



How to Adapt Your Marketing Strategy during the Coronavirus Outbreak

With 2020 staring with the coronavirus “black swan”, many companies have had their business disrupted and delayed reopening after the Spring Festival holiday; and some industries were hit particularly hard by the epidemic. In the short term, companies’ marketing expenditures will go south overall. However, the black swan is not all about challenges but has also brought some opportunities to be tapped. Below we present changes in consumer behavior which we have observed through exclusive data, our marketing advice to different industries for response to the epidemic, and our seven predictions on marketing trends in 2020 based on our experience of serving more than 2,000 large and medium-sized companies.

At a Glance

- **Consumer behavior changes under the influence of epidemic. Mobile devices remain the most used device.**
- **Maintain communication with consumers and adjust marketing strategies in anticipation of upcoming revenge spending.**
- **Long term, the crisis has highlighted the need for digital transformation.**

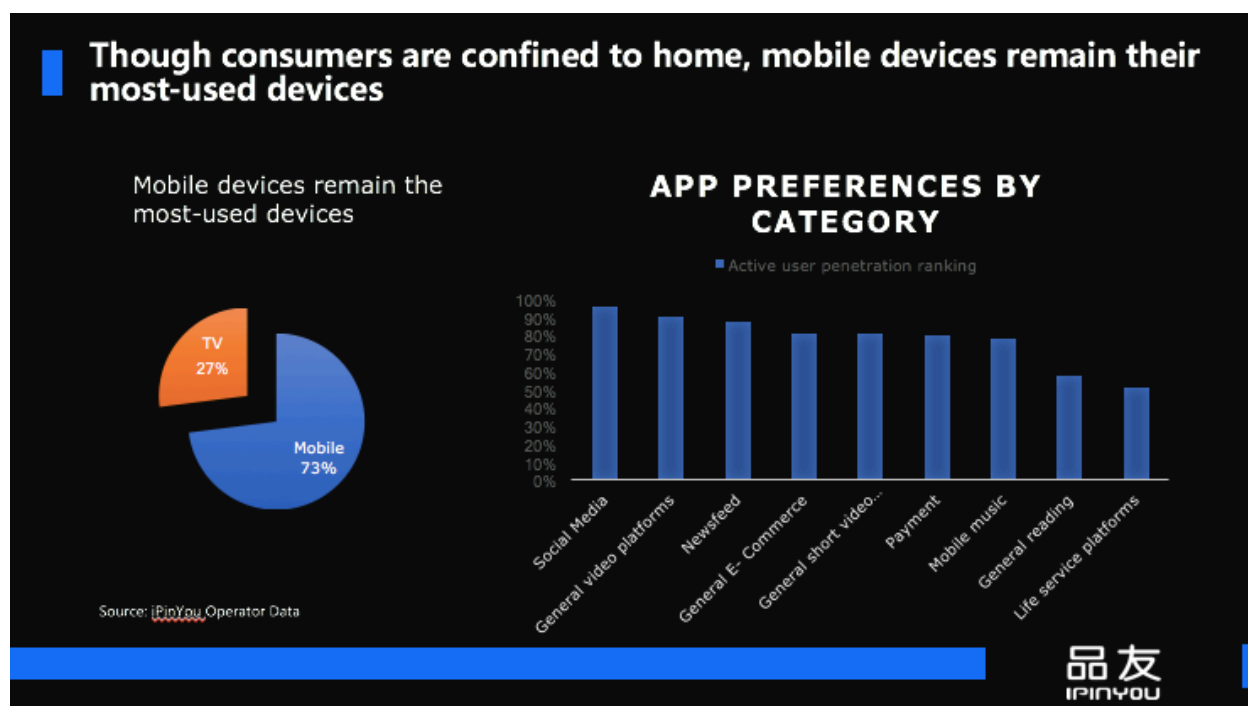


Consumer Behavior Changes Due to the Epidemic

Drawing upon our powerful data capabilities and exclusive data sources, we have identified the following changes in consumer behavior:

