



**Brands in the
Time of Crisis – part ½**

Welcome to the Crisis



**Joanna
Dering**

**Managing Partner
Kamikaze**

We've found ourselves in an extraordinary situation. At this point there are more questions than answers: how will the consumer change? how will they make their choices? can point of sale consumer experience be transferred to digital? are quarantine habits here to stay?

Our role is to ask questions relevant to the world of brands, look for the most probable answers and basing on them implement the best possible solutions. Then verify their outcomes immediately.



**Michał
Ryszkiewicz**

**Managing Partner
Kamikaze**

The epidemic and global lockdown is not the end of the world, it's the end of the world as we know it. It's the time of changes and turmoil but also extreme acceleration of many processes. It's a loud call for digital transformation of numerous companies.

We try to spot opportunities in adversities. Well-planned and implemented digital presence strategy can bring a huge competitive advantage.

As an agency with a robust digital background we actively support our clients in swift adaptation to the current situation.

If you want to contact us directly and talk about challenges your brand is facing – we'll be more than happy to listen!



What's in this report for me?

As **Kamikaze** we've been working for very different brands and as a part of Altavia group we've had an opportunity to regularly exchange experience with other professionals. Coronavirus pandemic and economic lockdown forced marketers all over Europe to face a real crisis affecting, perhaps for the first time, not only communication but financial liquidity as well. This crisis is especially demanding for Polish marketers, who – in opposition to their foreign counterparts – have to struggle with market crash feeling abandoned by the government and its aid. We decided to analyse brand communication and behaviour on Polish market to help them find valuable patterns to adopt in everyday work. However, we found that our approach is also applicable to other markets, so we extrapolated our analysis for CEE and Baltics countries (on examples of Romania and Estonia). We are fully aware that reality is not linear and particular brands, sectors and countries experience the crisis at different moments and with varied intensity. While some brands are building their new reality, others are just getting over the initial shock.

This report contains our reflexions and observations as well as reaction models and conclusions, which might be helpful while reorganizing your activities. Let the overview of market moves be the inspiration.

We are currently working on the second part of the report entitled “New reality”

Kamikaze Strategy and Creative Team





Welcome to the crisis!

Coronavirus epidemic is the **first worldwide crisis** since 2008. Millions of people stay at home and limit their activities to visiting food stores and pharmacies.

Coronavirus has become a unique challenge for people, but also a real sink or swim situation for many businesses. While retail and delivery companies are enjoying a heyday, services sector stopped functioning overnight and brick and mortar **stores lost even 90% of their traffic.**

The following report tracks ongoing local and global marketing changes and screens them for communication recommendations for brands and businesses.

Enjoy!



Goal: protecting brand potential

The main challenge that brands focus on is protecting their potential in every aspect – both business and brand.

The most fundamental activity is sustaining brand share of mind.

Advertising clutter has decreased during the crisis because some brands put their campaigns on hold in the phase of shock. Returning to the game might be more difficult because of the competition taking over the free space.

Polish people focus on themselves and their health more than purchasing goods, which they consider dispensable. **While sales of “necessity” goods thrive, all other brands have to fight for survival.**



An example of Somersby brand communication in the time of crisis
Source: Facebook/SomersbyPoland



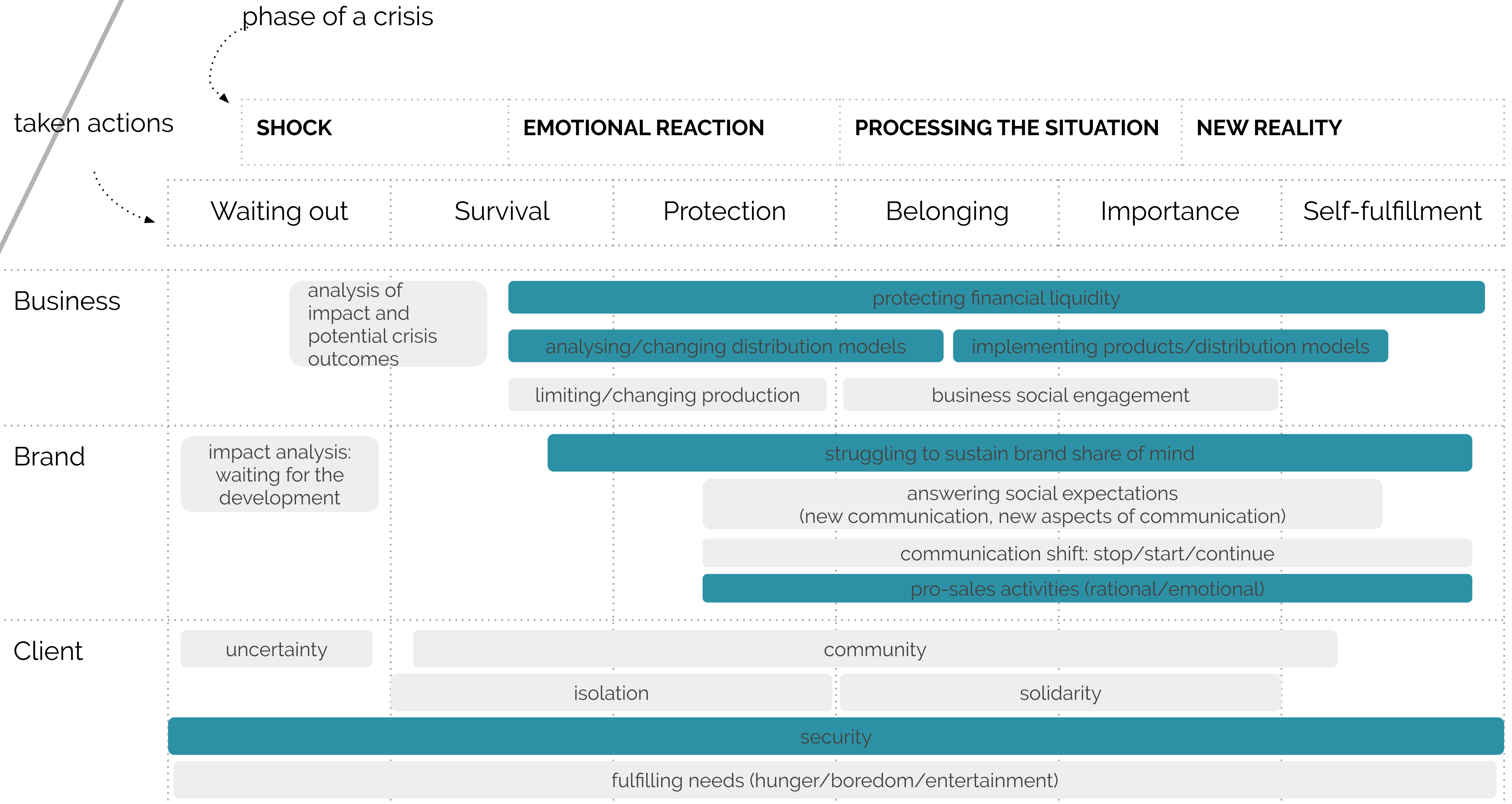
Survival model

Based on our observations and exchanging opinions with marketers, the group and strategists, we have designed a model of brand and marketer activities. Although it is a theoretical reflexion, we notice a dependency between brand activity and phases of crisis, starting with shock and ending with building new reality. We are using it to show variety of activities on particular levels in specific phases.

The model corresponds with both theoretical Maslow's pyramid of needs and crisis reaction model.

It's worth noticing that specific activities are also applicable in sectors which enjoy a boom because of coronavirus, e.g. retail.





