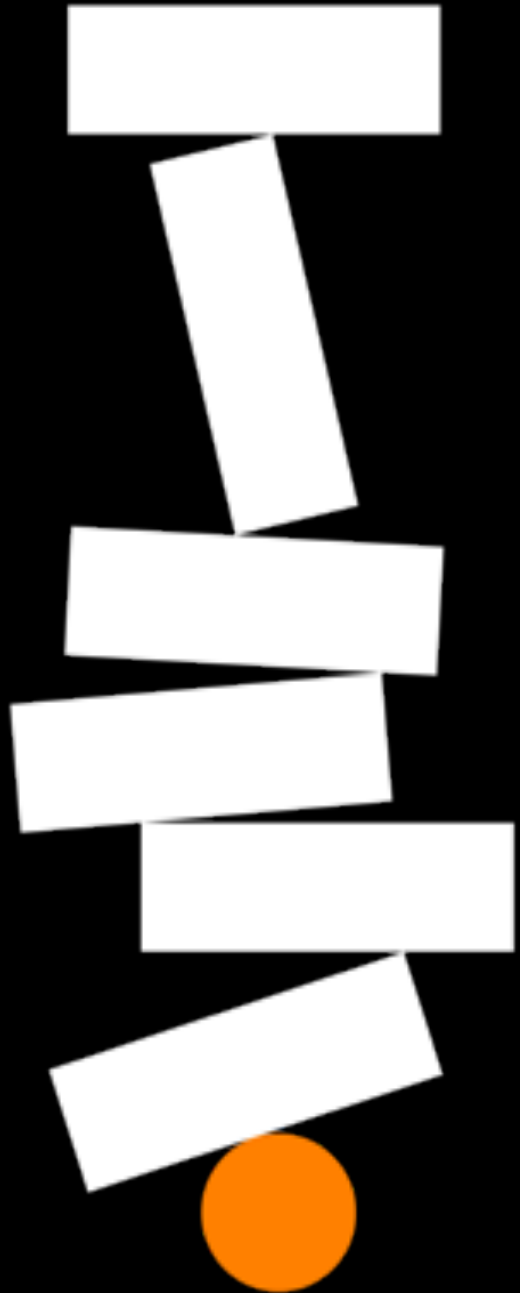


# Braving the 'New Normal'

**Putting the current  
disruption in context  
will guide recovery  
and growth for brands  
across Asia-Pacific**



# Braving the 'New Normal'

**Brands who can understand the current disruption in context and act rapidly will win**

Since January 2020, we have experienced unprecedented disruption across the Asia-Pacific region. These are challenging times; however, people remain optimistic. This is the inspiration for our confidence in new opportunities that will lead our clients and ourselves into a new era.

While there are a plethora of analyses and reports covering the impact and implications of Covid-19, our contribution to this body of work is to provide intelligence, insight and ultimately a roadmap outlining how communication will reignite and accelerate growth for our clients.

In this report we focus on how understanding context is critical to unlocking future growth opportunities. We explore some of these different contexts impacting brands and markets right now across Asia-Pacific.

Learning from China, we believe that the bravest brands, in particular those who can meaningfully innovate, will win.

**Gordon Domlija**  
CEO, China  
President, Asia-Pacific



# Contents

Pg. 2	Introduction
Pg. 4	Optimism in context
Pg. 7	Trend acceleration in the ‘New Normal’
Pg. 10	Trusted, Flexible & Effective.
Pg. 14	It’s not panic; the laws of growth still hold
Pg. 17	Lessons from the Recovery in China
Pg. 20	Market deep dives
Pg. 34	Looking forward
Pg. 37	Meet the team
Pg. 38	Contacts & Survey Methodology

# 1. Optimism in Context

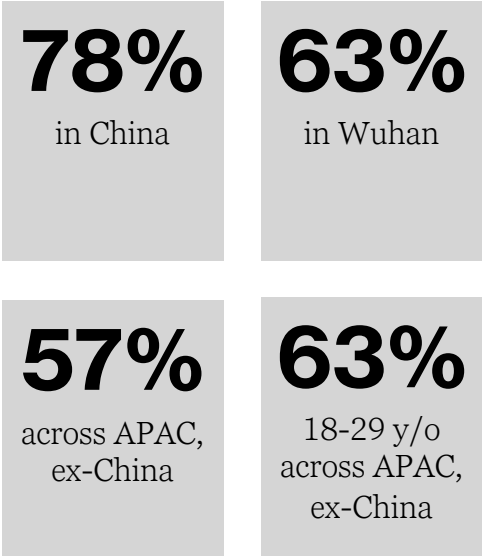
A decorative graphic consisting of a white rectangle tilted at an angle and an orange circle, both positioned on the left side of the slide.

# People remain optimistic, relative to their context

## We are optimistic

In February as Covid-19 was peaking in China, we surveyed people across the country to see how their levels of optimism were. Despite unprecedented stay at home orders and the rising infection tally, we found that 78% of Chinese people were feeling optimistic about the coming recovery.

