Shifting Strategies: Changes in Brand Advertising During Covid-19

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Covid-19 pandemic has revolutionised the world in several aspects; generally several human behaviour elements have changed, and more is predicted to change in the future. Consumer behaviour has also witnessed a change in terms of purchase decisions, prioritising and eliminating products, as well as a shift in media usage and online purchase patterns. Researchers estimate that these changes will be lasting, even after the pandemic is over. Brands therefore have to re-evaluate their advertising and marketing structures, budgets and strategies. Rethinking and shifting the type of messages and campaigns, focusing on new modified and developed advertising assets that emphasise different key messages, addressing consumer concerns, pivoting towards solutions, linking their products to the new lifestyle people are living, reorganising relationships with consumers and shifting strategies of product-consumer engagement are all possible adaptations. This research aims to explore the impact of the pandemic on the advertising industry in terms of content, strategies and media usage, by analysing the shift in consumer behaviour and its relation to brand perception, advertising placement and conveyed messages.

Key words: Advertising, Consumer Behaviour, Covid-19, Digital Advertising

Introduction

Since Covid-19 hit the world, drastic changes have taken over human behaviour and hence consumer behaviour, which has created a noticeable shift in media activities and the advertising industry. The consumption of media has evolved during this time, budgets have been reduced and an unexpected shift in media expenditures has been noticed. The pandemic has brought unexpected behaviours from end consumers, regarding purchase decisions and product preferences, which has led to a shift in advertising strategies and forms of execution across all media. Wherever human and consumer behaviour has shifted, advertising has adjusted itself in response in terms of budget,
payment methods and plans, ad placement and messages. As confinement measures were introduced to the world, outdoor, cinema and print ads drastically declined. In-home media consumption on the other hand increased, mainly TV, social media and streaming services, and advertisers had to adapt by following consumers, prioritising digital advertising to serve as a favourable environment for direct response campaigns encouraging quick response purchases.

People are living differently, thinking differently, and purchasing differently, with the new habits being formed permanently changing what consumers value, and how and where they purchase their products. Consumer priorities have been centred on the essential and basic needs either because of the change in the way they think or as a response to the change in most people’s income. As some businesses cut the number of their employees and cut from their salaries, the factors that influence brand and purchase decisions are also changing. Health, food, medical security and personal safety have been seen to be leading priorities. Hence, a strong focus has been shifted to changing advertising messages. While brands advertise mainly to create awareness, increase sales, and build brand loyalty using the most effective media for each objective, the pandemic caused advertisers to rethink the type of campaigns they should be executing, with a priority of securing consumers. The IAB data reveals that 73 percent of advertisers have modified and developed new assets since the start of the pandemic, and 53 percent of these have focused on advertising messages that emphasise the mission of the companies (Li & Hall 2020, June 8 https://www.weforum.org/agenda/2020/06/coronavirus-advertising-marketing-covid19-pandemic-business/).

The pandemic is thereby transforming advertising strategies and industry in three main aspects: first, companies are working on finding new ways for brand-building based on the change in consumer behaviour and media consumption; second, a shift and decrease in the value of Pay-TV to the benefit of ad supported streaming services; and third, a shift from offline to digital media channels which will in return strengthen the position of digital platforms.

**Literature Review**

**A Shift in Consumer Behaviour**

Consumer behaviour is a constant decision-making process of searching, purchasing, using, evaluating and disposing products or services (Valaskova et al., 2015). Economics contains macro and micro ranges. However, consumer behaviours are the same as economics and can face macro and micro impacts that affect people’s purchasing activities. Macro consumer behaviour is created by social issues, while micro consumer behaviour is reliant on individual factors (Soloman, 2016). The approaches explaining this behaviour are divided into three main groups: the psychical, which
is based on the relation between the psyche and the behaviour of the consumer; sociological, influenced by social occasions and devoted to the reactions of consumers in different situations; and economic, which is based on the economical knowledge by which consumers define their purchase decisions and product requirements (Valaskova et al., 2015). In times of crisis, new trends in consumer behaviour emerge with two main important factors: risk attitude and risk perception. Risk attitude reflects the consumer’s interpretation concerning the risk content, while risk perception reflects the interpretation of the consumer to the chance of being exposed to the risk itself (Mehta et al., 2020). Flatters and Willmott (2009) identify new behavioural trends during crisis as including simplification of demand due to limited options and offers during a crisis, which tends to continue post-crisis. Consumers tend to seek less complicated, value-oriented products, focusing on the performance of the brand.