3 fronts of activities

In the time of crisis – a real one, not a heated opinion exchange on social media – brands must remember about 3 sides of their business. Whether fighting for survival or taking advantage of the opportunity to build sales, it's essential to **think about three primary categories**:

- a.** sustaining business financial liquidity, including changing operation models: distribution channels and models as well as range of offered products and services,
- b.** sustaining brand power: starting with brand share of mind (which tends to decrease in the times of crisis), client loyalty and developing pro-sales activities,
- c.** relevance to clients' needs: working to adapt to clients concerns, which revolve around feeling of security (their own and their loved ones), sense of belonging to a community and solidarity.

Some brands focus on chosen areas, e.g. relevance is vital for local brands like restaurants, while others fight on all fronts.

5 types of communication strategies

Enhancement	Humanizing	Positivity	Protection	Localness
Brand is focused on its strongest assets and communication – based on coronavirus situation brand wants to inspire people to use its product/service. This strategy is highly sensitive, but properly executed can also be really effective.	Brand will show a “human face”. Communication is oriented around people’s feelings and emotions in the current situation – what we think, how we act, what we want. Brand wants to show that it understands us – Clients – and supports us in these hard times.	Staying isolated at home makes people depressed and bored. Brands want to send a positive message, such as “one day it will end.” Positive emotions build stronger connections than negative ones, so this is one of the most effective strategies but more brand-awareness-building than sales-generating.	Brand is the entity that will protect you, your family and even your country from coronavirus threat. Brand can do that by improving sanitary procedures in the shops, introducing contactless delivery, sponsoring health care (by funding medical equipment or just by money transfer) or selling sanitizing products and masks in affordable prices.	Brand can use it only when they have local heritage. Brand will show its roots and appeal to consumers for supporting local business and local workplaces in the time of crisis. It can also support other local businesses by ad campaigns. Focusing on localness and local help during a crisis is one of the most effective strategies.



Back to basics

Strategic management is one of the key aspects of activities of marketers working on sustaining financial liquidity. Choices to be made are dictated by **analysis of market and product**. In case of brands whose market was limited, market penetration based on new distribution channels is essential. That's how retail or beauty sector work.

Brands whose market virtually vanished, like restaurant business, are in a much worse situation. Here, the key is to develop a new market and a new product. **Such actions bear high risk but give chance of survival.**

MARKET			
PRODUCT		EXISTING	NEW
	existing	market penetration	market development
	new	product development	related diversification unrelated

The Ansoff Matrix: although it was created in the Sixties, it is still relevant for business decision-making.

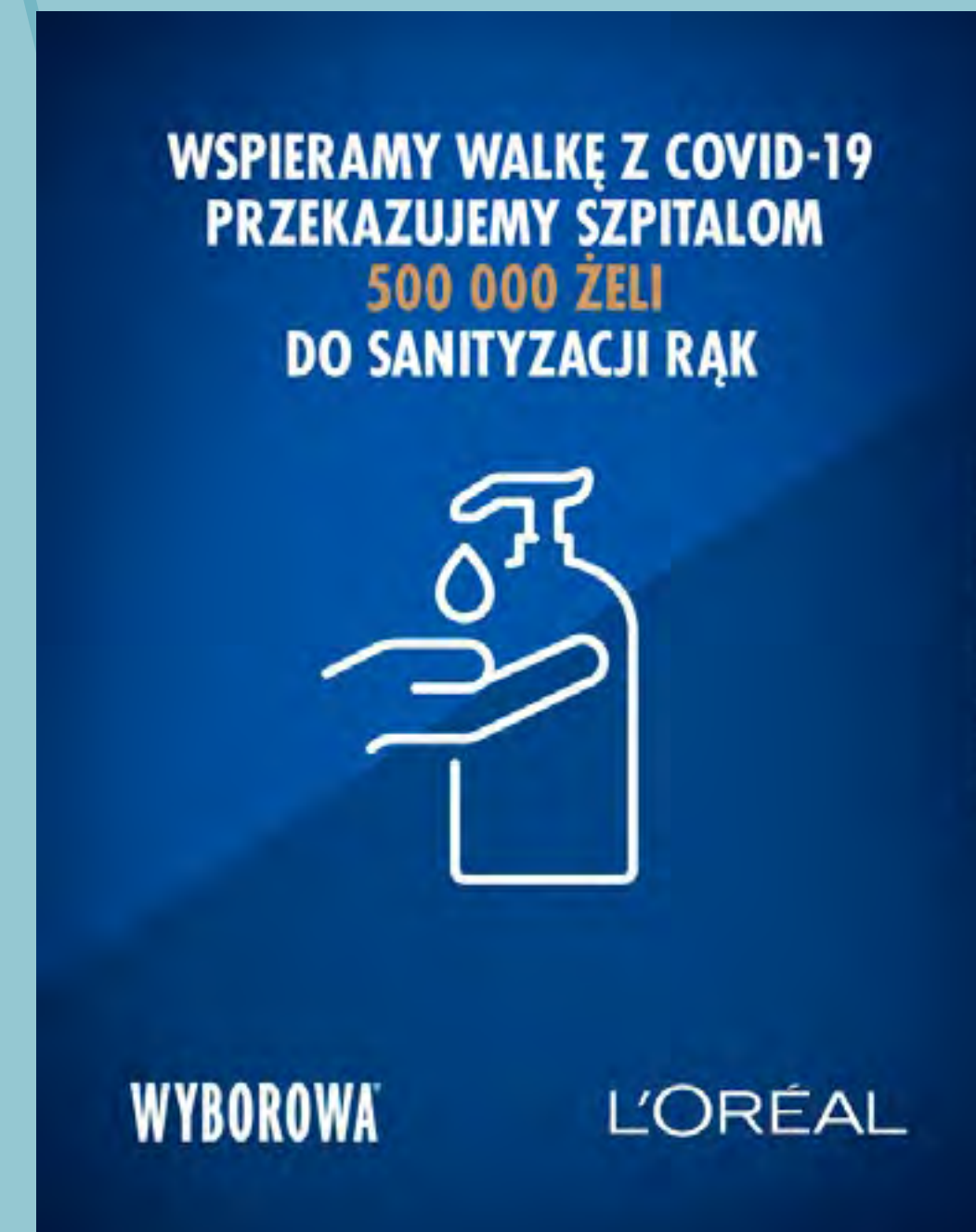


New products and services

With access to the market and clients impeded, big and small companies from beauty, restaurant, automotive or real estate sectors face significant revenue drop or bankruptcy. Some wait for state bailout or raise funds on their own, others develop new products and services:

- a. related diversification: beauty brands launch production of disinfectants – **Coty and L'Oréal being perfect examples**
- b. restaurants start delivering ingredients for dishes to be made at home or bolster their delivery menu
- c. unrelated diversification: **Glovo** – an on-demand courier company – immediately launches a grocery delivery service

Source: Pyszne.pl



Source: Facebook/pg/WyborowaKariera



Source: Coty



Long vs Short sightedness

Coronavirus imposes on brands an **accelerated digital transformation**. Brands thinking long-term have been investing in e-commerce, mobile apps and customer service processes for years. In the time of pandemic, it's easy for them to move their business online, minimizing incurred loss.

Super-Pharm and Yves Rocher serve as good examples.