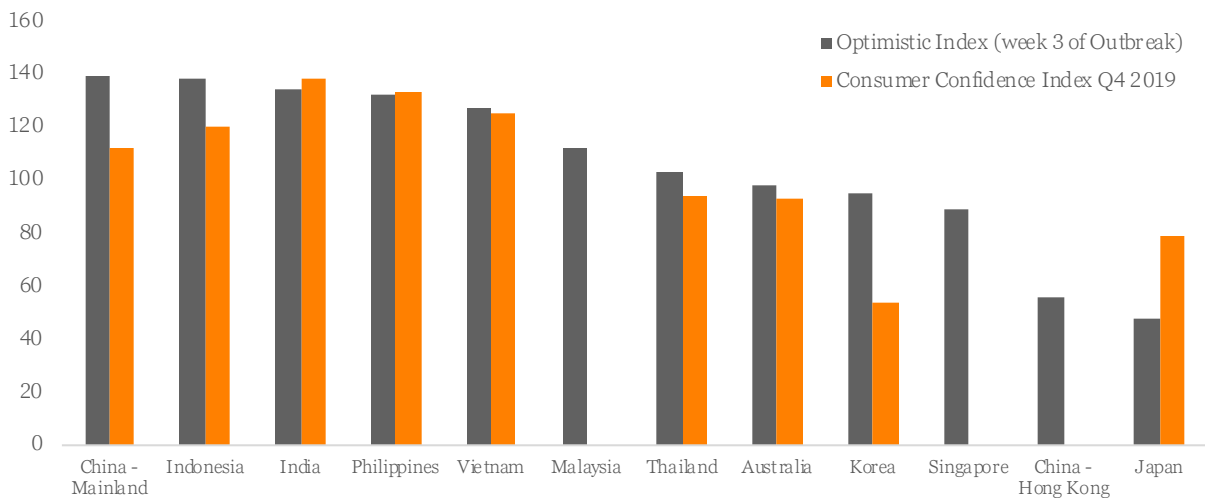
Six weeks on, our research across APAC markets shows that optimism is still the norm, with 57% of people across APAC (excluding China) feeling somewhat to very optimistic. Confidence is clear, especially amongst younger audiences.



Source: Wavemaker Study February 2020 China, April 2020 APAC

## Context is everything

It's clear from the many studies being undertaken that these numbers are changing every day. Whilst the average remains positive (in the few days we have taken to write this report) it's more useful to examine them in context. Our findings are that the level of optimism is highly situational. We can see a correlation with the relative level of consumer confidence prior to the start of the outbreak.



Source: Optimism Index: Wavemaker Study February 2020 China April 2020 APAC, Consumer Confidence Index The Conference Board / Nielsen Q4 2019

# Global rates of recovery will differ

## Outbreak

Major disruption.  
Where we are now across Asia-Pacific.

## Recovery

Gradual opening up.  
Where we are now in China.

## New Normal

Return to stability,  
without the current restrictions

### There are three clear phases to navigate

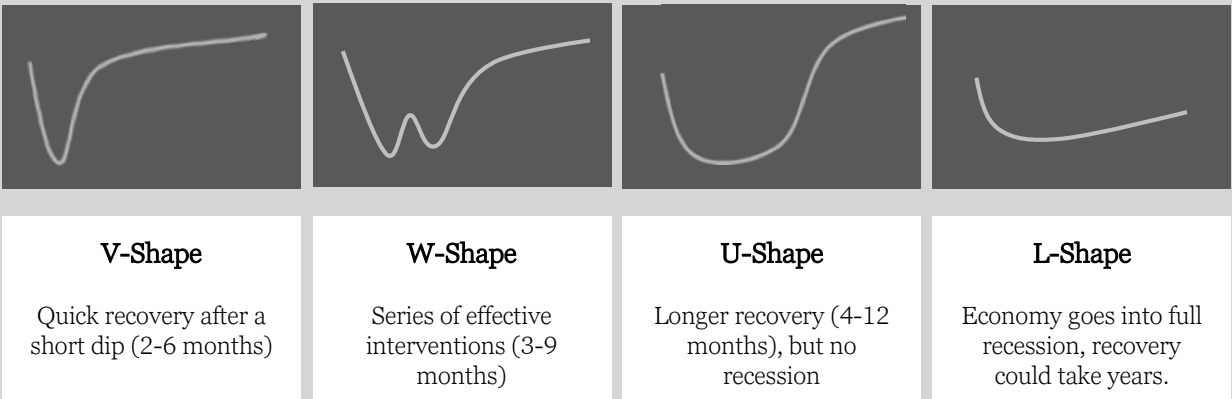
Looking back to previous events, whilst not on such a scale, we can see a clear pattern.