During the pandemic, people are spending less of their income on products that were previously perceived as “nice to have”, such as luxury products, cars and electronics (Abe, 2020). As societies move beyond this survival mode, some of the changes in spending behaviour may not be maintained, while others may remain permanent. Besides a change in the spending pattern, a greater shift to e-commerce has been seen; shopping through digital platforms, official brand websites, social media and mobile platforms used by the consumers during the pandemic has led to the digitisation of shopping. These platforms play a strong role in terms of reaching consumers, creating awareness, and the transaction and retention of consumers post the pandemic (Deloitte, 2020). With a shift in consumer priorities in which personal health, family safety and public health gained precedence (McKinsey, 2020), consumers expect advertising to help navigate the new normal with a positive perspective (Kantar, 2020). Kotler (2019) states that in modern times consumers are increasingly looking for hope, remedies and anchors that can alter their person, and they see value in such transformation. Based on a survey conducted by McKinsey during June 2020, more than 60 percent of global consumers have changed their shopping behaviour and product preferences, as seen in Figure 1. As consumers could not find their preferred products, they changed their shopping behaviour, tried different brands, and shopped at different platforms (Arora et al., 2020).
Fig. 1. Percentages of consumers who have adopted new shopping behaviours during the pandemic


The pandemic forced consumers to shift their spending behaviours quickly. For some people it was the first time using online shopping. Globally, there was an unexpected shift from store shopping to online shopping. A survey in the USA underscores that 14 percent of individuals used online shopping for the first time and 56 percent increased their online shopping activities; this will not change that much after the pandemic as it is expected that 51 percent of the consumers will keep their new habit of buying online (Etzioni 2020, https://www.namogoo.com/ebooks/how-covid-19-online-shopping-habits-are-shaping-the-customer-journey/).

Fig. 2. Effect of the pandemic on consumers’ online shopping

These results provide valuable and practical lessons for companies that rely on e-commerce, shedding light on the ways COVID-19 is affecting the online customer journey today and on the methods consumers expect their shopping habits to change after the crisis has passed.

The 2020 pandemic crisis has offered a new motivation for long-term behaviour change, and is suggestive of a new segment of migrated consumers whose buying habits will become more economical, a unidimensional consumer lifestyle trait characterised by the degree to which consumers are both restrained in acquiring, and in resourcefully using, goods and services to achieve longer term goals (Lastovicka et al., 1999). This is considered as a trigger for brands to redefine, strategise and reshape not only their offerings but also the way they reach out to consumers. The next normal in consumer behaviour provides an opportunity to realign the present conscious young generation to new life principles, to build a new segment of consumers and create new product stories. As online shopping became the new normal for consumers, and with the decline in the economic situation, brands were urged to reach out to consumers with a different strategy, shifting their selling outlets to well-known websites and mobile applications such as Amazon and Noon. Based on the financial data of Facteus, consumer spending on Amazon between May and July was up 60 percent from the same time of the previous year (Semuels 2020, July 28 https://time.com/5870826/amazon-coronavirus-jeff-bezos-congress). Moreover, food delivery applications such as Talabat started delivering groceries and medications. Consumers who become habitual to online shopping may not shift back to in-store purchasing even after the pandemic. Thus, some products may face a decrease in demand as people realise they are not important, especially with the uncleanness of the economic situation, leading to a shift in demand, product preferences and purchase behaviour. Whether prospective consumers buy more or less overall depends on whether the surge in shopping online can compensate for a widespread decrease in buying power (McDonald 2020, March 24 https://sellics.com/blog-coronavirus-covid-amazon-online-shopping).

