

To curse or to cherish? How Hong Kong's brands can conquer the COVID-19 challenge

Terence Ling

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Brands in Hong Kong are grappling with prolonged disruption to business thanks to the COVID-19 outbreak which comes in the wake of anti-government protests – TBWA's Terence Ling offers some key advice for marketers.

- Calm, clear and consistent internal communications and procedures are just as important as external communications.
- Maintaining customer advocacy is critical in weathering the storm.
- While business is inevitably slower right now, it presents a good chance to step back, strategise and find white space.

Marketing in the COVID-19 crisis

This article is part of a special WARC Snapshot focused on enabling brand marketers to re-strategise amid the unprecedented disruption caused by the novel coronavirus outbreak.

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Why it matters

Hong Kong has tapped into its significant fiscal reserves of more than HK\$1 trillion (US\$128.2 billion) in a bid to jump-start a recession-hit economy now compounded by the coronavirus outbreak. As consumers look for stability and assurance, brands must ensure that their actions convey empathy and inspire trust.

Takeaways

- Brand behaviour trumps brand advertising any day, even more so on a rainy day, focus on ‘what to do’ instead of ‘what to say’.
- Empathising with cultural values is a more powerful form of emotive-communication than relying on humour.
- Using the right data and a well-mapped acquisition and retention strategy can identify pre-existing consumer demand that can be easily be met without needing to spend more.

Business is at its best. Record-breaking sales. Who needs marketing?

Such is the case if you’re selling toilet paper, rice, and face masks in Hong Kong.

Unfortunately for the rest of the business community, the novel coronavirus outbreak (COVID-19) could not have come at a worse time. To many brands, the relative peace before the Lunar New Year following six months of anti-government protests that have embattled the city must have felt like a flickering light at the end of a tunnel.

But as it turns out, that flickering light came from the headlight of an oncoming train.

Enter COVID-19 and tourist arrivals have plummeted 98.5% versus last year to 3,000 per day (and who on earth are these 3,000 brave souls?).

Yet this rare event can be a precious period for brands to cherish if managed correctly.

1) Don’t treat this as a short-term crisis

Dr Simeon Mellalieu, partner at Ketchum Asia Pacific — our ‘cousin’ PR agency – highlights that in crisis communications, there are two critical variables we use to evaluate risk and strategy: time and intensity.

“Short-term, high-intensity crises garner the most media attention and consumer anger, but they are mercifully short-lived if handled correctly. COVID-19 is not one of these events. This situation has a snowball effect that will build over several months throwing out different communications challenges along the way,” he says.

Two near-term points of focus for brands

- **Managing a confirmed case** among your workforce or in your place of work and understanding the repercussions this has on your staff and your business. The travel and healthcare sectors are at the front line. But any company or industry with a large workforce such as retail or banking is also vulnerable. As time progresses, risk increases. In these testing times, calm, clear and consistent internal communications and procedures are just as important and can even add value to brands seen as acting responsibly.
- **Managing the communications of business continuity.** Across virtually all industry sectors the supply/demand equation is out of balance. Spikes in demand are the nice problems to have, but they are still problems as the health and wellness and CPG retail sectors know. Elsewhere, demand is weaker and there is a possibility of supply chain disruption: consumer tech and the automotive sectors watch out. In today’s hyper-connected B2B2C world, maintaining customer advocacy is critical in weathering the storm.

2) Talk less, do more

Why do so many marketers seem to have a moment of epiphany as they declare 'caring' should be in their brand strategy? Tonight, tell your other half that "actually I'm very caring" and watch their reaction! Consumers never listen when a brand says this overused word. Because only actions speak of being caring, especially timely actions that pick up where the public sector falls short.

When Hong Kong public hospitals were under-equipped with protection gear, the Li Ka Shing Foundation donated 250,000 face masks and protective gowns to hospital staff and those in need. AXA and Ping An Insurance launched free medical coverage for frontline medical staff.

When the government couldn't provide enough face masks for people, HKTV Mall slashed its sales commission on masks from 25% to 5%. It paid double the price to purchase a mask production facility. Watson's launched an online queuing platform to sell 30,000 boxes of masks without price hikes, and commenced redemption a mere four days later.



When relief measures from the government are yet to be seen, **Standard Chartered Bank** allowed its customers in Hong Kong to repay just interest on loans for six months. Harbour City reduced up to 50% of shopping mall rent for its tenants.