Right now we are in the Outbreak phase, however we will soon move into Recovery (where China is now). It is likely that it will be a lengthy period, with some setbacks, however eventually we will enter stabilisation or the 'New Normal' where Covid-19 is under control around the world.

Whilst some things will be different, we see this once-in-a-century event will primarily act as an accelerator of existing trends.

### Context is likely the best indicator of recovery

The context we observe will impact the shape and speed of recovery by market, with markets with higher levels of initial confidence, experiencing a V-Shape or W-Shape recovery. For other countries a U-Shape, or even L-Shape is more likely.\*



\*Insight also shared by Kantar in their 'How brands are surviving the Covid-19 crisis in Asia Pacific' Webinar' 9th April 2020

**Our recommendation** is to consider the context of your market, category or brand prior to this crisis. This will facilitate planning for recovery and growth in the 'New Normal'.



# **2. Trend acceleration in the ‘New Normal’**



# The 'New Normal' is trend acceleration

## We are seeing huge changes in behaviour

Consistently across Asia-Pacific we are seeing huge changes in behaviour as the global impact of the virus has become clear, and as lockdowns come into effect.

The changes we are currently experiencing are linked to the current physical disruption, which will lift in the next few months.

# 70%

Spending more time watching TV and Video

# 64%

Doing more housework

# 57%

Spending more time cooking

Source: Wavemaker APAC Study April 2020

## Long-term acceleration vs short-term disruption

The key question is what will stick for the long-term. Following SARS in 2003, categories in China responded in different ways:

- Some spiked during SARS then fell back below pre-SARS levels (home hygiene)
- Some spiked, then returned to normal levels (food)
- Some dropped sharply, then returned to normal levels (cosmetics)
- Some dropped sharply then rebounded to higher than normal levels (apparel, beverages)

We believe that trends which were rising, or declining, before the Outbreak phase will be most likely to be accelerated over the long-term. Those which are highly situational are less likely to persist past the short-term.

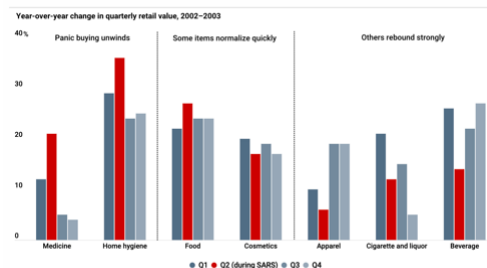


Predictions of fundamental change after Covid-19 are driven by the biased perspectives of those making them – in reality most things will go back to how they were.

**Mark Ritson**

Marketing Week, 9<sup>th</sup> April 2020

How consumer goods recovered after SARS

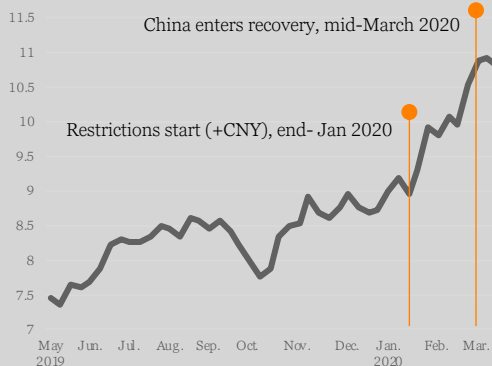


Note: Food excludes grocery and fresh products like meat/eggs  
Source: National Bureau of Statistics of China

Source: Bain & Company 'China's Consumer Industry Prepares for the Coronavirus Legacy, Feb 2020

# Trend acceleration in China gives us a view to the future

## Fresh Food eCommerce



## Sustained acceleration

Despite being the largest eCommerce market in the world, there is still room to grow in China. Fresh food is a category which was increasing before Q1 2020. Our current data shows the acceleration in February is fully sustained during March.

**Our recommendation:** identify, invest and innovate.

Source: iResearch, Fresh Food eCommerce Weekly Usage Frequency China April 2020

## Travel & Tourism



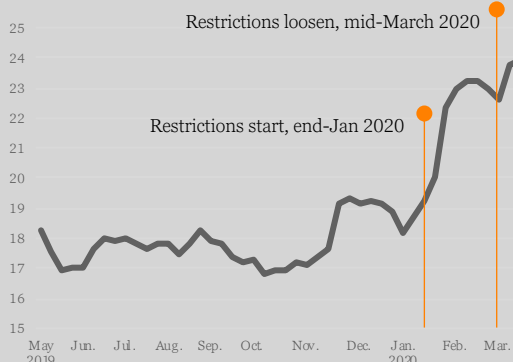
## Bounceback for interrupted trends

Between 2008 and 2018 outbound tourism from China increased 3.5x, to 161m trips in 2018. Whilst travel disappeared in Feb / March we are already seeing signs of domestic travel rebounding over the Qingming holiday weekend (4<sup>th</sup> April).

