

- Expanding their delivery service
- Have an increasing number of e-commerce sales
- Limiting amount of people in-store and establishing safety distance measures
- Offering special services and priority for the elderly
- Smaller supermarkets and shops, without e-commerce, have also adapted to the crisis by accepting phone or email orders and offering delivery



Brands are providing entertainment

through sponsorships of live streaming concerts, comedy sketches, tutorials, etc.



Exercise coaching and training

such as yoga, pilates, meditation, etc. are being held through Facebook lives, web videos, etc.



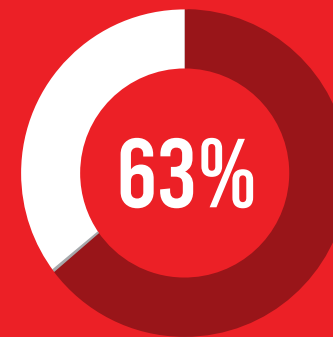
Food service brands

have donated meals to children who are not currently attending schools and to healthcare professionals who are working long hours to treat patients

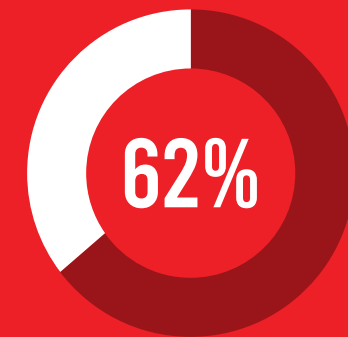
**Brands are
part of our lives,
and as such, they are part
of the conversation and part
of the solution to the crisis.
They offer both functional
benefits and show that
they are socially
responsible.**

**Consumers from all over the world
are seeking brands with a purpose
in order to make their brand choices.
It's at times like these when people
most expect brands to show up
and act.**

Source: Accenture, global survey.



are buying goods and services
from companies that reflect
their personal values and beliefs.





want companies to take a stand
on social, cultural, environmental,
and political issues close to
their hearts.

TO ACT ACCORDING TO CONSUMERS' NEEDS, WE NEED TO CONSIDER THAT

CONSUMER BEHAVIOR HAS SHIFTED DRAMATICALLY

WITH COVID-19, SOCIAL DISTANCING AND ULTIMATELY, LOCKDOWN.

- 
- **Health, family, and food** come first
 - **Working from home**
 - **Home schooling** (while working from home and balancing the two)
 - **More sedentary** lifestyle
 - **Couples and families trying to cope** with living 24/7 in the same space
 - **Isolation in general**, particularly those living alone and the elderly

- 
- **More planning for food** and other supply shopping
 - **Elderly shifting to online shopping**
 - **Delivery services** are a must
 - **Home cooking** at its best
 - **Cleaning**, cleaning and more cleaning
 - **Gaming** (mobile game downloads increased by 39% vs. last year)
 - **TV and streaming**

