

## EFFECT OF COVID -19 ON BRANDS COMMUNICATION STRATEGY

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### **ABSTRACT**

*The COVID 19 have testing times for the brands and marcom companies, the sudden outbreak of the pandemic brought the lives to a standstill, and amidst this most of the brands started struggling to find a feat for themselves. It has been indeed challenging to sell the products. A number of companies have reworked towards communicating their brands to gain a maximum share. In such gloomy scenario, the advertising world is identifying various adaptation for brand communication. The purpose of the paper is to study the effect of COVID-19 on the communication strategy for towards brands.*

*The paper attempts to highlight the opinion of campaign designers as how communication strategies are going to change across various sectors.*

*The study is based on in-depth interviews conducted with representatives of major advertising firms in India. The questions were related to the external and internal changes that take place in the advertising agency during such a scenario. The findings suggested that agencies need to focus on the advertising budget, and ensure brands stay relevant.*

**KEYWORDS:** Advertising, Communication, Brand, Covid-19

### **INTRODUCTION**

Promotion is a key element of any business process and involves a two-way communication between brands and the consumers. Deciding on the promotion strategy is a very critical decision for a manager, considering the consumer, the market, and how the product is to be communicated.

Promotional strategy is the function of informing, persuading, and influencing a consumer decision for different products and services and non- profit organizations.

(DiResta, Williford, Cohen, & Genn, 2020) The corona virus (COVID-19) global pandemic has resulted in changes to advertising, marketing, promotional and media spends, forcing businesses and brands to reevaluate their thinking about current and future advertising and marketing campaigns to maintain a steady stream of income. While brands currently seek to strike the right tone during a global health emergency, the future portends market alteration, increased competition and a demand for creative and aggressive marketing practices.

The advertising industry has witnessed substantial decline in revenues, with statistics predicting that \$26 billion in advertising revenue will be lost in the U.S. due to the COVID-19 pandemic (Vorhaus [2020](#)).

There is no clear indication on the effect of the pandemic and how long will it continues on the industry. The recovery of the same will certainly take time than the earlier recessions. The advertising agencies and advertisers must gear up to the changing environment.

The study presents the advertising agency personnel and advertisers view on the pandemic and its effect.

## LITERATURE REVIEW

The corona virus pandemic has hit the lives of people and brought it to a standstill. Well over 100 countries were operating under a full or partial lockdown, which has inevitably had significant consequences for businesses. While brands were struggling to find their foot and reestablish in the market, the communication business has also been on the sharp edge to fend business.

However, there are very few papers that have discussed the effects of COVID19 on advertising from an empirical perspective. A literature search yielded a few articles which furnished insights on the scope of advertising business during the tough days.

(Li & Hall, 2020) In their article have stated that the coronavirus pandemic has caused a considerable drop in advertising spending. Ad spends are down 9% on average across Europe, with Germany and France falling by 7% and 12% respectively. This year's quarters are expected to have a greater impact than that of the financial crisis in 2008.

There's a rule of thumb in the advertising industry that ad spend follows any rise or fall in GDP. Over the last decade, as global GDP has risen 3-6% each year, the ad market has grown with it to around \$646 billion USD in 2019. Pre-coronavirus, the ad market was forecast to grow to \$865 billion USD by 2024.

The pandemic has made to revisit the communication plans and reconsider the advertising spends. The first quarter data from Public is showed that year-on-year revenue in China was down 15%. Countries in Europe saw an average reduction of 9%; Germany and France fell 7% and 12% respectively.

(Graham, 2020) A report on the pandemic indicates there would be a disruption in advertising budget. As per analysts and researchers the advertising industry is significantly impacted. There are few areas such as streaming TV and video games could see higher usage and therefore higher ad spend if consumers are spending more time indoors. The cancellation of major events such as the Olympics would have a major impact on ad spend.

The World Advertising Research Center said in its Global Ad Trends report that if the crisis remains contained, advertising spend would be delayed until later in the year.

(Beer, 2020) shared that major brands have adapted their advertising to address and reflect this unique situation of pandemic. Advertising industry experts have been offering up tips and guides on how brands should be approaching their work right now.

Most of this advice contains some version of the same points. Crisis-specific advertising we're seeing not only embodies an overall "We're all in this together" vibe, but also covers one or a combination of three different categories: Action, Information, and Support.

(Grover, 2020) During a time of economic crisis, the role of the marketer may now seem obsolete. However, it is quite the opposite, as this is an opportunity to pick up on consumer behavior changes and virtually engage with consumers in new ways. These changing times make it crucial for marketers to see consumers as individuals and not group customers into segments. By relying on real- time data and providing brands with a Golden Record of all that is knowable about a customer (e.g. identities, transactions, behaviors), marketers can assist brands now more than ever in creating informed interactions. With these personalized insights, customers will benefit from relevant, positive engagement that is consistent regardless of distance, device, or journey path that is bound to vary for each individual consumer.