**Our recommendation:** track and review in real-time to predict the bounce

Source: CNTA; Ministry of Public Security China; National Bureau of Statistics of China  
Source: Baidu Index, China April 2020

## Workout at home – Fitness Apps



## Short-term disruption

Some trends will be linked to the current disruption. Whilst these may see a short-term bounce, this will not sustain through the recovery period. They may however increase substantially compared to usage before the Outbreak.

**Our recommendation:** leverage flexibly in the short-term, avoid over-commitment.

Source: iResearch, Fitness Apps Weekly Usage Frequency China April 2020



# **3. Trusted, Flexible & Effective**



# Media choices will prioritise trust, flexibility and effectiveness

## Seeking **trusted** sources of information

Traditionally trusted channels like TV and Print media are seeing huge rises in time spent. Social media is also seeing a rise in time spent, however there is a large 'trust gap'. Trusted channels will be the strongest platforms for brand communication.

**81%**

Spending more time looking for news and information

**47%**

Using social media to keep up to date

**14%**

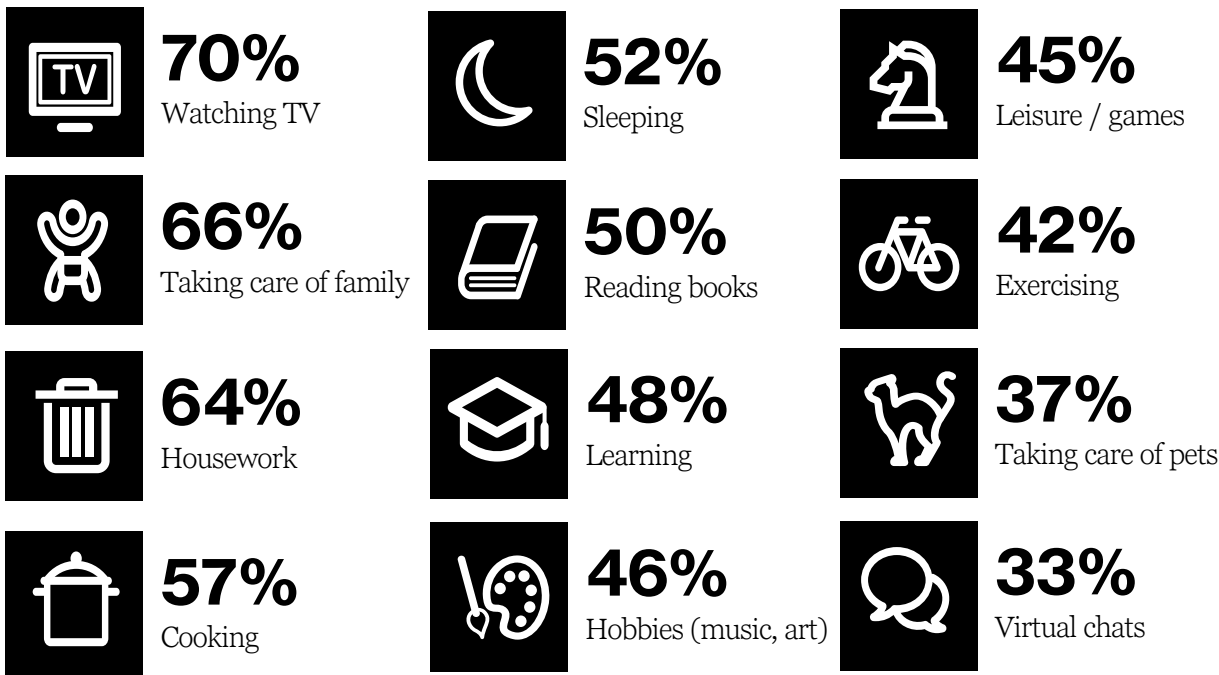
Believe social media is a trusted information source

Source: Wavemaker APAC Study April 2020, GWI April 2020

## During recovery, **flexibility** of message and media will be critical

In the short term, flexibility will be key. The ability to rapidly turn on and turn off campaigns and messages will be even more important. Flexibility will also allow advertisers to tap into changing habits.

### % of people doing more:



Source: Wavemaker APAC Study April 2020, How have your behaviours changed % combines obviously more & a little bit more

# Media choices will prioritise trust, flexibility and effectiveness

## 9x

Strong brands recovered nine times faster following the global financial crisis of 2007-2008