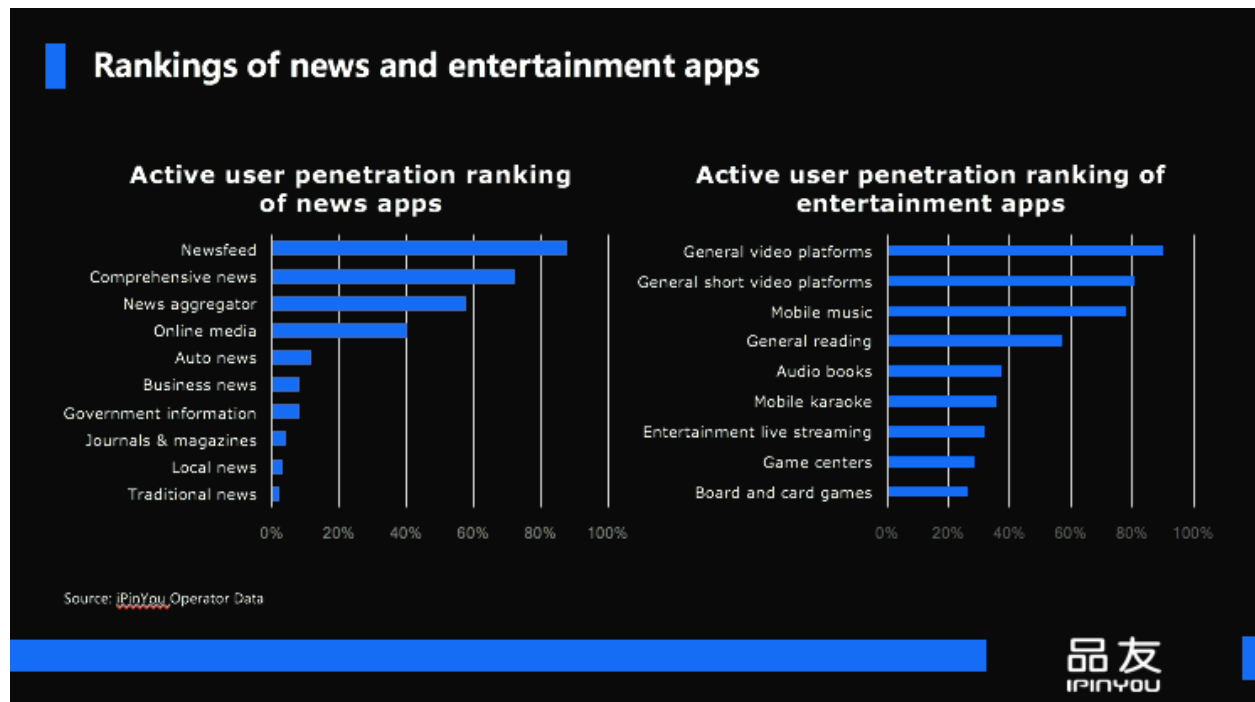
01. Sharply increasing app usage across the board

The first prominent change is in the trends of device usage by consumers. Although most consumers were confined to home during the past 10-20 days, **mobile devices remained their most used devices.**



02. Growth of paid users of video sites

Newsfeed and video sites are two winners from the epidemic. In particular, our partner data show a substantial growth of paid users of video sites.

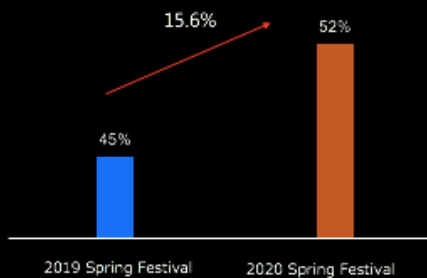


03. Increasing usage of smart TVs

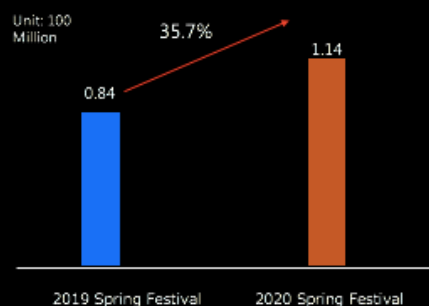
According to our third-party partner data, there has been a significant increase in smart TV usage in 2020 than in 2019. Being prolongedly confined to home, there have been a greater number of households using TV, with OTT-based TV usage becoming a high-frequency scenario.