For brands whose activities are based mostly on promotions, without their own ecosystem and basing on external resellers, the pandemic turned out to be a painful lesson of sales and a risk for core business. **"Tactical" approach to activities, criticised by advertising business, is bound to fail when facing the lockdown.**



Source: Facebook/super:pharm



Source: Facebook/YvesRocherPolska



Brand roles and social expectations


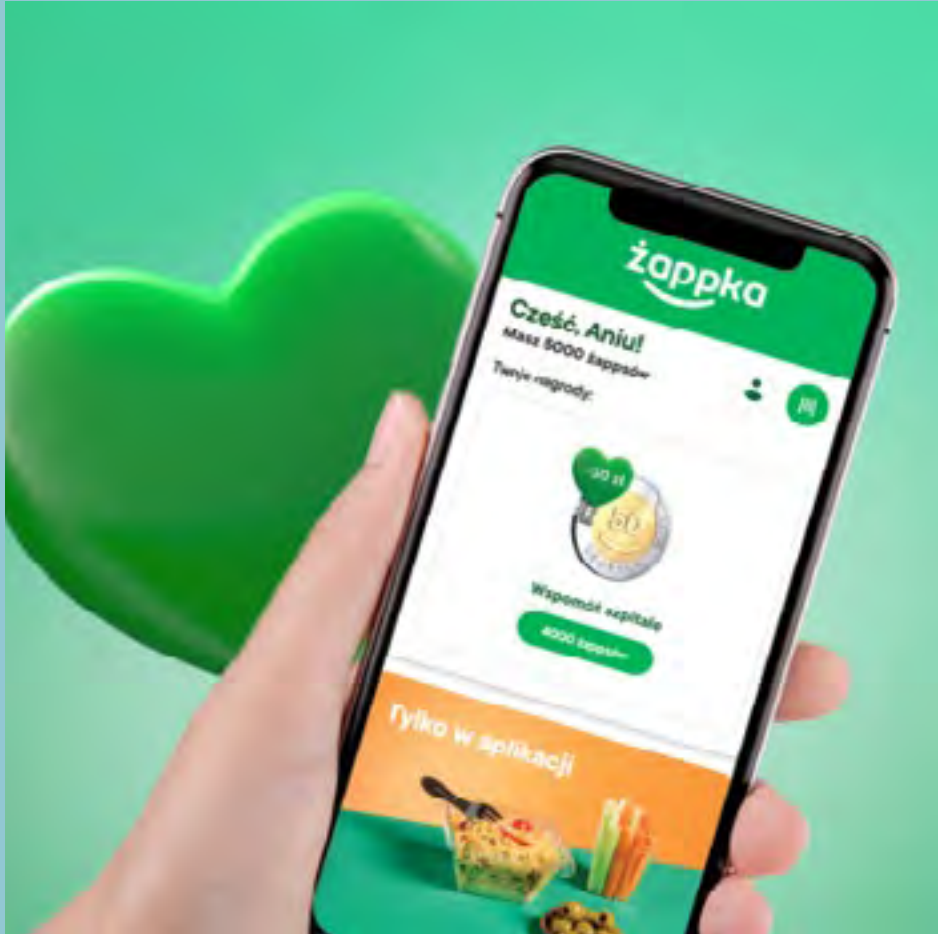

Brands can build their communication around a few key social expectations. **How?**

Expectation type	What it is
Scenario	What should be done in such life situation? What social role can the brand take? A carer, a hero, a defender? We can help doctors, small businesses, even the competitors..
Actors	What role does the brand usually play and can it be reinforced in the time of crisis? Undertaken action is a result of defining who the brand is and what social expectations it can meet in the first order: e.g. "entertainment" brands can primarily provide just that and only later – support hospitals.
Audience	Has the surrounding – brands or community – defined expected behaviour? (if yes, what is it?) How can the brand join in? Examples: sewing masks, #stayathome, supporting hospitals etc.



Source: Instagram/ugurgallen

Examples of role-congruent activities

Scenario	Actors	Audience
 <p>A poster for Agata furniture store. It features the Agata logo at the top, followed by the text "1 000 000 zł na walkę z koronawirusem" (1,000,000 PLN for the fight against coronavirus) and a heart icon at the bottom.</p> <p>Source: Salony Agata, Facebook/pg/salonyagata</p>	 <p>A hand holding a smartphone displaying the Żabka mobile app interface. The screen shows a green heart icon, the text "Cześć, Aniu!" (Hello, Aniu!), "Masz 8000 Żabka+", and "Twoje nagrody:" (Your rewards:). Below this, it says "Wspomóż ekspata" (Support the expat) and "4000 Żabka+". At the bottom, it says "Tylko w aplikacji" (Only in the app).</p> <p>Source: Żabka, materiały prasowe</p>	 <p>A poster for Kaufland. It features a large white heart on a red background. Inside the heart, it says "1 milion złotych na walkę z koronawirusem" (1 million PLN for the fight against coronavirus). At the bottom, there are logos for "Zróbmy to razem." (Let's do it together.) and "Kaufland".</p> <p>Source: Kaufland Polska, www.linkedin.com/company/kaufland-polska-markety-sp-z-o-o</p>
<p>Agata furniture stores reacted as one of the first companies, donated 1 million PLN and supported their communication activities. An excellent example of action in accordance with scenario allowing at the same time to build their social role based on audience expectations.</p>	<p>Żabka chain plays the "actor" role perfectly. Their main function is to sell and that is why they have been building the feeling of security among their franchisees and clients by assuring availability of goods. Additionally, Żabka takes advantage of their mobile app and encourages clients to donate loyalty points to Polish healthcare.</p>	<p>Kaufland, along with all retail, based its activities on expectations defined by the crisis, which included supporting doctors and nurses. Building upon this, petrol stations introduced free coffee and tea for uniformed services.</p>

The first, the bigger, the more creative

It must be remembered that planning activities based on social roles is not a universal remedy. Being the first and supporting your actions plays a major part. When you do something, do it as the first one and talk about it to anyone willing to listen. An example of activity which has run out of its communication potential is **donating money to the healthcare.**

While ethically it is a living proof of business social engagement, when it comes to communication – the attention of Polish people is already focused elsewhere.

The scale and size play an undeniable role, so if your budget is not limited even by sky, you'll reach the minds of clients, but you'll pay the price.

Alternatively, you can try a creative approach. Poles who #stayathome will appreciate it in social media.



An example of a creative activity: mural dedicated to healthcare workers by naTemat.pl (photo by natemat.pl)



Behaviour of Polish people

Up to now, the behaviour of Polish people has come through different phases. Above all, the society has been divided into two camps: one supports the quarantine and lockdown, the other perceives coronavirus as a bloated, fake hazard.

Nevertheless, when it comes to shopping, we went through a phase of storming the stores to stock up on toilet paper, groats, pasta and other necessity goods. Disinfectants and cleaning products were disappearing from the shelves. Since it turned out that stores would not run out of stock, we have tried to limit our shopping, but not resign from it completely.

It's likely that due to intensifying communication about difficulties of businesses, we will limit the spending even more to have some money put aside for a rainy day.



Behaviour of Polish people

More than a half of **Polish people still work on company premises**. We are afraid of coronavirus, but we have no choice. To balance this, we are trying to reduce social interactions. **17% of Polish people work remotely** and 8% claim to have lost their jobs. Gartner (2020) estimates that a half of people working remotely will not come back to the office after the pandemic ends and will continue working from home.

We care about health	We care about our loved ones	We buy online	We talk a lot	We are bored
We pay close attention to health-related product properties. We stay at home if possible.	We limit social contact and keep social distance not to endanger our loved ones, especially the elderly.	Traffic in internet stores has risen even by 70%; a half of Millennials have made online shopping recently.	Traffic in mobile data transfer and voice connections has risen by almost a half. We stay at home and call our friends.	Boredom is an important trigger – TV/VOD/SVOD services are soaring while music streaming is decreasing. It is a golden era for gaming and revisiting old and forgotten passions.
There is an opportunity in presenting health-oriented benefits of products and services . Not only foods, but movement and social interaction as well.	Joining in on the action #stayathome is an opportunity as well as communicating products that can be used together (games/movies).	It's an opportunity to overcome clients' doubt towards online shopping.	A chance for telecoms and internet providers – additional packages of services.	All kinds of activities that will help people to "make use of their time".