### Effectiveness has never been more important

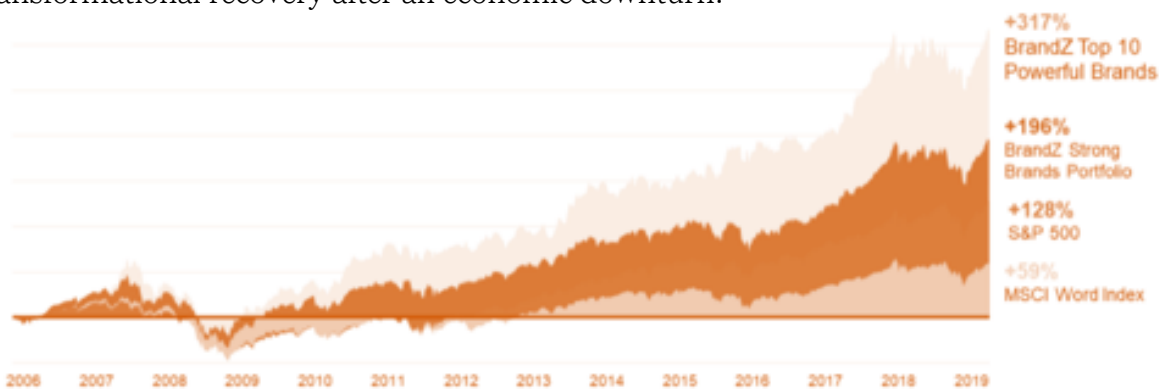
Proving the impact of every media dollar spent is always important, however measuring the impact more systematically and frequently will become the norm.

We believe that the strongest brands will look at medium and long-term impact, not just short-term return.

Source: BrandZ global analysis 2006 – 2019

### Investing in brand drives disproportionate returns in the long-term

This analysis from BrandZ shows just how much a strong brand can drive transformational recovery after an economic downturn:



Source: BrandZ global analysis 2006 – 2019

### Going dark is even more dangerous

The converse is also true, brands who go dark risk accelerating their decline.

These observed drops are a 'best case scenario' as lack of physical availability (i.e. people can't see your brand on shelf or as they walk along the high street) will only make mental availability declines more dramatic.

## 13%

Potential decline in sales for brands who go completely dark

## 50%

Maximum amount brands can decrease investment before seeing sharp falls in ad awareness

Source: Kantar Covid-19 Barometer March 2020, Kantar 'What happens when brands go dark'

# Media disruption is also accelerating trends

## Sustained acceleration (up or down)

Already experiencing incredibly high growth across the region, this disruption is turbo-charging eCommerce development. For print the huge increase in readership is outpaced by a decrease in advertiser spend significantly accelerating structural decline.

**Our recommendation:** Increase focus on media where growth is accelerating.

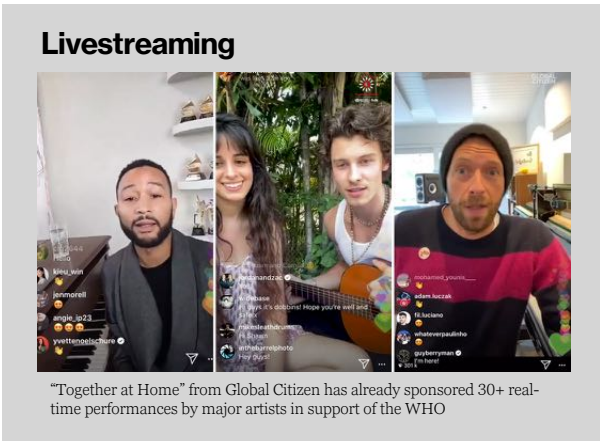
Source: GWI April 2020, Guardian, Financial Express Reporting April 2020



## Short-term acceleration

There has been a huge growth on the number of brands who are experimenting with live-streamed virtual events, making this one of the most dynamic opportunities. However standing out is difficult and this trend may die back down as traditional entertainment opens up.

**Our recommendation:** Be authentic to your brand, be creative to stand out.



## Short-term disruption

People staying at home is bad news for the Outdoor industry. However rapid recent growth across the region points to a bounce back, with 2018 and 2019 both showing robust global growth (6.8% and 4.2% respectively). APAC is now the world's biggest Outdoor market.

**Our recommendation:** invest in digital Outdoor flexibility as the Recovery starts.

Source: GroupM This Year Next Year December 2019



# **4. It's not panic; the laws of growth still hold**



# It's not panic, it's a huge increase in light buyers

**It looked like we were all panicking but actually, we were just doing what Byron Sharp said we would.**

For the last months, TV screens around the world have been filled with pictures of empty shelves and supermarket trolleys full of toilet paper. In reality it looks like “panic buying” is following the usual Ehrenberg-Bass principles, with sales increases mainly driven by a lot of light buyers buying slightly more, rather than a small minority of heavy buyers clearing the shelves. Only 3% of the UK's panic buying was caused by regular shoppers buying much more than normal.

## Balance the long & short term

In a crisis think of yourself as advertising for recovery, not recession. In the 2008 Financial Crisis, many brands increased short-term activation spend. Two factors in particular suggest that might not work this time according to the IPA's Peter Field:

1. Many brands have eroded brand spend in the last 10 years and so are already at too-high an activation spend
2. The success stories from the last downturn were companies that invested in building their brand. Those who invested in brand last time did much better than those who did not.

Based on this, brands which prepare for recovery by investing in brand now will benefit most in the long-term.