Rising HUT for smart TVs during the 2020 Spring Festival

Percentage of daily households using television during the 2020 Spring Festival



Number of daily households using television during the 2020 Spring Festival

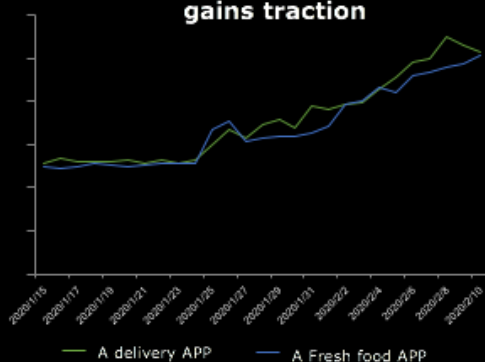


Source: iPinYou Data Partner, gg-data

04. Further increase in e-commerce penetration

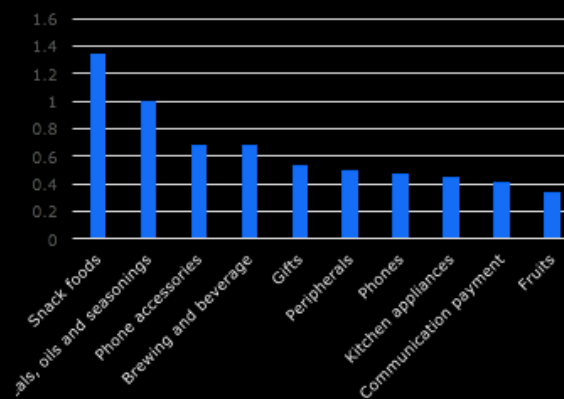
E-commerce penetration further increases as more categories are offered online

Fresh food e-commerce gains traction



Source: iPinYou Data partner, JD Data

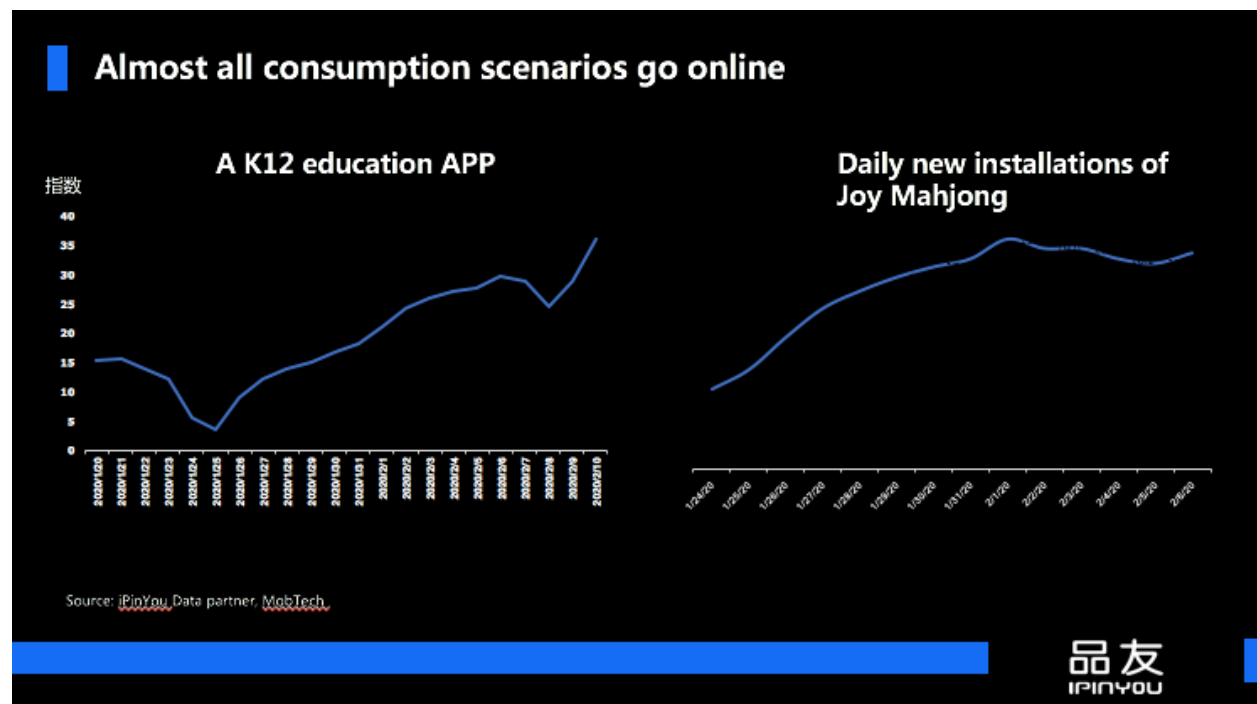
Consumption index of categories for last 30 days