Polish shopping cart

A shopping cart of Polish people changed almost overnight. We are buying considerably more cleaning products and we made holiday shopping much earlier. We are afraid of prices increase and try to save money by choosing bigger packs or cheaper products.

Cleaning	Stock		Holiday	Prices	Digital
40%	20–26%	11%	63%	40–53%	38%
Increase of share of cleaning and hygiene products in the shopping cart.	Increase of share of dairy, snacks and alcohol in the shopping cart.	Increase of share of cosmetics and perfumes in the shopping cart.	Increase of sales of mayonnaise in comparison to the same period last year. Earlier and bigger Easter shopping.	To manage rising prices, we are choosing cheaper (40%) or bigger weight (53%) products.	Percentage of Polish people who currently shop online.

Source: Nielsen, Mobile Institute

Opportunities for brands

Business opportunities	Brand opportunities	Communication opportunities
<p>E-COMMERCE:</p> <ul style="list-style-type: none">● developing own e-commerce● using external e-commerce platform● changing stores opening hours● home delivery – own or with external partner e.g. Glovo, lowering existing delivery cost <p>OFFER:</p> <ul style="list-style-type: none">● Introducing cleaning and protective products to the offer● Expanding the online offer of products	<ul style="list-style-type: none">● Supporting doctors, public services, hospitals, local business partners. <p>Appropriate use of business and communication opportunities results in simultaneous realization of brand opportunities.</p>	<ul style="list-style-type: none">● Using new communication channels – mostly video, vod, streaming, live● Lifestyle approach to regained free time – cooking, hobby, online meetings with friends● Emphasizing solidarity and community – especially for brands like Somersby or Carlsberg, which are all about people and being together.

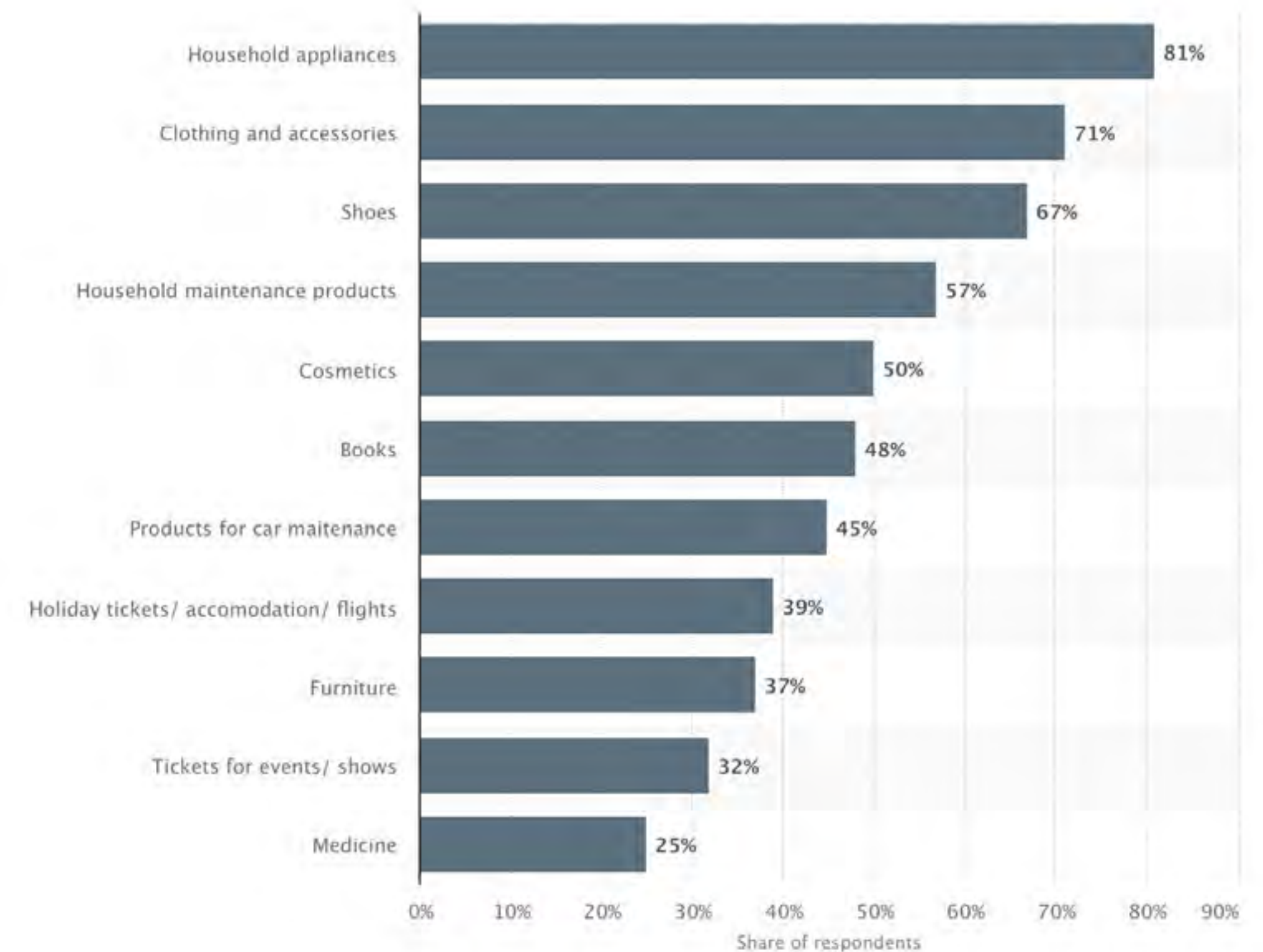
What about Romania?



Romania is one of the fastest growing European e-commerce markets with annual growth dynamics at 13%. Coronavirus has actually increased absolute growth rate, which in 2019 amounted to 4,5 p.p. and forecast for 2020-2021 places it at 4,7 p.p. As many as 92% of citizens between 18 and 35 years old had experience with online shopping.

Compared to Poland, Romanians most frequently buy online household appliances, clothing and shoes.

Romanian market developed door-to-door services much faster than compared markets (including Poland), expanding the services in atypical fields such as automotive industry.



Types of products frequently bought by Romanians (Statista, April 2020)



What with Estonia?