Source: Kantar UK (study of 100,000 shoppers), Peter Field IPA April 2020



Recessions don't change fundamental consumer behaviour much, at least not for products and services that are 'everyday' items. However, they do change marketing activity of your competitors... advertising spend tends to react dramatically to changes in economic activity, contracting far too drastically during recessions and expanding far too fast during booms. There is opportunity in going against this pattern, by being more consistent.

**Byron Sharp**

A Marketing Guide: What to do in a Recession  
2008



# The basic laws of marketing still apply

## Keeping your brand mentally available is the key to recovery

It's tempting in times like this to upweight physical availability - in search and eCommerce for example. For some brands that is absolutely crucial and a big short-term opportunity. For others, however, mental availability has never been more important.

In a number of categories, where Wavemaker's Momentum methodology has been deployed over a number of years, we're seeing that the likelihood of brand bias converting to purchase has increased significantly. This is combining with easily accessible digital channels to make the active stage (consciously shopping for products and services) much shorter (in telco time spent in the active stage has been cut by 50% in 3 years).

In a world of limited physical availability, we believe that the active stage will get even shorter. People won't linger in front of a shelf, they'll grab the first brand they recognise.

Source: Wavemaker Momentum, 2014 - 2020

## The Creative Multiplier

How many of us have marvelled at or shared great examples of brands communicating around Covid-19 in the last few weeks? Most of us is the answer. Why does Coca-Cola playing with its cans or Nike telling you to "Play Inside", have such power? Because of the creative multiplier.

Whilst getting investment levels right and make sure we're sustaining presence in brand building media channels is very important, and a crucial foundation for the recovery, never underestimate the power of a great idea.

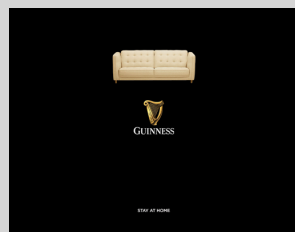
But that doesn't mean creative should be the same. Now is the time to dial up emotion and collective humanity. System1's research that is live currently, suggests that ads reflecting community and shared culture are working better than those that present image right now.

Brands with long-established brand codes who have a heritage of strong advertising, as well as consistent and coherent assets to fall back on, are delivering great creativity.

Source: Nielsen 2018

# 47%

of the true impact of a campaign comes from the power of the creative and the idea





# **5. Lessons from the Recovery in China**

# In China brands are returning focus to brand purpose

## Moving through Recovery

As the first country to face a major Covid-19 outbreak and lockdown, China - Mainland is now entering the Recovery stage. During this period, the majority of brands experienced major disruption. As they progress through the Recovery stage, many are taking stock of key lessons learned and looking forward to transformation in the ‘New Normal’.

### Outbreak

CNY through end of February

### Extreme caution from brands

During early stages of the outbreak, facing huge uncertainty, the majority of brands hesitated to respond. Those who did promoted safe messages, like caring and rooting for Wuhan. Huawei and Nike are two examples of brands who quickly adjusted their messaging, content and technology strategies during this phase.

### Recovery

March onwards

### The Innovation stampede

With many brands now beginning to respond, there is a lot of pressure to rapidly innovate. A lot of brands are quickly jumping on new emerging channels, such as livestreaming. In a number of categories this has resulted in a chaotic battle with limited observable effectiveness. Whilst innovation is key, brands should resist the temptation to copycat, instead focusing on relevant innovation to their specific needs.

### ‘New Normal’

coming soon

### Rediscovering purpose

We believe brands will begin to review the meaning and value of innovation through the recovery. Brands will need to find their role in the ‘New Normal’ and re-discover their brand purpose.

# Three recommendations from the Recovery in China

## Find the right balance between efficiency and effectiveness

Many brands have swung hard to efficiencies. As the recovery phase kicks off refocusing on effectiveness is key.

For some brands this may mean re-entering the market entirely, for others refocusing from just efficiency plays to media which also drives effective returns.



## Innovate meaningfully

Innovation is key, as well as a great opportunity to capitalise on new 'accelerated trends'. However resist copycat innovation, ensuring what you do always relevant to your core objectives.

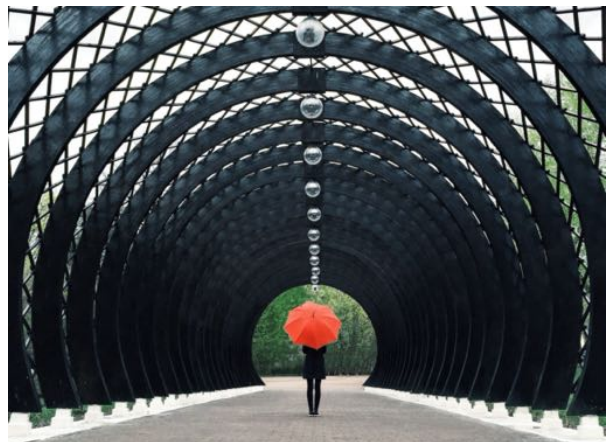
Whilst considering innovation, review the balance of 'noise' around a new trend and set / monitor clear KPIs.