Brands Adapting to the New Normal

The pandemic has disrupted almost every routine in day-to-day life and consumer beliefs and behaviours have changed fast. To keep up with those changes, consumers were forced to give up several of their everyday habits. A rapid shift has been noticed in purchase behaviours and product preferences. With the lockdown, consumers had to adapt to new shopping habits, significantly shifting to digital platforms. Priorities have become more centred on basic needs, health, hygiene and cleaning products, while non-essential were on the decline. Digital commerce witnessed a boost as consumers migrated to online shopping, forcing brands to revisit and rethink their selling and advertising strategies in the interest of capturing opportunities, and building trust and relevance with their share of new digital consumer segments. Companies expanded their strategies to become closer to end consumers, some have even been seen repurposing their resources to reach
out to a wider range of consumers. With the closure of several retail stores and the disruption of supply chains, purchase habits and product preferences have fundamentally shifted. Several products that were available in offline outlets sought new strategies on how to be seen and purchased online. Brands are seeking to revisit their consumer-engagement strategy, rebalance their retailing, and get closer to the new demands.

To cope with the new normal, several brands have been reacting differently to ensure continuity, improve resilience, and shift to innovative ways to generate profit. Their communication strategies delivered messages that communicated empathy, value, and information, instead of ignoring the crisis. The way brands communicate during the pandemic will influence the way consumers perceive them in the future. For example, the luxury brand Louis Vuitton made headlines as they shifted from producing their luxury products such as bags and perfumes, to manufacturing hand sanitisers and surgical face masks. It had also repurposed its’ Ready-To-Wear Atelier in France to produce and donate gowns for nurses and doctors. Chanel, another luxury brand, started producing protective face masks and gowns for healthcare workers in France. Several other luxury fashion brands such as Gucci, Bulgari and Burberry followed the same strategy of producing hand sanitisers and medical gowns. In April 2020, automakers Ford, General Motors and Tesla started producing ventilators for General Electric’s health care division. While many brands stopped advertising due to the economic turndown, others have repurposed their campaigns to increase their share of voice. Recognising the importance of advertising to give, support and solve societal problems rather than focusing on commercial growth solely, and thinking through creative and innovative advertising and marketing strategies can steer businesses through the new normal. Purpose-driven, mission-based and cause-related marketing strategies have been implemented to better gratify consumers’ increased online media consumption, with tactful and mindful messages that reflect positive values to maintain consumers.

A Shift to Digital Advertising

Based on research conducted by the Australian Association of National Advertising in August 2020, the pandemic has brought a visible shift towards digital advertising and a pause on traditional advertising spending (Page 2020, August 10 https://www.cmo.com.au/article/682037/survey-covid-19-prompts-shift-digital-advertising/). Lockdowns have impacted consumer confidence in retail shopping and caused a growth of online advertising, with an increase in consumption of online paid media over traditional media. According to the World Economic Forum (2020), the pandemic has significantly impacted media consumption across all generations, showing a 51 percent increase among generation Z and a 35 percent increase among generation X towards online video consumption, and a 46 percent increase among millennials towards digital media consumption (Tarabasz & Rashid, 2020). Within the MENA region, social media, namely
Facebook, Youtube and Instagram, have been seen taking over the digital advertising share among other advertising platforms, with Instagram leading on its advertising share with an average increase of 6.27 percent since March 2020 (Ipsos 2020, May 18 https://www.ipsos.com/en-ae/impact-advertising-during-covid-19-outbreak-mena).

Based on brand perception, brands align a full picture of consumer experience that they create with their wider corporate mission. With new demands and expectations that have been adopted based on how people buy, work, study and live, certain brands were able to develop and deliver distinctive messages through digital advertising strategies. By creating an emotional connection with the consumers through social media, they were able to grab the opportunity and outperform other competing brands. For example, as seen in Figure 3, Toms Shoes delivered their social media advertising by emotionally connecting with their consumers to make the best of the lockdown situation, thus increasing customer engagement.

Fig 3. TOMS social media ad addressing the new habit of working from home

In the USA, engagement rates on social media platforms were quite low, since the end of March 2020, specifically on Instagram, Facebook and Twitter. A decrease in posting frequency coupled with more intentional and resonant posts as brands adjusted to the new normal and found ways to get back to posting more frequently, led to some of the highest engagement rates some brands had witnessed across these platforms. Despite the declining engagement rates, a few brands found ways to engage with their social media followers. As an example, as seen in figure 4, SunCoast Credit
Union created ads to support their community. Their ads enthused followers on Instagram with more than six times their average engagement rate. Figure 5 also shows an Instagram ad created by HigherEd along with The Catholic University of America, showing support for frontline healthcare workers, and they were able to increase their engagement rate by 10.8 percent (Feehan 2020, June 4 https://www.rivaliq.com/blog/coronavirus-on-social-media-engagement-for-brands/#title-march-13).