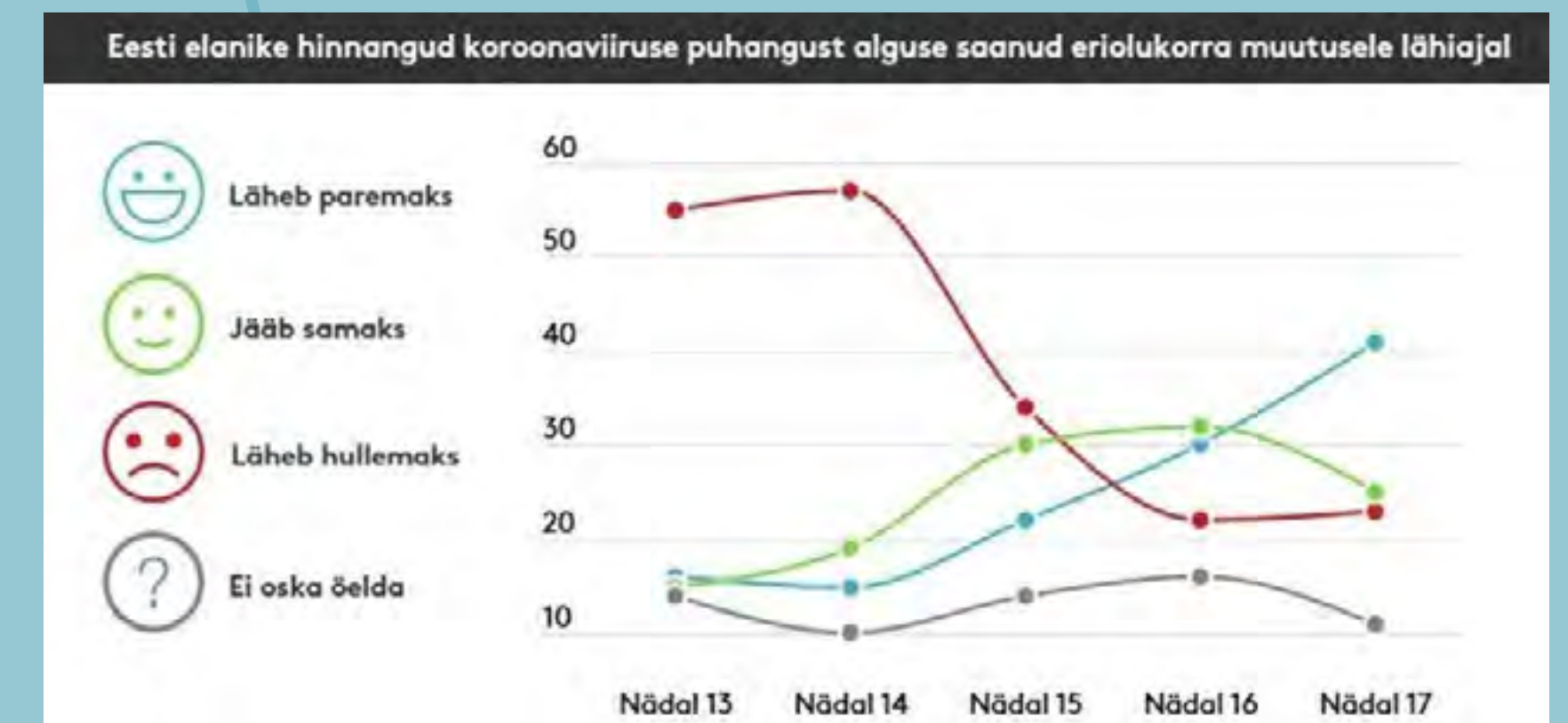


As many as 90% of Estonians claim that they have changed their habits during the pandemic. Compared with the time prior to the virus, they have limited their activity by 15% and 70% of population remains housebound. Estonians have quickly changed their media-consumption habits as well – digital and TV benefit, while radio and press suffer a huge drop.

Coronavirus stimulated dynamic growth of online shopping – the traffic and sales on e-commerce sites rose by 70%. Correspondingly, the dynamics of courier and postal services increased as well – Eesti Posti indicates a 145% growth in sending and receiving packages. It's worth noticing that this increase is not caused by online stores alone but Estonians themselves, who started massively sending things like groceries to each other.

According to Kantar Emor, the most popular category of online shopping in Estonia is food delivery, which can be linked to the fact that as many as 41% of Estonian employees are currently working remotely.

Kantar Emora, Eesti Posti, Elisa



Estonians claim that situation in the country is currently better and is improving. They also criticised narration of coronavirus in media, thought that the scale of the danger is overestimated.

Kantar Emor

Where we are heading: New normal

Polish people transitioned into online lifestyle quite quickly – the Internet usage has increased by 70%. For brands with existing digital ecosystems it's a huge opportunity to reach people who spend their time in isolation.

1. More TV, VOD/SVOD (60% global TV viewership increase according to Kantar)
2. Workouts, online workshops
3. Extra-curricular online activities for children
4. Gaming
5. Food delivery (both stores and restaurants)
6. Increase of cashless payments
7. Online "meetings" (61% global social media usage increase – Kantar)



Source: Lido Movement Studio, Facebook/lido.movement

Examples of brand activities





Dacia, AutoKappa: new service, new reach channels

Romanian automotive market has suffered a great hit similarly to other European countries. Brands such as Dacia try to retain some clients by investing in online advertising campaigns. You can choose and complete your dream model online and Dacia will deliver it to your door, without the need to visit a dealership.

Additionally, brands such as AutoKappa as a part of holistic client experience offer not only technical examination and repair of your car but also picking it up from your home, disinfecting and bringing it back.



Source: Dacia Romania, AutoKappa, Facebook



Clean Food – building sense of security, new products

Hermetic Mancare Curata bags were introduced to the market in order to guarantee safety of food during transport by absolute lack of contact with the outside environment.

Bags are produced based on already existing courier bags, thus this endeavour is simultaneously creating a new product and building a sense of security of restaurant clients.



Source: Macare Curata

Text in Romanian: Solutions for protecting food orders at home



Kaufland

As part of global activities, Kaufland Romania introduces special sanitary requirements and supports the healthcare. What's more, Kaufland educates the public about the best hours to visit their stores. Using Google data, Romanian supermarkets encourage the clients to choose the hours of lower traffic.

Source: Kaufland Romania, Facebook
Text in Romanian: Choose the less crowded hours of the second part of the day





Play Theatre – new service, unrelated diversification

Because of closing the stage, the staff of Play venue decided to make shopping for their clients based on subscription model.

You pay only once and for a month you can commission members of the troupe to make shopping for you.

The venue started its own WhatsApp group for clients, where they can complain or make suggestions about the service. 10% of each subscription payment was donated to anesthesiology and intensive care unit in Craiova.

Source: Cafe-Teatru Play, Facebook
Text in Romanian: The Play team does the shopping for you!





Alexela: CSR, community, localness

Estonian energy provider started a campaign "Together we give Estonia power!" to promote and support local business. Scope of campaign includes encouraging hygiene, staying at home, and buying Estonian products or services to save workplaces and financial liquidity of local companies.

With alleviating restrictions, Alexela extended its communication to include inspiring people to spend holiday in Estonia. Ambassadors of the campaign comprise the company's legal team, who recommend local products.

Stressing localness and supporting businesses in the community is especially visible in Baltic republics.

ANNAME KOOS EESTILE JÕUDU!



PESE KÄSI



PÜSI KODUS



TARBI EESTIMAIST

Aitäh sulle.

Aitäh, et aitad takistada viiruse levimist.

Aitäh, et tarbid kodumaiseid tooteid ja teenuseid ning aitad
seeläbi hoida töökohti ja luua uusi võimalusi.

Aitäh, et annad Eestile jõudu!