(Notta, 2014) Media advertising is a significant element of the promotional mix during crisis situation. Increases frequency of advertising should be accompanied by change in advertising style towards rational appeal in place of imagery.

(Feehan, 2020) the pandemic will is going to have impact on the advertisers and marcom companies. It is important to focus on the quality of your posts and deliver value to followers. It can be tempting to fill up queue with the same old product-focused posts, but crafting posts that resonate with your followers will help cut through the noise on social media for advertisers.

#### **Research Questions Generated for the Study**

- RQ1** Brands communication strategy during pandemic
- RQ2** Short term and long-term effect of the pandemic on brands
- RQ3** Strategy a brand needs to adopt to optimize the promotional spends
- RQ4** Diverting marketing expenditure into short-term price promotions
- RQ5** Brands approach to promote during COVID-19 and postCOVID-19

#### **METHODOLOGY**

Most of the studies generally have support of secondary research pertaining to market data and information. In particular this research did not have any support of secondary data. The objective of the study was to understand a perspective of the advertising agency and advertiser of how to deal with brand communication during and post pandemic the novel corona virus. Therefore, qualitative approach was adopted and in-depth study was conducted to understand their approach towards the pandemic situation and how it's going to affect the advertising scenario. In- depth interviews were conducted by asking questions in the form of their view towards the advertising scenario.

#### **RESULTS & DISCUSSIONS**

This is the time when everyone is trying to look beyond the pandemic called Covid-19, the communication needs to be crafted carefully by brands. From creating awareness to showing empathy –brands are working out ways so that they can remain relevant. Arvind RP, director, Marketing and Communications, McDonald's (West and South) stated about how brands can remain pertinent in the time of Covid-19. (Mishra, 2020)

### **Effects of Pandemic Novel Coronavirus on Brands Communication Strategy**

According to the findings of the study during the pandemic there has been a severe impact on the entire marketing strategy and scrutiny of advertising budgeting has taken place. The pandemic is affecting customer agility, changes in media consumption habits, delivery and point of purchase choices.

Brands are being very cautious of what they put out-no sentiment should be hurt even the slightest of bit, most brands have adopted the positive tonality: showing gratitude, motivating, extending support and agile marketing approach. They are positioning themselves as a partner in these critical times and are not being preachy, experts or thought leaders.

The divide ATL Vs. BTL is diminishing is only digital, as brands have been looking at Digital in big way. Major communication has moved to digital platforms. Brands are becoming member of online communities and working on the first-hand feedback and applying drifts social sentiment and google query volume on most searched keywords as pointers to update marketing feat. However, there is a strong impact witnessed on outdoor media which is practically become nonexistent, print has also shrunk drastically.

In such a scenario the Product benefits generally go down and brand connect activities come to the fore. The brands have either become hyperactive or totally inactive. They need to be geared up to tackle exigencies, a plan B always in place as every piece of communication has to add value to people and not just surface level communication because people are smart to understand the difference.

Innovation is the key quoting example - Swiggy launched Swiggy genie to be relevant, Tanishq is showing jewelry pieces through video calls, ecommerce sites changed their delivery approach with improved packaging and no contact delivery, Fashion brands giving tips on health and fitness, personal care brands are extending their product range to sanitizers and other cleaning ranges.

Brands are designing cautious communication following the COVID-19 norms. The ads that come out no longer show people hugging, shaking hands and partying because everyone needs to be mindful of what they encourage people to do.

### **Short-term and Long-term Effects of the Pandemic on the Advertising Industry**

Advertising is the last thing people think about. These are tough times, so we should be careful on what we put forth in the long term. There will be a long term and short-term effect on advertising industry, as accountability will increase. Mainly advertisers will have long run to get back on track. In long-term, brands will have to relook at media consumption. Consumer might develop habit of consuming more digital media during lock down period. The owned media content will be on rise. Selective, high impact advertising will be sought.

In the short term, brands need to manage brand image. The short-term impacts are obvious as there has been minimal billing, small agencies have had less or no work. Clients and employees contemplating to larger agencies as they have the bottom-line to sustain this out.

### **Advertising Strategy a Brand should Adopt to Optimize the Communication Spends**

It was opined that there has to be a sharp focus on owned media, i.e. going digital. Agencies need to deploy sharper hard-working creative personnel to get the message effectively reach the target audience.

