

# **BUSINESS CONTINUITY IN THE ERA OF COVID-19**

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Insights into China from WE Red Bridge



As China enters the fourth month of the COVID-19 outbreak, a 'new normal,' hallmarked by an increased comfort with uncertainty, is settling in. China has entered a new phase of the crisis, with businesses across the country returning back to work, albeit many still remotely. Across industries, leaders are picking up the pieces of their 2020 plans and reviewing them against a backdrop of ongoing travel restrictions, limits on in-person gatherings, impacted supply chains and a changed consumer climate.

As they adapt to the shifting values and consumer behaviors this crisis has created, brands are naturally looking for opportunities to differentiate themselves and build relevance. When assessing these opportunities, however, it is important from them to consider that how a brand behaves in and during a time of crisis, has the power to shape perceptions and its long-term standing. In the aftermath of COVID-19, there will be clear winners and losers. Brands that are quick to adapt to the changed landscape and contribute to the reopening of China will win brand affinity, however those that are seen to be opportunistic, or do nothing, risk losing consumer trust.

# BUILD LONG-TERM BRAND EQUITY

With all discussions across social and traditional media, as well as person-to-person, being dominated by the COVID-19 issue, this is not the time for heavy promotional activities. Brands should use this time to lean into their purpose to support a nation emerging from a very challenging time and show their humanity and commitment to society's common cause.

With the increased time spent online due to the limitation of outdoor activities, fitness companies were fast to roll out online classes to compensate for the continued closure of physical gyms. Keep, China's leading fitness app, now has a dedicated in-home sports column with influencers and leading brands providing advice for how to stay active. User rates topped 56 million views, indicating consumers' willingness to experiment during this period.

In another example, Douyin, China's leading short-video platform, saw an opportunity to bring cultural experiences to consumers cooped up at home. They collaborated with nine Chinese museums to offer virtual tours of their collections, with live broadcasts and videos that provide a new way for users to access culture from their living rooms. Parent company ByteDance also released *Lost in Russia*, a highly anticipated blockbuster, via their video channels providing new dimensions to an app portfolio not traditionally associated with high culture or current cinema.

Showing support can also be in the form of light-hearted online entertainment to divert consumers' attention away from the virus. Luxury brands, who traditionally rely heavily on social media to engage with young consumers, have even begun launching online games, in addition to offering live streams of their fashion shows, to maintain top-of-mind awareness during this crisis.



**Turn this time into an opportunity to expand the views consumers have of your brand, particularly as your audience is actively seeking virtual, non-traditional experiences. The brands that are not afraid to experiment during this time will be remembered – as long as they ensure their activations align with their core brand purpose.**

**Nicky Wang, Managing Director,  
Head of Strategy, WE Red Bridge**



# BE GENUINE

Throughout the crisis, there has been an outpouring of charitable donations and other actions as brands and individuals seek to contribute to the efforts to control the virus. With doctors and nurses working around-the-clock in Wuhan and other key cities, there has been no shortage of opportunities to donate. Those that have stood out though are the brands that are being creative about their donations, going beyond cash and relating their efforts directly to their offering. In addition to donating more than 40 million pieces of medical supplies, Alibaba has leveraged its supply chain management expertise to open a 'green channel' to transport medical supplies to Wuhan, and has developed a smart community epidemic prevention app for free use.

According to the WE Brands in Motion study, Chinese consumers do look to brands to provide guidance in times of crisis: 83% of Chinese respondents expect brands to take a stand on important issues, with half of Chinese respondents saying brands should focus specifically on making local communities better. This issue is no different: consumers expect brands, especially foreign brands who are active in the Chinese market, to support the return to normalcy. If asked, brands should ideally be able to point to relevant actions taken to support the effort to contain the virus.



Chinese consumers and media can be very skeptical of charitable actions taken by corporates, so any donations made should not be a stunt to generate headlines; they must be genuine, authentic acts that directly support recovery efforts.



**When announcing charitable donations, brands must be careful and question their own motives. While most donations to date have been positively received, once the dust has settled, we expect greater scrutiny on brands' actions during this period. It is essential that efforts be genuine and purpose-driven. Brands should be do their homework on the non-profit organizations and charity partners they choose to work with. If brands can leverage existing expertise and networks to donate directly, so much the better.**

**Penny Burgess,  
WE Red Bridge CEO, Greater China**



In short, brands must take relevant, genuine actions in this moment, aligned with their higher purpose. When done right, it can help drive positive perception for the brand.

# PLAN FOR THE REBOUND

China and the global economy will undoubtedly be impacted by the COVID-19 outbreak. While the full extent is yet to be understood, many Chinese consumers are already eager to get back to normality and to resume spending on non-essential goods and services.

Though the crisis has spread uncertainty with some businesses already being forced to place workers on leave or close entirely, businesses in China and overseas should prepare for a rebound of Chinese consumption once restrictions are lifted to reveal a retail landscape that has been irrevocably changed. While SARS originally accelerated the growth of China's e-commerce, COVID-19 will push brands to be more creative than ever with their online engagement and sales channel strategies. Brands that embrace and navigate this new landscape will be the winners – those who assume it will be business as usual will struggle.



Tourism is all about new experiences and relaxation, so especially when people are feeling stressed and anxious, this is when the travel industry's purpose can really kick in. For instance, even though Shanghai Disney Resort is closed indefinitely at the moment, they are tapping into their purpose by providing an 'online tourism' experience, allowing Disney fans the opportunity to interact with their

brand, and, more broadly, to enjoy some family-oriented leisure time. They are among the first movers to develop this type of offer in China, but moving forward it has the potential to be a new facet of the tourism and travel experience that consumers will come to expect.

**Nicky Wang, Managing Director,  
Head of Strategy, WE Red Bridge**



## WHAT'S NEXT?

With most marketing activations and launches still on hold, businesses should take this opportunity to review their strategic plans through a new lens. Do messages and sentiments need to evolve to capture the spirit of the moment as China reopens, while remembering those lost? Have the unmet needs of your consumers changed during this time? Are there new platforms and channels that can bring an enhanced touchpoint for your brand beyond your conventional paths? How can you build brand affinity and engagement now, that will deliver when consumers are back to spending?

In these times, the only thing that is certain is that when restrictions lift and Chinese consumers are set free again, only those brands that have concentrated on building their brands in the long term, leaned into their purpose, and planned thoroughly will be able to be successful in negotiating a post-COVID-19 consumer landscape.

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**In the uncertainty brought on by COVID-19, we can help you to craft a strategy that taps into your purpose to build your brand.**

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