## Refocus on brand purpose

Reviewing your consumer journey, we are now working with our clients to re-focus on the priming stage. Rebuilding brand bias is the next key battleground.

This may also involve re-imagining your brand purpose or calling out elements which resonate more right now.





# 6. Market deep dives



# Australia

## Market deep dive

By the time Covid-19 hit Australia, the country was already reeling from a three-year drought, extreme floods and devastating bushfires which destroyed an estimated 1 billion animals. Thinking that the fires had ended, Australians were suddenly being told to cancel their holidays; flights were grounded and domestic borders were closed; it was no longer safe to go to work, see their friends, or do any of the outdoor activities that make Australia, Australia.

The country was blindsided at a time when they were hoping to come up for air. Without the chance to mentally recover, this anxiety has transferred to the latest threat: Covid-19.



## Younger people are the most optimistic

Although 55% of Aussies remain optimistic about the future, fear and pessimism have grown as a result of Covid-19; 62% describe their current state as ‘worried’ and 52% as ‘nervous’. This concern has accelerated quickly, with Kantar research showing that Australians with ‘significant concern’ about Covid-19’s impact jumped from 16% to 45% over a two-week period.

Extreme pessimism is felt more among older Aussies while younger Aussies are more likely to feel ‘very optimistic’ about the future.



9 March 2020

23 March 2020

More Aussies expressed significant concern of coronavirus impact on their daily life over the past 2 weeks

Source: Kantar, Building resilient brands and businesses, Mar 2020



18-39 years

40-65 years

— Very optimistic about the future

— Very pessimistic, life will be affected for many years in the future

Source: Wavemaker APAC Study April 2020

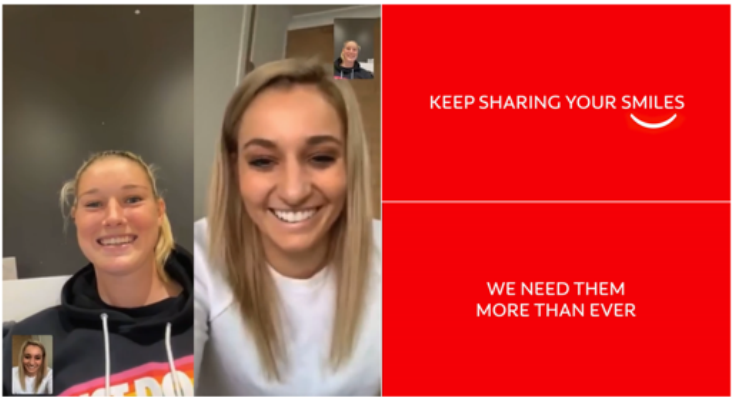
# 'At home' behaviours surge

With social distancing measures firmly in place in Australia, we've seen a surge in a variety of 'at home' behaviours, particularly the desires to stay hyper-informed, look after the family and home, and find sources of relief (distraction through TV, hobbies, reading and games). Finding new ways to connect is more important than ever, particularly for 18-29yos: almost half say they have increased the amount they talk to others.



Source: Wavemaker APAC Study April 2020

To maintain relevance, brands in Australia should find ways to facilitate these growth areas and make declining behaviours more accessible. For example, Colgate revised their original campaign recognising that we need to stay connected, and smile, now more than ever. They created a new TVC using the one thing that unites all our virtual sharing – smiles.



Colgate 'Smiles' TVC

## Looking forward to life after Covid-19

75% of Aussies believe the outbreak will be under control within 6 months. When this happens, the biggest behaviours expected to bounce back are travel (44%), being with family (37%), shopping (32%), meal gatherings (28%) and outdoor dining (27%) – providing rich opportunities for brands to help people **celebrate reconnecting and togetherness**.

These behaviours are closely followed by self improvement: being more grateful (25%), doing more sport and exercise (24%), replanning their life (23%), finding a new job (22%), and getting fit and losing weight (22%) – brands should be thinking now about how they can help people **become a better you** during recovery.

# India

## Market deep dive

On 25th March 2020, 1.3 billion+ Indians went into a lockdown enforced by the Government as a safety measure in the fight against Covid-19. Since then, every day has presented a new challenge for them as they adjust to a life of social distancing, curtailed ecommerce deliveries and working from home.