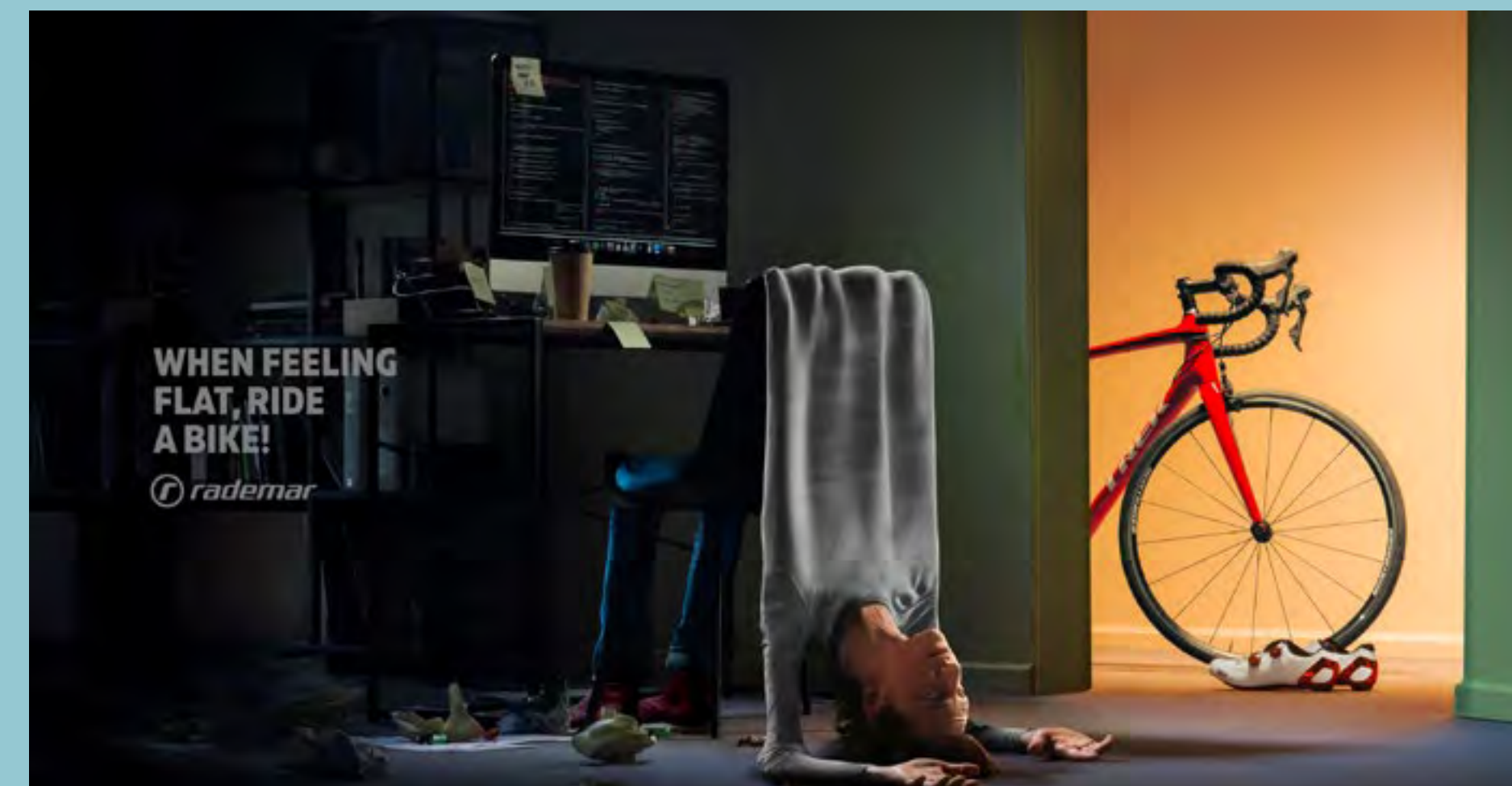
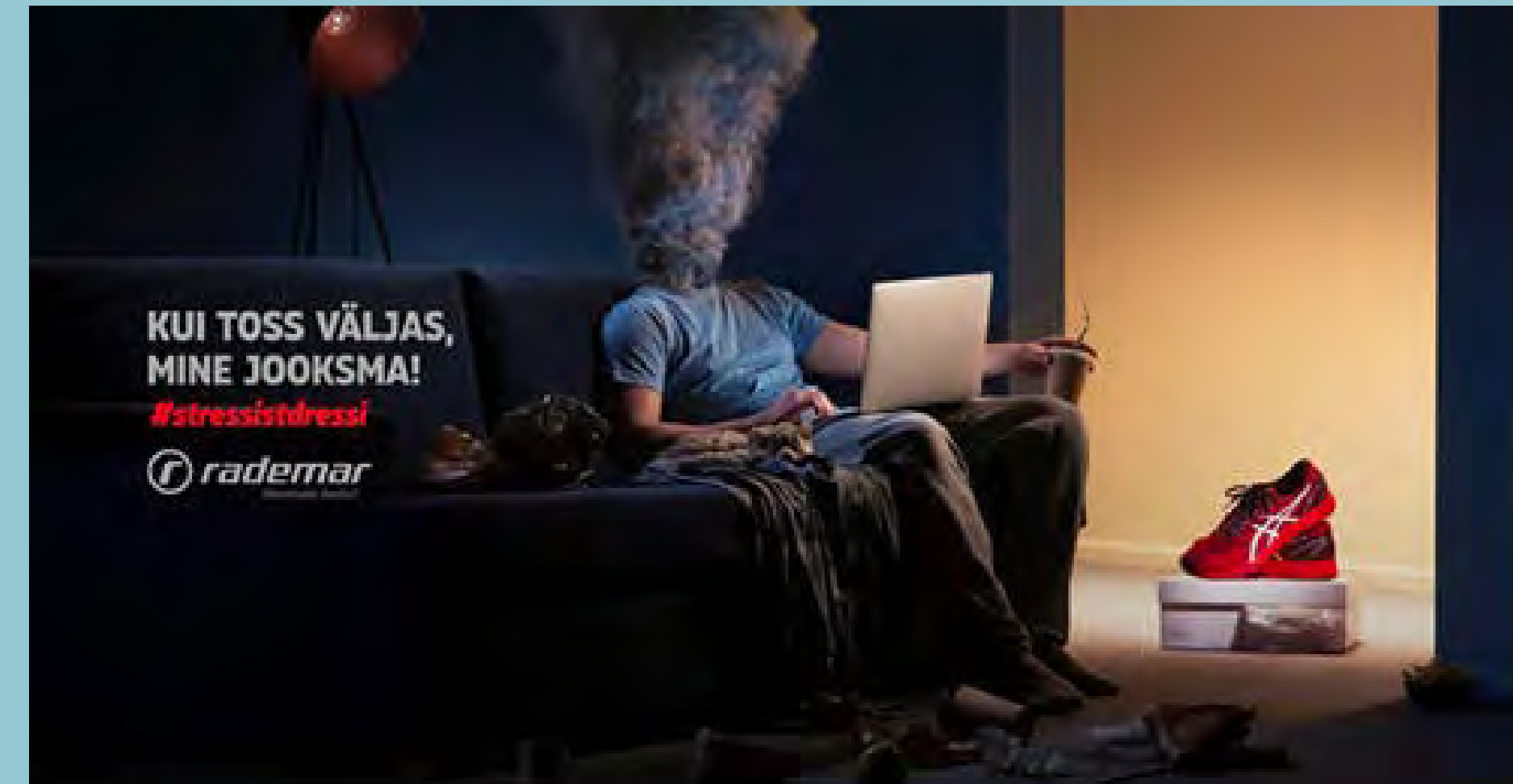




Rademar – share of mind

Rademar store chain known for edgy communication, launched a campaign encouraging people to do sports as a tool to fight depression, stress and burnout.

The campaign addresses pandemic-induced anxiety about individual and family health, and losing your job.