Fig 4. Suncoast Credit Union Instagram ad
Throughout the pandemic, social media has become the clear winner of advertising spending and consumer engagement, with 60 percent of consumers being interested in digital advertising, as well as web page content that provides tips and guidance on matters that concern them (Ashfar 2020, July 20 https://www.zdnet.com/article/social-media-is-the-most-popular-method-of-engaging-with-marketing/). Speed, value and relevance are the main three triggers for brand awareness and growth within the time of crisis. The pandemic has added two filters to relevance as it pertains to how consumers spend their income, with strict compliance to safety and accessibility as a criterion for shopping. Brands follow flexibility, value, personalised and adaptive messages to maintain consumer engagement through their digital advertising, with a shift to organic content due to the tightening of advertising budgets. Based on a study conducted by Socialbakers 2020, since the start of the pandemic, when comparing paid versus organic advertising, it has been found that across all regions brands have been posting more organic content, as paid advertising is being frozen due to economic uncertainty, in comparison with the data relating to Cost-Per-Click (Bern 2020, March 25 https://www.socialbakers.com/blog/covid-
Brands that are proactive and supporting their consumers and communities through organic strategies have witnessed the most engagement through social media, particularly through Facebook and Instagram, and with the lower advertising costs, brands that have a budget have a strong opportunity to make their advertising go to a wider audience than it previously would have.

As many brands have put a pause on advertising spending, a shift to influencer marketing has witnessed an increase on social media channels, as products needed to fit into consumers lives in a realistic way. Improved metrics and codes of practice, and the growing realisation across brands for the need to increase consumer-product engagement in new and more intimate ways, has led to the resurgence of influencer marketing and a broadening of the range of brands using this form of advertising. This helps to impact upon consumers with content focusing on social awareness and positivity, creating relevance for their audience and creating a bond between brands and consumers. With two main aspects to be achieved, first brand purpose and value, and second e-commerce and performance metrics, brands have used influencers to shift their advertising strategies more towards brand value rather than merchandising their products. The pandemic has shifted the strategy towards relationship-based advertising rather than transaction based. Brands used influencers to confront the crisis and show how they are adapting to the new life at home, moving to create online challenges rather than activating product-purchase marketing, and advertising the brands in a different way. Consumers have had an increasing demand for brands that tell a story, they interact with content that resonates with them, and brings greater reliability between the consumer and the brand (Enberg 2020, August 24 https://www.emarketer.com/content/influencer-marketing-in-the-age-of-covid-19). Figure 6 shows an Instagram ad created for the international fashion brand Desigual, using influencer marketing showing some home activities that can be done with the family members during lockdown. With the caption “Closer than ever”, the brand advertises itself through consumer related content.
Empathy Advertising

According to behavioural science, the set of beliefs a human being holds about the world surrounding him or her is a key influencer of consumer behaviour (McKinsey 2020, July 24 https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/understanding-and-shaping-consumer-behaviour-in-the-next-normal#). These beliefs are deeply rooted and can prevent consumers from assessing different options and hence preserve existing habits. When consumers go through new and unpredictable experiences, long-term beliefs may change, making consumers repeat the new adopted behaviour even when the cause is no longer existing. This serves as a distinctive moment for brands to reinforce behavioural shifts and to position their products efficiently for the next normal. An effective way of reinforcing a new habit is to focus on the peak moments that affect consumer decision making, leading to an inconsistent impact on consumer behaviour and product perception. These moments include first-time product experience and a shift in consumer-product engagement.

