

MARKETING

Here's what we learned from COVID-19: China ad and PR leaders

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The situation is gradually coming under control in China, giving industry professionals a chance to look back and evaluate what they learned. Photo: Campaign China via Jing Daily

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About a month ago, the Chinese market was going through **its darkest moments** after the outbreak of **COVID-19**. Today, the situation is gradually coming under control in China, giving industry professionals a chance to look back and evaluate what they learned. Meanwhile, the dire conditions China faced earlier are now impacting countries around the world. *Campaign China* interviewed CEOs, presidents and senior managers in advertising and public relations agencies in China to reveal what they learned that might benefit their counterparts around the world.

Heidi Zhang, chief strategy officer at Publicis Communications China, said the most profound realization she got from the pandemic is not to act blindly but instead be cool-headed and look for quality changes during a crisis.

One must think carefully about potential countermeasures before taking any action, Zhang said. Find out what the market needs and what the brand value represents. The annual plan can be adjusted by phases. "And don't panic," she said. In larger, holding-group companies, Zhang said frankly, what is more important is the sharing and optimization of internal resources. "This is especially obvious under extraordinary circumstances," she said. A pandemic represents a great opportunity for companies to rethink transformation and adjustments, as well as **the company's business model and values**, she said. During such trying times, it is essential to ensure team members are calm and stable, share the same beliefs, and shoulder the risks together through resource integration, thereby creating maximum value for customers, she added.

PR companies faced similar issues. Lydia Lee, president of Weber Shandwick China, said that **PR** companies in China proved quite flexible, because their staff members are mostly multi-skilled, which facilitates dividing and rearranging responsibilities in a time of crisis. She believes that PR companies in other markets might be at a disadvantage on this score because their talent is more specialized.

Since the outbreak, the marketing industry has experienced many different painsshrinking business, budget cuts, challenges in annual planningbut at the same time, new business opportunities and growth also exist.

According to the interviewed companies, challenges exist in areas such as operations, revenue and management, affecting the allocation of internal resources directly. "Without cutting salary or staff, the only way out will be resources adjustment," an interviewee said.

Most interviewees indicated that advertising agencies that might be most affected include conventional advertising companies, agencies with little flexibility and diversification, agencies lagging behind in digitization and integration, and those reliant on customers from a single industry, especially if that industry is also facing market challenges. With the increasing demand for higher conversions from customers on **ecommerce** platforms, the services of performance marketing agencies will be in high demand.

"Never underestimate the flexibility of your staff and your customers," advised Nic Camacho, client partner at AKQA China. During the pandemic, agencies should look for unique ways to react to challenges and resolve thorny issues. For example, he told *Campaign China*, his agency had to scramble to adjust a job for **Nike** that was set for filming on location in various parts of China. In the end, the agency decided to use video conferencing to guide local talents who were under **quarantine** to create content from home. The first **"remote filming" project** turned out to be a success, he said.

PR leaders told *Campaign* that offline activities dropped as a result of the pandemic while online communication increased. At the same time, **crisis-management** business also grew during the first quarter. During the pandemic, the demand for crisis management (including cancellation of activities and exhibitions) and staff communication increased, bringing in new customers and new business. However, the impact of the pandemic on companies relying mainly on **offline activities** had been more significant, and companies that had waited passively for customers' briefs also suffered.

"The pandemic represents tremendous opportunities for PR companies, because it makes the brands realize the importance of professional external communication, and has created growth opportunities," said Prince Zhang, CEO for Greater China at Ketchum. During the pandemic, it is crucial that brands keep their voice in the market and **continue to communicate** with consumers. On the other hand, brands also need to grasp the opportunity to convert and upgrade their channels.

"Challenges arising from incidents are part of life," he added. "Companies should be aware of crisis and be prepared at any time. Going forward, the public relations industry should increase their investments in areas such as digital channels, data and technologies, as well as marketing automation, all directly related to a company's survival in the future."

The pandemic has given advertising agencies an opportunity to increase the value they provide, according to Karl Wu, co-chairman and CEO of Havas Group Greater China. "I believe that this has given China's advertising industry an opportunity to upgrade and transform their businesses. That is, it has forced the advertising industry to move upstream along the information chain." Accepting customers' project requirements passively and executing them perfectly is no longer sufficient. Instead, companies need to help customers analyze the market environment and opportunities.

Suzzane Zhang, head of planning at McCann China, said her most important lesson from the pandemic is to "react promptly and prepare early." She said that her company started preparing toolkits focusing on the pandemic and developing short- to long-term countermeasures for brands at a very early stage.

"We noticed that Internet companies like **Alibaba** successfully seized the opportunity from the pandemic and created tremendous value for the brand," she said. "If one just holds on and does nothing, waiting for the pandemic to pass and things to return to normal, one will only come to realize that both the old norm and the new opportunities are gone in the end."

Talking about the impact of the pandemic on the public relations industry, Weber Shandwick's Lee said that a pandemic usually leads to "rational consumption." Customers will adjust and cut their budgets and want services that offer good value for their money. Therefore, PR companies that have a good reputation or offer cheap services will become more popular. However, Lee sincerely hopes that brands will respect PR companies as partners instead of downstream manufacturers. "They should consider PR companies as an investment and not a cost center. Focusing on price alone will ultimately cost PR companies their talents," she said.

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