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Relief measures to support your needs

Standing with our clients with supportive measures

Hong Kong is facing unprecedented challenges amid the outbreak of the novel coronavirus and a slowing economy. As such, we are launching a series of relief measures to help ease the financial burden on our clients during these difficult times.



Such deeds may already be having brand and business impact. Since the start of the year, Watson's (majority-owned by Li Ka Shing) had a 16.8-point and 7-point increase in its YouGov Buzz and Recommendation scores respectively. HKTV Mall's revenue jumped nearly 50% in January. Up to the date this was written, its share price has risen 27% within this year.

Brand behaviour trumps brand advertising any day, even more so on a rainy day. Brands, try briefing your agency to come up with 'what to do' instead of 'what to say'.

3) Be authentic, culturally sensitive and thoughtful

In the monumental piece by Les Binet and Peter Field — [Marketing in an Era of Accountability](#) — emotion-based communications was proved to be more likely to be effective than rationally-based ones.



👍👍👍 Kayin Kwok, Luk Ka Lok and 10K others 703 Comments 3.2K Shares

Timely humour has always been a simple approach for this rule, and a few brands in Hong Kong had a ball playing with trending topics during this crisis. Legislative Councillor Ann Chiang Lai-wan trended for her claim that face masks could be sterilised by steaming them at 100 degrees. The next day, Durex came up **with a post** stating “steaming does not sterilise things, use condoms only once”. It got over 10,000 reactions and over 700 positive comments on Facebook.

However, this method can also backfire, as it **did for KMB**. Riding on a trending meme called “two boxes thx” (which referred to the omnipresent yet casual plea for masks), the Kowloon Motor Bus Company tried to convince the public that “two masks thx” was enough. It was criticised for wasting time on social media and not addressing passenger safety. This goes back to my earlier point about being an ‘actions-first’ type of brand. No amount of humour can save your brand if it’s not viewed to be taking the right actions to prioritise people’s needs.

I believe that empathising with cultural values is a more powerful form of emotive-communication and that’s what Bowtie (a virtual insurance startup) did. It delivered a film that asked “Do you remember Hong Kong from 17 years ago?”. The piece featured its own staff describing the characteristics of Hong Kong people in difficult periods such as SARS. It ends with a point of view — ‘if we stay strong, we can protect our own Hong Kong, because we’re HongKongers.’

The company also worked with MIT Hong Kong Innovation Node to **produce hand sanitisers** according to WHO guidelines, and distributed them to its customers and communities in want of them. It even shared DIY instructions on how to make these sanitisers at home.

Stay authentic, culturally-sensitive and thoughtful. That’s a mighty combo to punch through these times.

4) Reflect, recalibrate and raid

While business is inevitably slower right now, it presents an opportunity to step back, strategise and find white space. At TBWA we've worked with several clients to help them unearth commercial opportunities, which had not been previously explored.

In a challenging climate, many marketers don't realise that using the right data and a well-mapped acquisition and retention strategy, there's plenty of existing consumer demand that can be bagged without spending a penny on generating new demand.

We helped a retailer uncover a US\$48m incremental revenue opportunity using the same amount of store traffic it has. This was done using mostly public data to dissect spending patterns of traveller segments from different countries. Since marketing budgets are often regarded as cost-of-sales, this exercise helped justify an incremental budget to secure the expected revenue.

Search is also one of the most underestimated arsenal in marketing weaponry, even though it's precisely what consumers already have an interest in. During such a concerning and sensitive time for Hong Kong, many brands are refraining from pushing out overt scattergun advertising, and savvy marketers are using search as a tool to reach consumers. When you connect search with top-, mid- and bottom-funnel activity, you can create marketing systems that generate results in a transparent, optimisable and efficient way.

For a bank, we meticulously created such a system. We used real-time search data to customise over 16 million pieces of micro-content and convert high-intent traffic via programmatic remarketing. It generated a 62% increase in credit card applications at 23% lower cost per acquisition.

When times are tough, the brands that are well-prepared to unleash an attack on their competitors will be the ones that emerge from this the strongest.

About the author

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Terence has two decades of experience in the marketing and communications industry. Originally a client-side marketer, he has led business and brand strategy on both client and agency sides. Terence leads a team that includes data, social and integrated strategists. As part of the senior management team, he also contributes strategy for TBWA to further its growth and cement its position. He also spends time coaching startups at a few incubation programmes, as well as judging at international effectiveness awards.

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