**CONSUMERS HAVE SHIFTED THEIR MEDIA USE,
GLOBALLY AND LOCALLY. WE SEE AN INCREASE IN TV, STREAMING AND DIGITAL.**



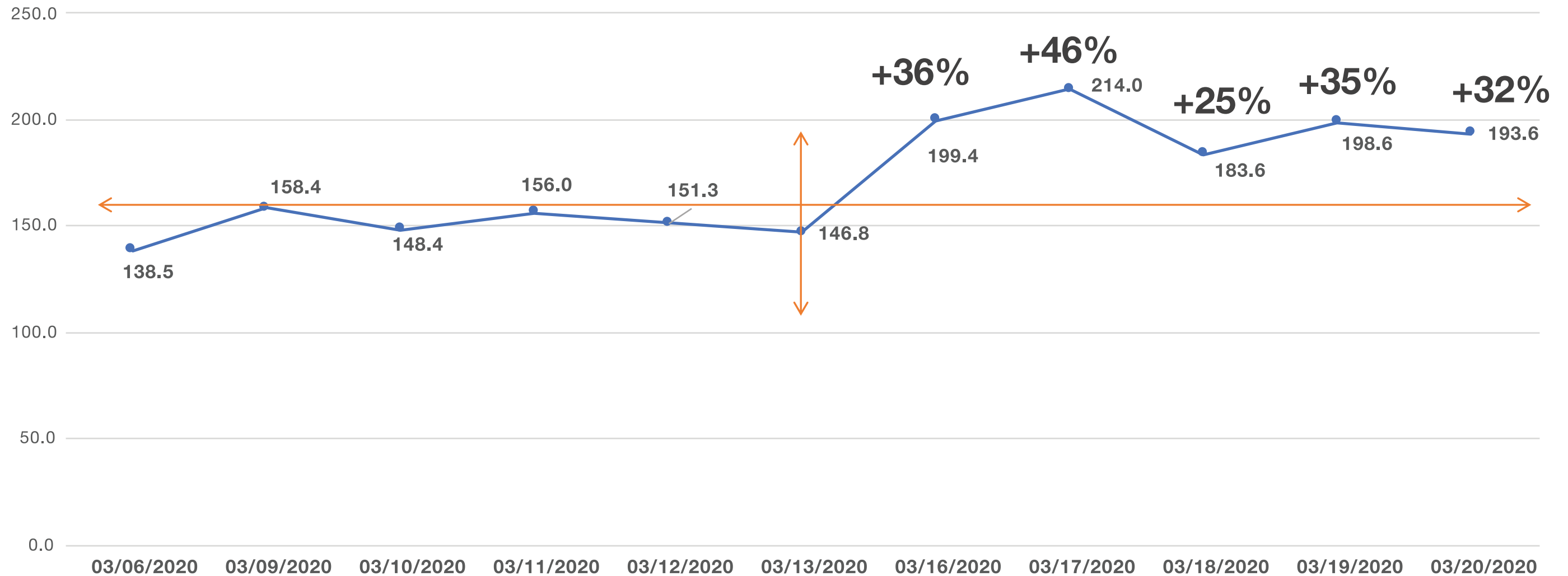
TVHH Audience increased an average of 35% through the COVID-19 lockdown (3/16-3/20)