Fresh food e-commerce has gained a quickly increasing penetration, with sales of daily necessities such as foods, cereals and oils registering a steep rise during the recent nearly 30 days, according to data from JD.com. Major brands responded quickly by strengthening their e-commerce presence.

05. Shift of consumption from physical scenarios to online scenarios

With consumers nationwide confined to their homes, a lot of activities traditionally taking place physically have been taken to the internet. With the comprehensive digitalization of consumer touchpoints due to the epidemic, physical scenarios have begun comprehensively giving way to their online and cloud-based substitutes.



06. Expressing support of epidemic control

Brands express their support of the epidemic control in ads with expressions such as “Add Oil, Wuhan”, “Add Oil, China”, “Stay Well” and “Stand with Wuhan”.



Marketing Strategies during the Epidemic

While consumers are less inclined to spend during the epidemic, their ability to process information and pass judgement on brands is not affected. For brands, the task to win over consumers remains unchanged.

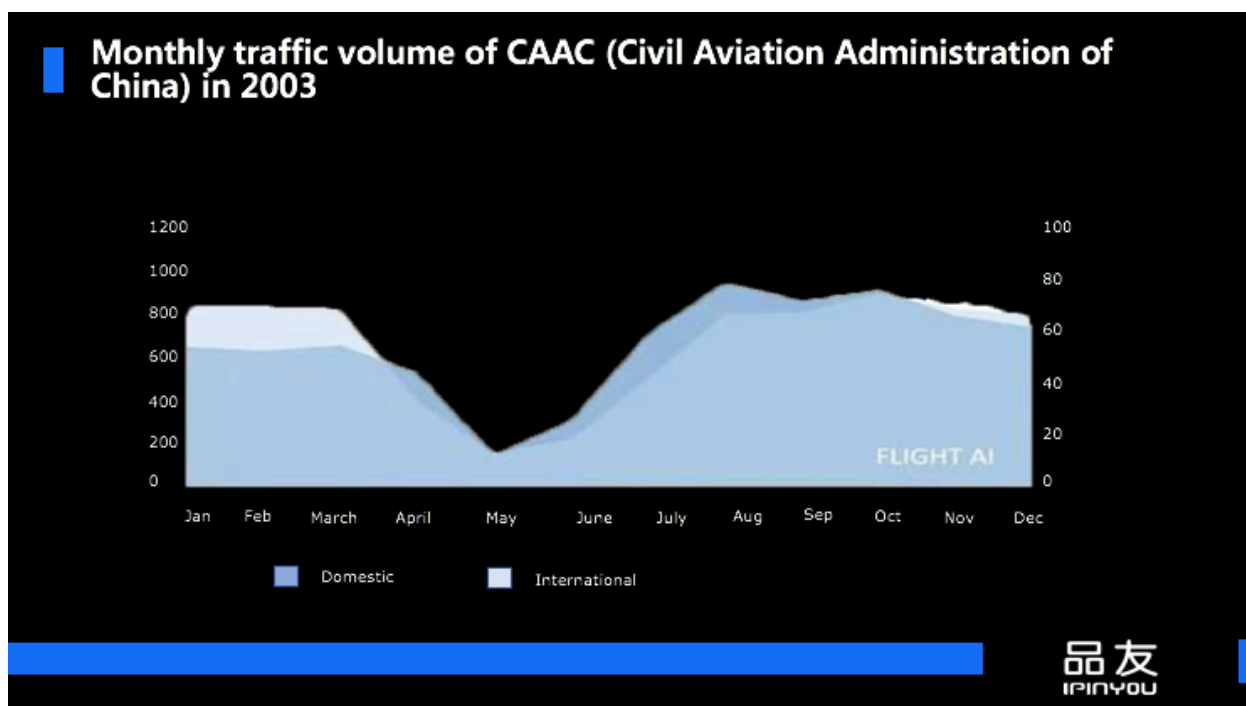
We have the following marketing advice for different industries:

Tourism and hospitality

- Keep communication and get prepared for vengeful consumption

Companies in industries hit by declining customers due to the outbreak such as tourism and hospitality should maintain continuous communications with consumers and adjust strategies in anticipation of upcoming revenge spending.

Tourism is one of most hit industries during the current coronavirus outbreak as in the SARS outbreak in 2003, and it is expected to be the fast recovering industry after the current outbreak as during the SARS outbreak. According to data from Ctrip, the travel services platform underwent a 200% growth of bookings in the month when the outbreak came to an end, after a “quick-freezing” period of three months, and its



turnover of air travel bookings grew 200% YoY during the first National Holiday “golden week” holiday after the SARS outbreak.

Regarding the epidemic in 2020, Ctrip.com (Leading OTA in China) has experienced a significant drop of queries for the Tomb-sweeping Day holiday in 2020 compared to 2019, but an increase for the 2020 May Day holiday. In view of the five-day break for this year’s May Day holiday, it is expected that there will be a vengeful growth of trip-makers during the holiday after the outbreak is controlled.

Therefore, the ongoing outbreak provides a window of time for airline, hotel and other tourism-related brands to implement continuous communications with consumers with a view to winning over consumers and making a full preparation for the vengeful consumption driven by the spending desire having been suppressed for several months.

Retail

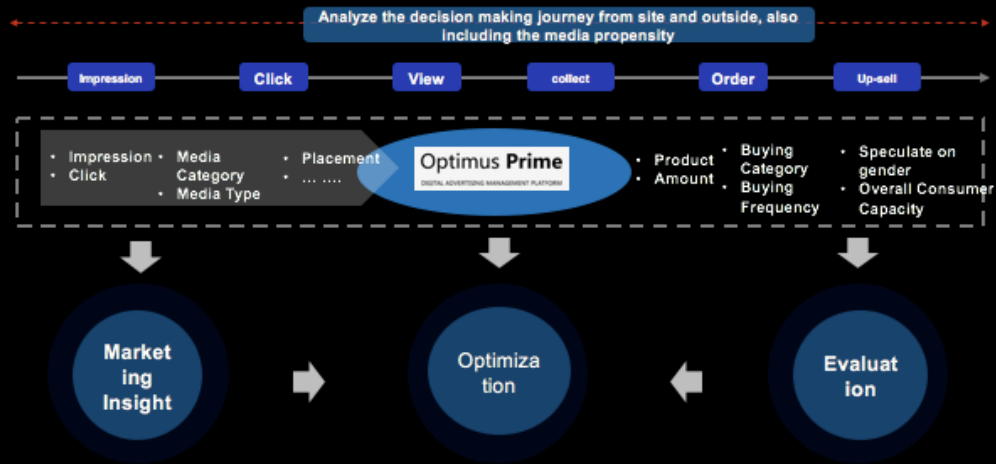
➤ Embrace e-commerce

As consumers are forced to stay home and many physical stores are forced to shut down due to the coronavirus outbreak, and also because of increasing demand, emerging retail channels have become very important.