When a defining cultural event occurs, it becomes critical for brands to be tactful, to employ mindful advertising and be empathetic toward consumers. Brands must acknowledge the crisis through their advertising strategies while reflecting positive values that would maintain consumers and make them come back for more. This can be accomplished by adjusting their campaigns and content, as well as evaluating the language and images used, and having full awareness of the consumers’ increased anxiety at such times. In the decline of economic activity worldwide, advertising content had to be adapted, brands that continue to advertise have reoriented their messages to give them meaning in a particular context (Schwab 2020, May 6 https://www.intotheminds.com/blog/en/covid-impact-advertising-industry/). Brands also evaluate the situation, and the fear consumers may be feeling prior to the release of new slogans, logos or
any other images for compliance with the appropriate societal and regulatory frameworks. At such
times, brands need to understand which strategy they need to follow – should they promote their
brand, promote positivity, or promote a social cause? Several brands have focused on four main
advertising strategies during the pandemic: deliver real values and provide solutions; present with
empathy; do good for the community; and, inform instead of remaining silent (Brodsky 2020, May
11 http://businessadvantageinternational.com/crisis-opportunity-building-companys-brand-time-
covid-19/). In the initial days of the pandemic, Lifebuoy released a public service advertisement
asking consumers to help prevent the spread of the virus by using any available soap in the market
(Figure 7), even it was a competitor’s product. A shift in strategy has also been seen by Burger
King, setting an example of empathy and doing good for the community by creating an
advertisement released in November 2020, as the pandemic’s second wave forces people back into
lockdown across Europe, sending a message of unity to show support and to stand up for all
restaurant workers, even those employed by its competitors (Figure 8).

In order to capitalise on a larger scale of audience, brands decide on how their advertising needs
address consumer concerns, as well as how to empathise, to develop and maintain meaningful
connections with their brands. While quarantine has presented several challenges for consumers
ranging from convenience to safety, it has set the perfect time for advertising to convey messages
that show an interest in making consumers’ lives simpler and safer. Brands have shifted their
strategies to focus on keeping consumers safe and have differentiated themselves in the market by
addressing personal habits and social concerns. Based on Dynata’s research survey conducted in
May 2020 among the UK, US, France, Germany, Netherlands, Spain and Australia, 47 percent of
people stated that advertisements communicating how a brand is contributing to the concerns of
the consumers during the crisis were the most appealing. Brands considering how their messages
convey direct support for their consumers produce long-term positive effects on brand loyalty.
However, despite the positive sentiment of empathetic advertising during the pandemic, there also
lies a significant risk of creating the perception of opportunism. The research states that 44 percent
agree that certain brands are only taking advantage of the pandemic (Page 2020, June 9
Figure 9, Ford sets an example having pulled its vehicle campaigns and replaced them with
advertisements that address consumer concerns, introducing a car payment relief program for those
who have been financially affected by the pandemic within the USA.
Certain brands have shifted their primary presence online to overcome the operational restrictions faced due to the pandemic. With the emergence of newly modified needs of the market, a shift in strategies has been seen of pivoting towards a solution, moving from the wholesale strategy to the Direct-To-Consumer Model in a way to reach consumers and offer messages of solidarity and dismissing explicit selling marketing in favour of creating content that provides a solution and answers consumer needs. As seen in Figure 10, Burger King identified their community needs in France by creating its social media campaign “Quarantine Burger”, teaching its consumers how to make its famous Whopper at home. As the company faced the closure of its restaurants during lockdown, it was yet able to position itself and stand out among its competitors by pivoting towards a solution, providing people with the way to still get the burger they like, delivering a message of satisfaction to the consumers that is memorable and relevant to the crisis restrictions. The
campaign connects with the brand’s story and values, which include reliability, trustworthiness, innovation and fun. McDonalds sets another example of pivoting towards a solution, creating its campaign “McClassroom” in the Philippines (Figure 11). As dine-in services have been restricted, McDonalds has transfer its party rooms into classrooms for teachers to conduct their virtual classes, offering them free McCafe coffee, virtual backgrounds for their classes, and free Wifi.