35%

INCREASE IN TV
VIEWERSHIP IN PR

Source: Nielsen

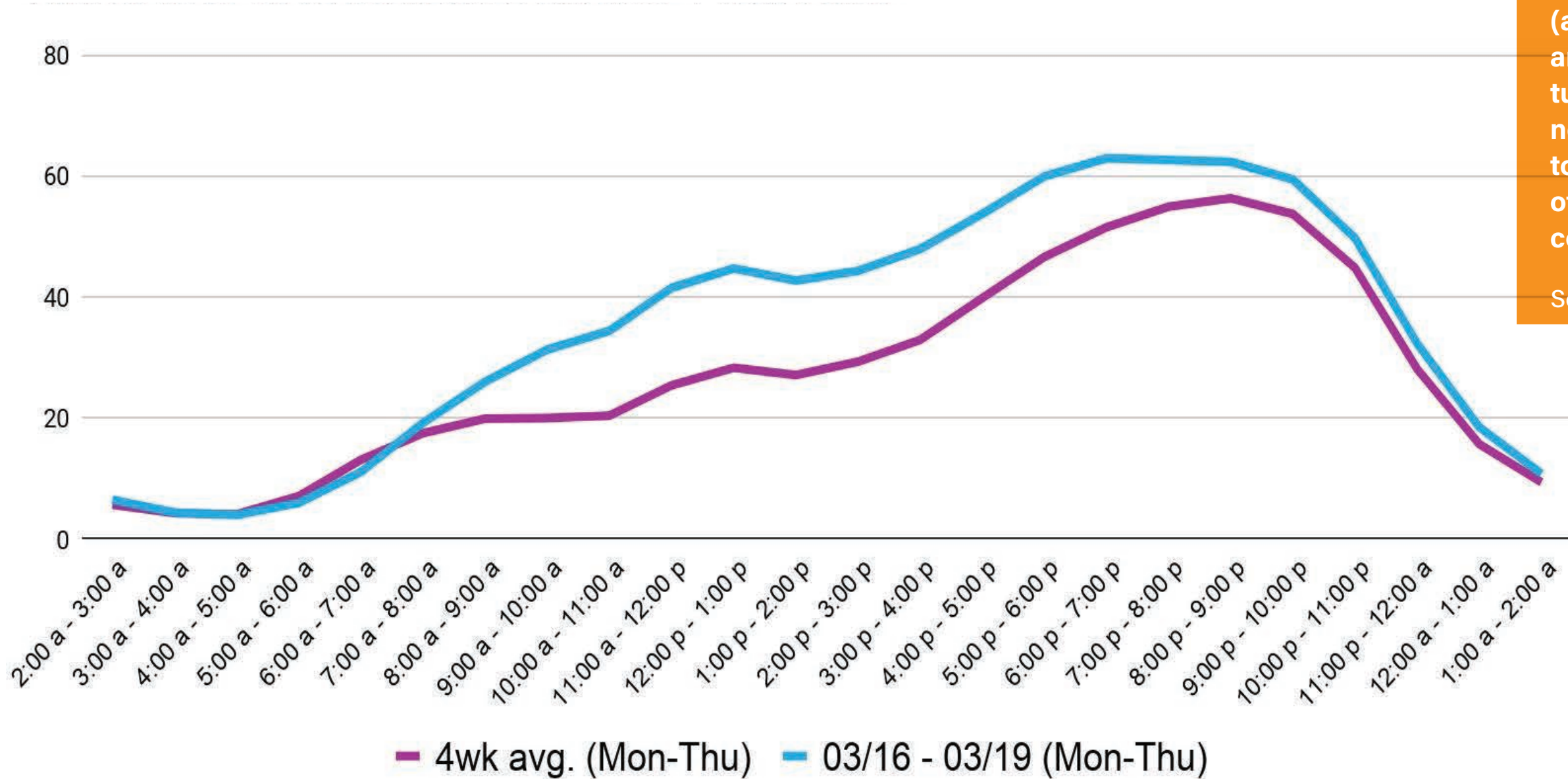
TVHH



AVG. Hour by Hour Household Ratings - Puerto Rico

- Households watching TV are consuming 9h:38m of live TV daily
- Daytime has the largest increase
- 69% of adults (and 50% of kids and teenagers) tuned into TV news content to stay informed of the latest coronavirus updates