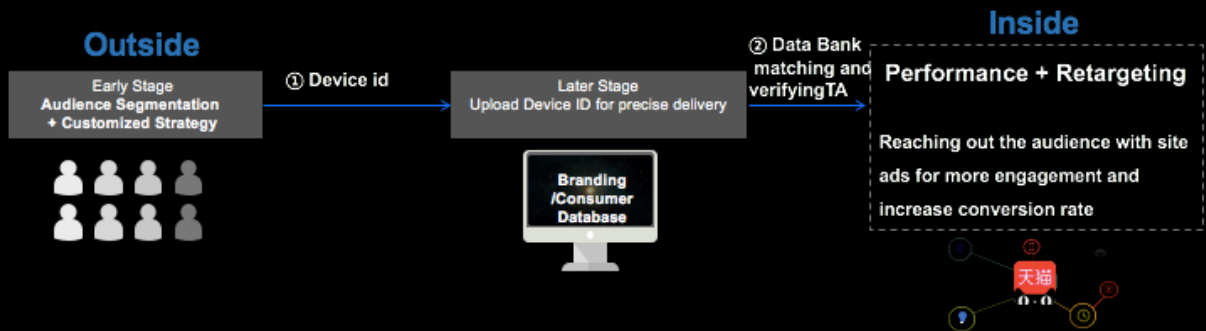
According to Kantar’s consumer research report during the coronavirus outbreak, as many as 55% of respondents turn to general e-commerce platforms (such as Tmall, JD and Taobao) for purchases, closely following respondents choosing physical stores (58%), with 42% of respondents stating that they will shop more from general e-commerce platforms.

With e-commerce platforms assuming such importance, brands will have to get access to e-commerce data and strengthen coordination between different channels in order to optimize marketing decisions across channels.

JD: end-to-end tracking of user decision-making process by using JD site data and outside site Ad serving data;



Tmall: Retargeting the audience inside Tmall with insights of outside site advertising results



Overall

➤ Accelerating business digital transformation

The epidemic, which has changed consumer behavior, will transform many practices of companies. For a considerable length of time to come, companies will have an increasing demand, with greater urgency, for full digital transformation of management. Seven advises are therefore offered as follows:

01. Companies should digitalize an increasing number of traditional scenarios as comprehensive digitalization of consumer touchpoints becomes a trend.

02. Digitalize your media touchpoints and put them under centralized management.

When all touchpoints and contents (media) are digitalized, companies will be able to implement more flexible strategies and manage things in a more systematic way.

03. Build integrated marketing solutions as e-commerce platforms is the future.

As consumers embrace e-commerce platforms for more products and services, companies will put a greater emphasis on marketing integrating all sales channels including e-commerce platforms and seek more effective formats of marketing.

04. Build your own customer data platforms (CDPs)/data management platforms (DMPs) and accelerate integrated customer data management.

In view of the aforementioned trend of digitalization of consumer behavior, the construction by enterprises of their own user management platform will accelerate integrated lifecycle customer management.

05. Applicate dynamic creative production technology to a larger degree

Many brands have launched creative communications with a theme of epidemic response and consumer health protection. It is expected that this trend will gather momentum and make dynamic creative production more widely adopted.

06. Pay attention to programmatic online surveys

With the compelling advantages of online survey programming in terms of not requiring physical contact with the audience, quick recruiting, quick delivery, quick data collection, and cross-analysis, many companies are won over as soon as they attempt this product. The year 2020 may prove to be year one for programmed online surveys.

07. Implement product launches in unprecedented new ways

Due to the epidemic, many companies have to explore new ways to launch their new products. In this regard, iPinYou offers an integrated solution ranging from new product concept testing to targeted market survey to product testing in e-commerce environments to final launch to help companies launch new products in unprecedented new ways.



iPinYou insights: Time to build digital intelligence

One thing for certain is that the epidemic will eventually go away. The time has come for companies and brands to brace up again for market competition and win over consumers by strengthening connections with them.

We see the ongoing epidemic-induced crisis which puts the traditional way of doing business to a halt as the best time for companies to identify and strengthen their areas of core competitiveness and advise that they accelerate their business digital transformation and intelligentization on the four dimensions of **touchpoint digitalization, business digitalization, data-driven customer management and intelligent content management** by remaining growth-oriented and exploring ways to do business and win consumers in the new reality and delivering growth engine products accordingly. **Digitalization and intelligentization, which are summed up as digital intelligence, are two key engines and levers by which companies will drive their business growth this year.**