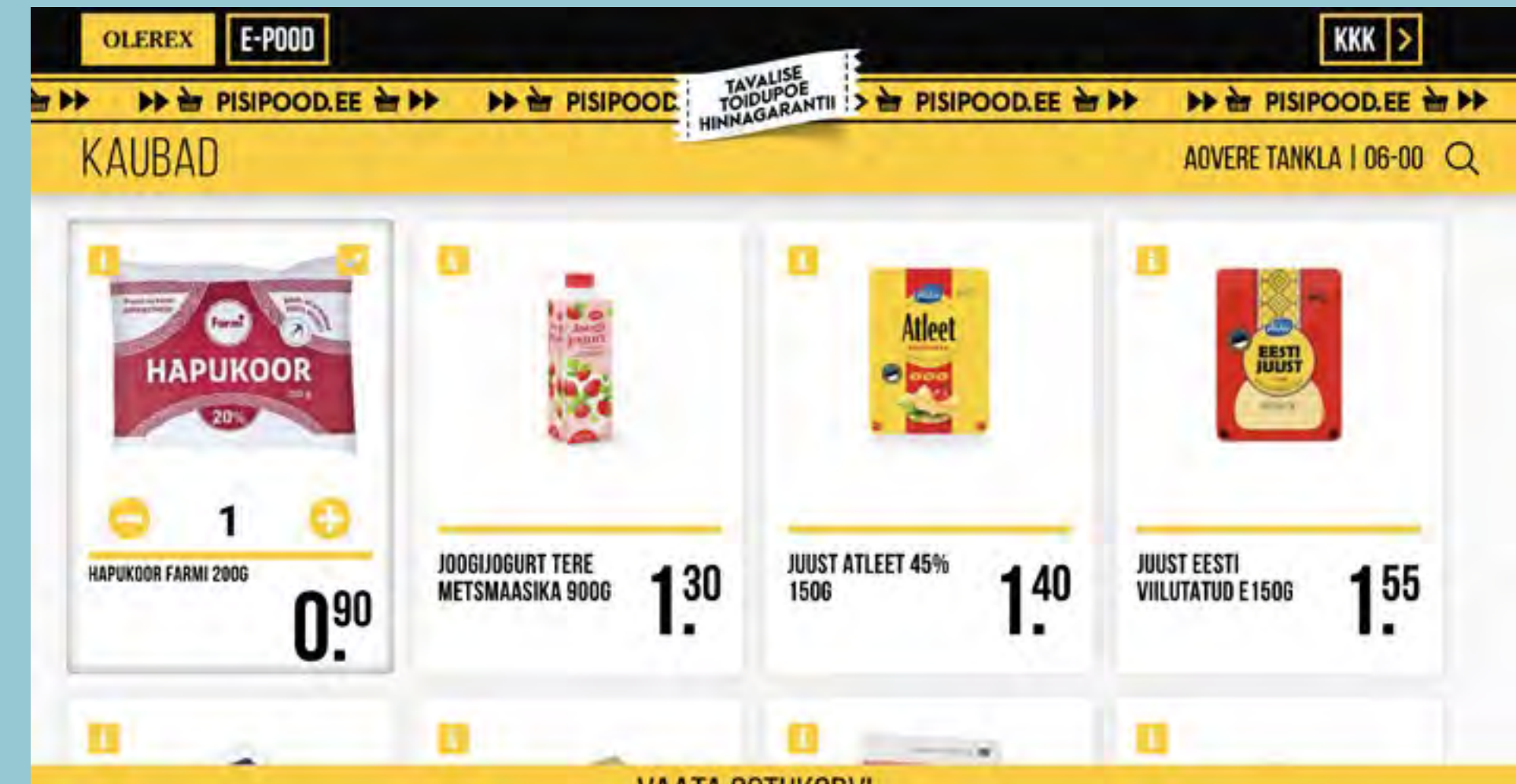




Olerex – new sales channel, safety

Chain of petrol stations Olerex introduced an option to book products online in one of 47 stations and pick them up personally. To minimize human contact, the ordered products are packed and handed to the client via Drive-Thru type window. Reservations can be done in the online store, which allows the user to choose the location of pick-up station.

Similar solutions are being introduced on filling stations owned by Alexela holding.

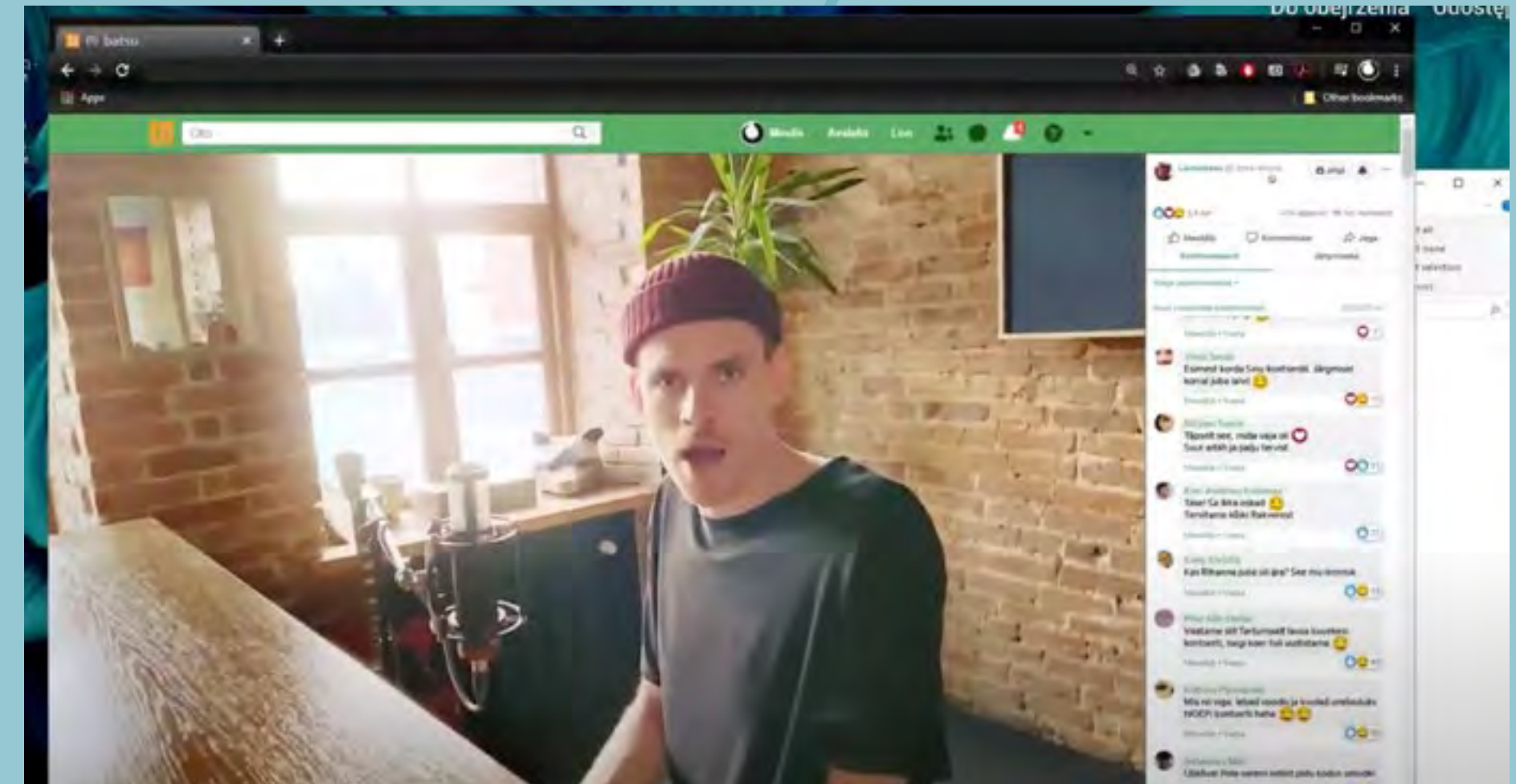




Telia – share of mind, community

Telia, Estonian telecom provider, decided to shoot an advertising video solely by using smartphones. It is the first big local campaign made completely remotely. The brand is drawing inspiration from Estonians' experience in the time of coronavirus and maintains its communication strategy encouraging people to connect with their friends and family.