Fig. 10. Burger King “Quarantine Burger” ad                 Fig. 11. “McClassroom” Campaign

Certain brands have benefited from incorporating their efforts to support global health into their advertising, keeping conversant with health practices, policies and advice as they develop new advertising strategies during the pandemic. As consumers practice social distancing, a brighter spotlight is set on how brands respond to the crisis through the advertising content they propagate, highlighting how their products hold utility and safety values. As consumers look into brands social responsibility efforts, brands capitalise on this increase of attention by reflecting the changes that are occuring within their consumers’ lives into their advertising. Coca-Cola, a brand founded on the idea of bringing people togethar, changed its strategy throughout the pandemic. As seen in Figure 12, Coca-Cola has altered its logo, creating spaces between the letters, delivering a message of health advice and supporting social distancing. This was placed at the Times Square in New York, providing a powerful message of social responsibilty.
Raising awareness around social distancing in a way to stay relevant with consumers has been a strategy followed by several other brands. Automobile brands, known to be one of the most affected sectors in terms of sales due to the pandemic, have shifted their advertising strategies towards spreading health advice and raising awareness throughout their social media channels. Brands such as KIA, AUDI, Land Rover, Mercedes and Fiat have launched campaigns depicting videos of consumers keeping their cars parked to highlight the message of staying at home. Land Rover India launched its campaign “Keep It Parked” on its official Twitter account, featuring a car making its way back from where it started in a reverse mode with the slogan “Keep it parked for now, not forever”. Nike, as another example, shared their advertisement on social media platforms that conveyed a message referencing social distancing measures, stating “If you ever dreamed of playing for millions around the world, now is your chance. Play inside, play for the world”. An alteration of logos to support social distancing has been seen within several brands; while logos are often regarded as inviolable in the branding society, several brands have used this method to raise awareness. McDonalds Brazil posted an image on their Facebook account with their golden arches pulled apart, accompanied by the caption “Separated for a moment so that we can always be together”. Several other brands have used the same method to spread health advice, such as AUDI separating its four rings, Volkswagen separated the V and the W, Mastercard separated their two circles, and Chiquita posted a version of its famous blue logo on Instagram without the image of the lady inside, stating “I’m already home. Please do the same and protect yourself”.

Fig. 12. Coca-Cola Times Square billboard supporting social distancing
Conclusion

The pandemic has changed consumer behaviour and demand, impacting all sectors. World-wide quarantine, travel restrictions and the ban on public gatherings have led to a completely different way of life, in which almost all areas have been impacted. Many brands have acted on the need to adapt to the new normal and transformed their advertising strategies to become more effective in driving demand, to keep their businesses going and their products relevant. Advertising has adapted by following consumers, and brands who were capable of adopting creative adjustments to their advertising content, purchase outlets and online presence may be the ones remembered post the pandemic. This has involved a shift to digital advertising and content that relies on empathy to resonate with consumers’ new lifestyles to achieve greater reliability between the consumers and the brands, and gaining the realisation for the need to increase consumer-product engagement. The transition to the new normal hence requires brands to advertise relevant, responsible and memorable content.

Recommendations

The pandemic will cause a long-term shift, which makes it imperative for brands and advertising to lead with agility and adapt to change to gain consumers’ loyalty and trust. Based on the conducted research, recommendations for advertising post the pandemic are:

1. A change in the narrative: Consumers expect more consciousness from brands, to address the larger concern rather than being opportunistic. Instead of returning to product-push strategies, brands need to drift to empathetic advertising and communication, to connect with their consumers on deeper levels.

2. A reinforcement of normalcy: Brands need to adopt an optimistic approach to shape their growth. An introduction of campaigns to reinspire and reassure consumers that humans, by nature, are equipped to emerge at the top of any crisis they face, while re-establishing positivity throughout their ads.

3. Empathy and relevance: Brands need to keep adapting communications relevant to current contexts, not only through content, but through the creation process and channels of communication. The priority of health and the disruption of daily life has manifested in consumer behaviour and product preferences, hence brands need to show empathy, and their ability for doing social good and supporting a better tomorrow.
4. Resilience and brand longevity: Brands are required to secure vital messages and align their advertising strategies accordingly, to be able to witness significant growth and achieve consumer-product engagement.

5. Omni-channel marketing: As consumer behaviour has changed, brands need a more holistic approach for advertising their products. This would enable brands to have personalised interaction with their consumers, providing better consumer retention rates, connecting offline with online experience, and ensuring that all aspects of the consumer experience are added, irrespective of the channel they are using.
REFERENCES