Source: Nielsen

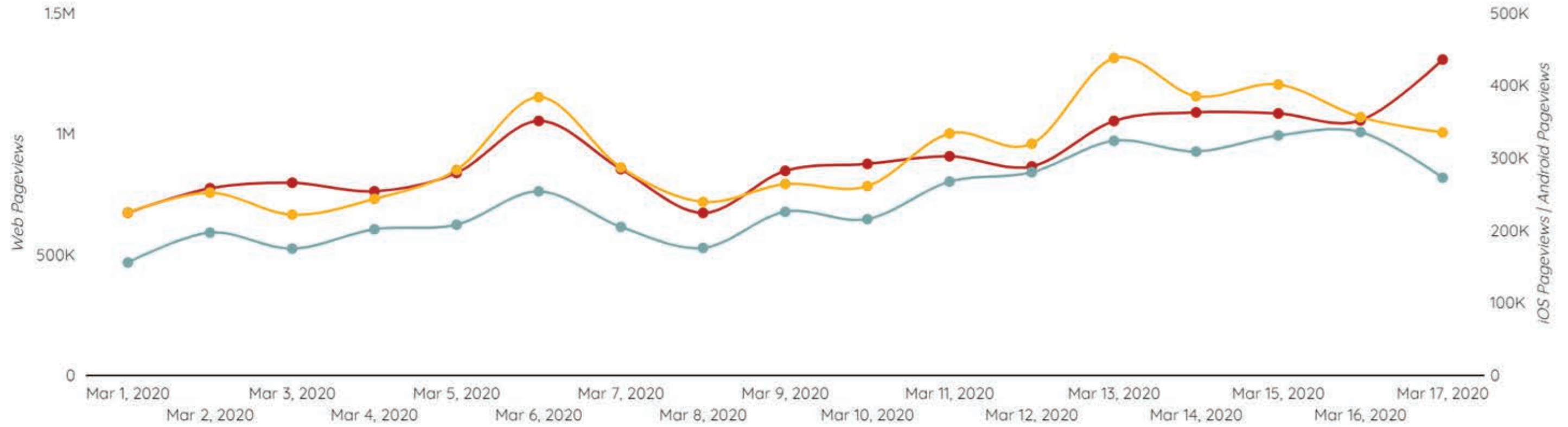


Page views

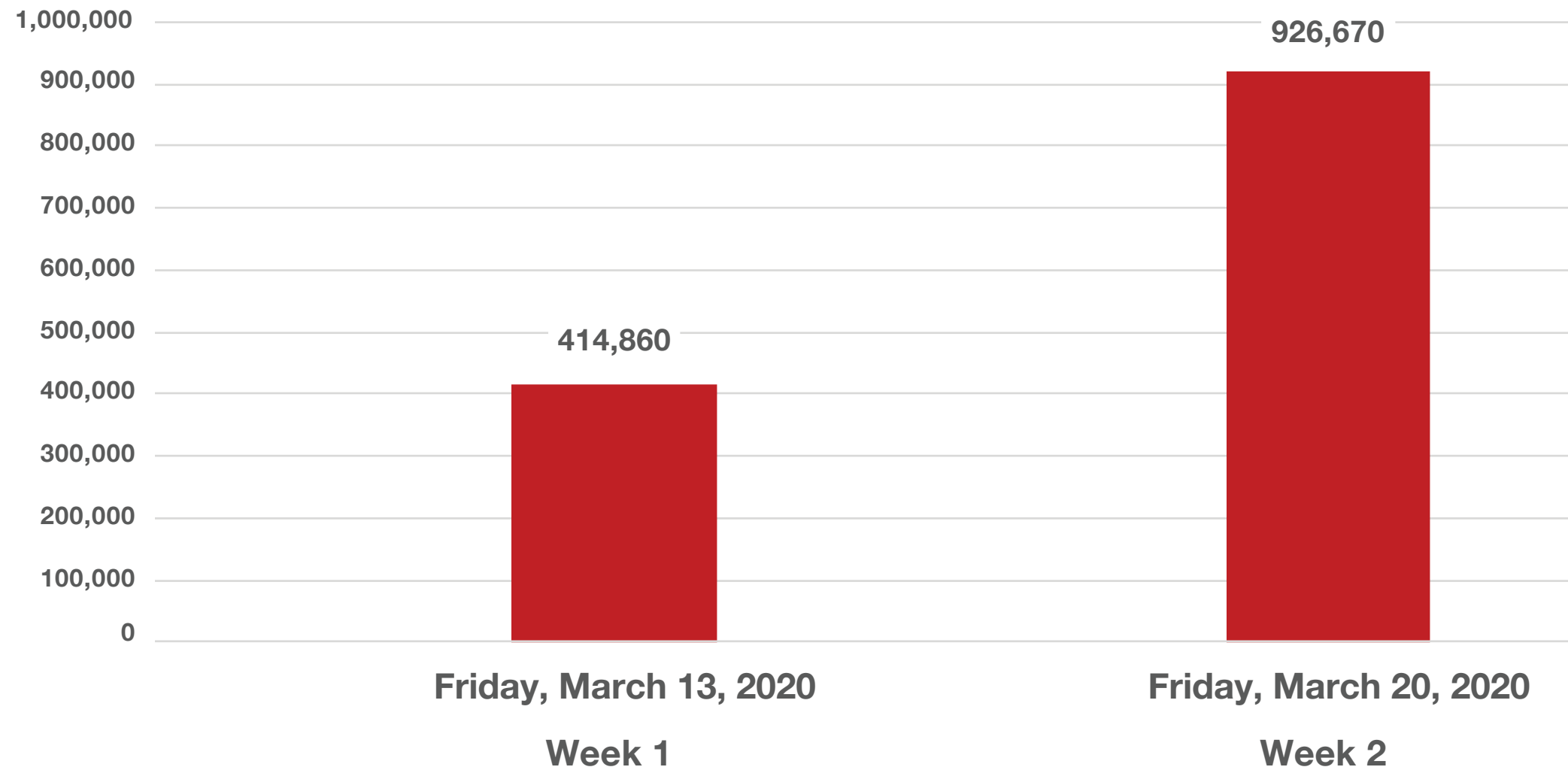




Page views



Page views - Data by Google Analytics



To get a sense of local online data, we evaluated several online campaigns that ran during March 8-21 from which we can conclude the following:



38%

**increase
in TV screen use
YouTube campaigns
and connected
TV Apps**

**What it means:
Consumers are watching
internet content through
their TVs- probably families
watching together**

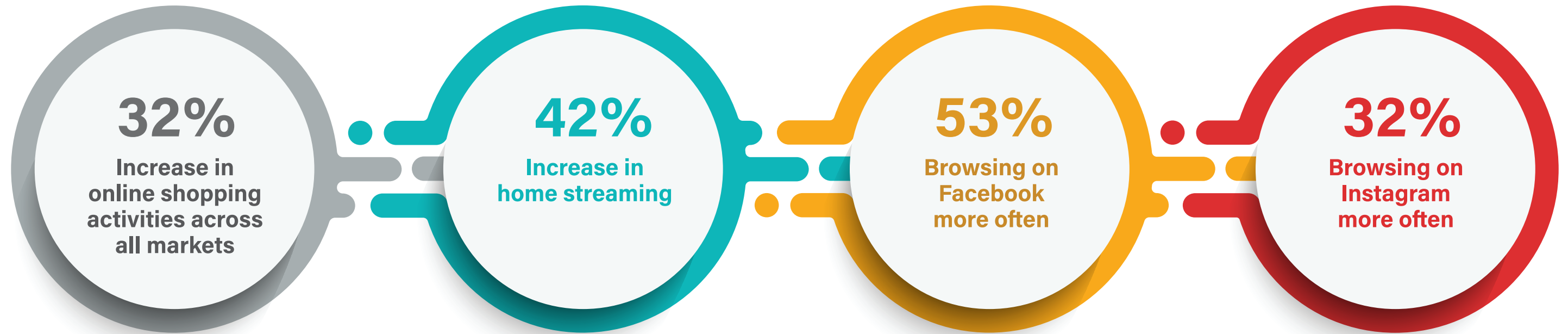
**Small increase in video
watching time in YouTube
and facebook**

**What it means:
Consumers are more receptive
to watching ads**

**Increase in frequency
in Facebook**

**What it means:
More message exposure**

What could be expected from consumer behavior based on what Asia Pacific experienced?



Source: Kantar February 2020 "COVID-19: What do consumers expect from brands?"

Consumer behavior and needs **will keep shifting in the next weeks, perhaps months.** It's key for brands to be present and have a voice during a crisis. "When a brand consistently delivers a valuable and high-quality experience, it remains resilient in consumer's minds. This is especially true during a recession...put your money where the data is: spend with the customer in mind to maintain share of voice, invest in profitable customer satisfaction programs that pay dividends during and post-recession, and promote wisely throughout it all."

Source: WARC. How to win during and after a recession David Dixon, Sebastian Shapiro and Nicole Wolf, Jan 2020.

Although there is much uncertainty, **we need to be prepared to act fast**, yet consciously and responsibly for the benefit of our brands and ultimately to use their power to help consumers. Some tips on what brands can do during this time:

- **Give back:** leverage on what your brand does and keep in mind consumers' main concerns and behavior changes
- **Use the brand's innovation and creativity**
- **Consistent and clear communication:**
 - Update information, messages, campaigns, websites, social media, etc. so that consumers see that your brand is listening and reacting.
 - Let consumers know about your business options for delivery, e-commerce, orders by phone, pick-up, service hours, payment methods, special service for the elderly, etc.
- **Plan for the short term and the longer term** using the information you have and predictions based on past crises, new information, current developments, etc.
- **Avoid being seen as opportunistic**
- **Give comfort**
- **Acts of kindness**
- **Go virtual**
- **Help people pass the time**
- **laughter is the best medicine** (used correctly at the right time and place)
- **Create digital experiences** that translate in-store experiences online
- **Use influencers**
- **Drive traffic** to websites

In this worldwide health crisis, both local and global brands have proven that **they have the power to make a difference**. They can help people get food delivered to their homes, make ethyl alcohol for hospitals, assist the elderly, provide yoga lessons through online videos or entertain with live concerts and comedy in order to give people a measure of comfort. **It's at times of crisis when creativity and innovation are most relevant** to find solutions and new ways of doing things, **to help our communities and the world**. Brands do have great power amidst COVID-19 and so do all of us.