Watch the ad: [click](#) 





Triumph Health – safety, security

Triumph Health (health technology startup) created a mobile game platform for children aged 7-14 to offer immediate psychological support and deliver validated information on the virus. It was created in cooperation with child psychologists and health care experts.

Platform is available in Estonia and UK on Android devices. The company is working on iOS version.



App screenshots



Gazeta.pl x BNP Paribas – community

#gdytosieskonczy (#whenthisends)

is an action run jointly by Gazeta.pl (one of the biggest Polish news service) and BNP since April 21st. People miss normality and dreaming about it makes it all a bit easier. That's what it is about – ideas of things to do after the pandemic. People's own # ideas can be sent to a dedicated email address or via social media and brands place them on billboards in Warsaw, Poznan and Krakow.

Recommendations:

Protracted quarantine gives an opportunity to show the sense of community – it's worth considering in your communication. With gradual unfreezing of economy foot traffic is increasing and out-of-home advertising might be a viable option.

GDY TO SIĘ SKOŃCZY

**„wpakuję do auta narzeczoną,
koleżanki i nasze psy, i pojedziemy
nad morze, choćby na weekend”**

- Wiktoria

GDY TO SIĘ SKOŃCZY

**„Zabiorę dzieci do mojej Mamy na jej
najpyszniejszy, domowy rosół”**

- Magdalena

Source: www.gdytosieskonczy.pl



ING Remote rescue – solidarity, sustaining share of mind

Bank ING engaged influencers in an action promoting supporting your loved ones (parents, grandparents) in using online banking. The campaign is run on the radio on the Internet. The bank shared a pdf manual for the mobile app on their website.

Recommendations:

We must find our ground in the new reality, especially that it is getting increasingly digital. Supporting your loved ones doesn't have to be limited to bringing groceries but can be accomplished by seemingly trivial things.



Source: Kadr z reklamy ING Polska, www.youtube.com



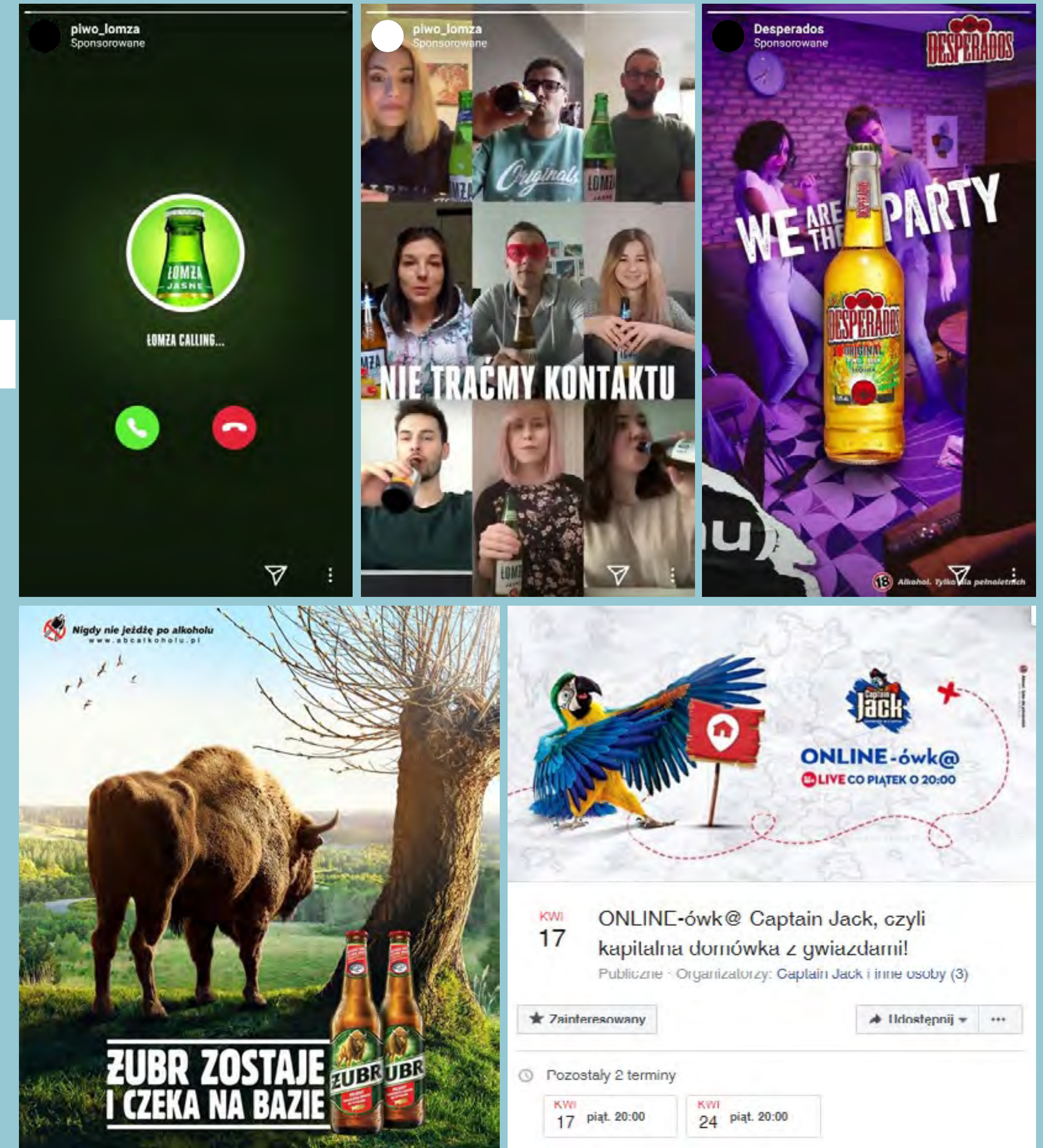
Beer brands – community, sustaining share of mind

#Stayathome but stay normal. Beer brands demonstrate that sitting at home doesn't mean putting get togethers off. Let's meet for beer online.

Captain Jack organizes regular **online house parties** with celebrities, musicians and influencers.

Recommendations:

With the quarantine prolonging, people long for normality. Brands should provide them with such an opportunity or at least show what they can do themselves.





Żabka: launching new products, business social engagement

Żabka (Polish chain stores) and their franchisees resigned from their margin and on March 15 introduced packs of **10 safety masks for 16,17 PLN in their stores**. Additionally, the chain will donate half a million masks for hospitals

It's the next consistent Żabka move in connection to coronavirus.

Recommendations:

Brands should consider running consistent, extended actions, rather than one-off activities.

Source: Żabka Polska





Kaufland: new distribution form, new product

Kaufland meets clients' expectations and starts selling basic products from a truck trailer following the rule **"If clients can't come to the store, the store will come to them."** Additionally, in cooperation with teleshopping company Mango, the company introduced **"Stay at home"** packages containing basic grocery products.

Recommendations:

Brands should dynamically adapt their distribution channels to sustain financial liquidity. Retail reacts to client needs in real time.



Source: Telezakupy Mango



Ziaja – Internet store

Ziaja (Polish cosmetics brand) launched their online store, thus building a new distribution channel. After hyping the e-commerce premiere, the servers did not sustain extensive traffic.

Recommendations:

Brands which don't have their own e-commerce or don't cooperate with an external platform should consider this move as soon as possible to prevent sales drop. The example of Ziaja demonstrates that the whole process should be well prepared, **starting with technical issues and finishing with product delivery.**



Source: Ziaja Polska, Facebook/ZiajaPolska



Report by



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