As digital is exploding, brands have their own pages and tags, it's imperative to have a right use of trends and traction on digital media. Also managing the media spends by only spending on the required platforms.

Having a fair understanding of the brand category, target audience and geographic locations is important as not all are digitally equipped or have enough resources. It is equally required to follow current trends and adopt communication strategies that will help in organic engagement and reach. Thus, a proper media mix with effective messaging will garner maximum exposure. Staying relevant is the key.

### **Effects of Diverting Marketing Expenditure into Short-Term Price Promotions which Usually Damages the Brand Values and is also likely to be Unprofitable**

The findings state that most of the agency personnel and brand managers agree on this thought as discounting is a bad move for the sake of business gains alone. It has to be a smart combination of both. However, market is ever changing and so are brands, therefore it depends upon the categories and TG segmentations.

Instead of using price promotions brands should rather find innovative ways to reach consumer and cut costs to stay in the market

Marketers have to think wisely before spending all that money to play their ad on a loop. Save for the crisis. Options should be appreciated. If something works on a digital platform, why not opt that.

It also depends on the situation at hand. For instance, hand sanitizers, during COVID-19, every brand diverted marketing & production money also and reaped benefits. Dabur, due to its massive scale of operations managed to launch it in 36hours.

### **BRANDS APPROACH TO PROMOTE IN THE MIDST OF THE COVID-19 CRISIS**

The respondents opined that brands need to stay relevant and be persistent on communication by being focused on sharp targeting. Brands need to harp on core values and the purpose of their service. Talk about the connect, as how they are making lives easy and why consumer should use the brand. Many brands are doing so, example Dettol is talking about cleanliness and effective sanitization. Dabur Chawanprash is harping on immunity. Brands are spreading joy and positivity by being human enough with every piece of communication and not coming out as an opportunist.

### **Brands should Engage with Consumers to Promote Spending**

Content is the king and need of the hour is the king men, using it well solves half of the puzzles of reaching out to the audience, now brands only have to find a connect and selling a clear yet subtle way. By being contextually relevant to the consumer's needs. For e.g. I'm going through an article about how to keep calm during these stressful times and see an ad besides it by a tea company which tells me, Here is chamomile tea that calms you! I would immediately be interested and might even spend. Or another example: if I'm currently averse to shopping online and see my favorite influencer talk about how she misses dressing up and suddenly I'm served a bumper ad on YouTube which tells me pamper yourself by indulging in some shopping by Myntra ad - I might actually consider buying. CSR activities are a way of healthy spending. Brands could talk of the cause besides just their products/services.

### **Developing a Uniform Approach to Communicate with Consumers Post Pandemic**

The findings state that brands need to curate content around a cause and build a community which will drive commerce

eventually. They have to have consistency as businesses are seldom linear Supply Chain Management is also an important aspect as trusted brands have loyal customers and talking to them is not a task but reaching out to them with a solution is the strategy is where brands need to work. Other factors including government initiatives to support economy, initiating CSR activity. Also focusing on pulse of nation and staying devoid of any controversy. Keep at bay from the medical compliance driven communication.

It's a novel phenomenon for all but the communication strategies must focus on well-being of the people by working on building trust, securing jobs, serving the society, valuing customer feedback and thus creating positive image.

### **Designing a Communication Strategy to Reinstate Return of Normal Situation**

The experts opinioned that it is important to stick to core values of brand, leverage the loyalty through its communication. Communicate the same way as you interact when it is 'normal'.

This is a phase and will always be an eye opener in many senses, people are concerned about self-health, with time brands should also talk to their TG with the sense of personal care using the emotional quotient and logically solution and need for the brand. Empathizing with their requirements and stay true to him.

It is also important that brand must not take the consumers for granted. During lockdown, a lot of consumers switched brands due to unavailability and are not coming back. There are categories where there is hardly any spend and it is utmost important to be empathetic with consumers by making sure the sales are in line to meet demand so that the consumer does not opt for alternatives. And by continuing being relevant for consumers in you comes. So, it should be inching our way back to what was being done before but not in totality. Adopt successful new normal media in a larger way than before like increase usage of digital and online marketing

### **CONCLUSIONS & FUTURE**

The coronavirus pandemic has caused a considerable drop in advertising spending, Ad spends have gone down considerably not only in India but in many countries. The virus has made the advertising brain store think and this study gives an insight on how communication plans need to be reworked.

The agency personnel opine that brands need to show gratitude and also have motivating communication. They need to have an innovative approach to design communication. The budgets might have shrunk but it is imperative to keep communicating to showcase brand image and staying relevant with the time. It is certainly not wise to discontinue with advertising spends.

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