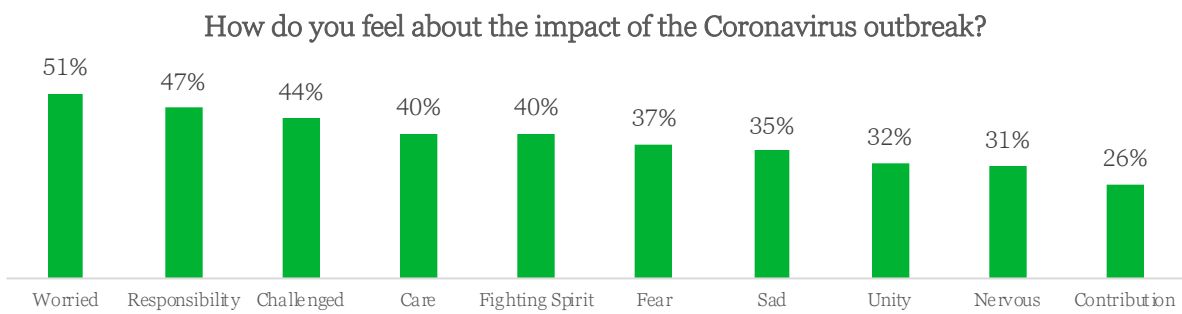
At a time when the country was all pumped up to participate in the biggest sporting spectacle of the year – the Indian Premier League 2020 – the pandemic and the lockdown was a huge spanner in the works resulting in massive cancellations of summer holiday plans and the ramp up to their cricket season for fans.



## Home quarantine hasn't dampened spirits

While they worry and fear for their safety, home quarantine hasn't dampened their spirits. 75% respondents feel very optimistic about their current situation and they feel that there is now more time to pursue a hobby, learn something new and engage with brands and other activities that interest them. In fact, 61% respondents said that they will spend more time surfing the internet and browsing through products that they would like to purchase.

There is however, a more cautious and practical approach to spending money only on things that are worth the money (54%) especially so in the age group of 30-39 years (58%). A third of the respondents admit that they have become more conservative and are increasing their deposits and investments in financial products.



Source: Wavemaker APAC Study April 2020

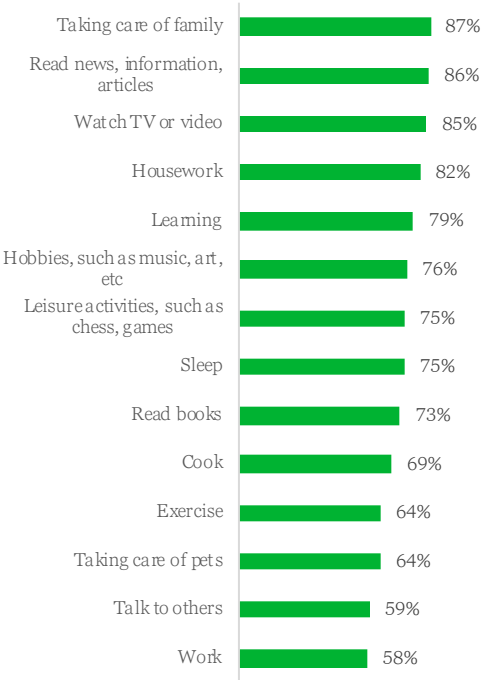
# Impact differs across generations

As they stay put at home, 87% of respondents realise that they are spending far more time than usual in taking care of their family, reading news and watching TV or videos. 82% are also contributing a lot more to household work.

Meanwhile, for 15-24yos, time spent on gaming has increased by 34%. Conversely 50 to 65yos are spending 66% more time than usual talking to others compared to the younger age groups.

Television, video and social networking platforms are the most popular ways to pass time. News channels in particular have seen 3x growth in viewership since the lockdown. According to some Indian OTTs, there is nearly a 20% increase in user base, time spent and even daily active users. Social networking platforms including Facebook, WhatsApp, TikTok and Instagram have seen a 19% increase in sessions per week, per user and a 25%+ increase in time spent per user, per week.

Behaviour Significantly increased



Source: Wavemaker APAC Study April 2020

## Taking a pause before moving on

Indian consumers are simply taking a pause, investing in themselves before they march on aspiring to live a fulfilling life.

8 out of 10 respondents are optimistic that this outbreak will be brought under control in about 3 months. At the end of this period, they hope to come out and take better care of their family (54%), work harder (50%) and start shopping (45%). This downtime has also provided the **opportunity for self introspection** and people are keen to spend more time on learning and self improvement (39%), being more grateful to others (38%), starting a new lifestyle (36%) and traveling more (32%).

On the other side of Covid-19, **their spending will be more deliberate but not unnecessarily curtailed** – in fact, shopping is one of the top 3 things on the to-do list after the lockdown. Consumers want a more enriching life – one where they are a better version of themselves, one where families are safe and cared for and where they are grateful for what they have. For this enlightened consumer, brands will have to keep up functionally and ideologically.

For brands, transformation is the key to flourish in this Covid-19 world and beyond. Old school aspirations and brand messages have already been discarded by consumers in these short few days. Brands must transform their communication, positioning, content and media to appeal to consumers who are seeking more fulfilment.

# China - Hong Kong

## Market deep dive

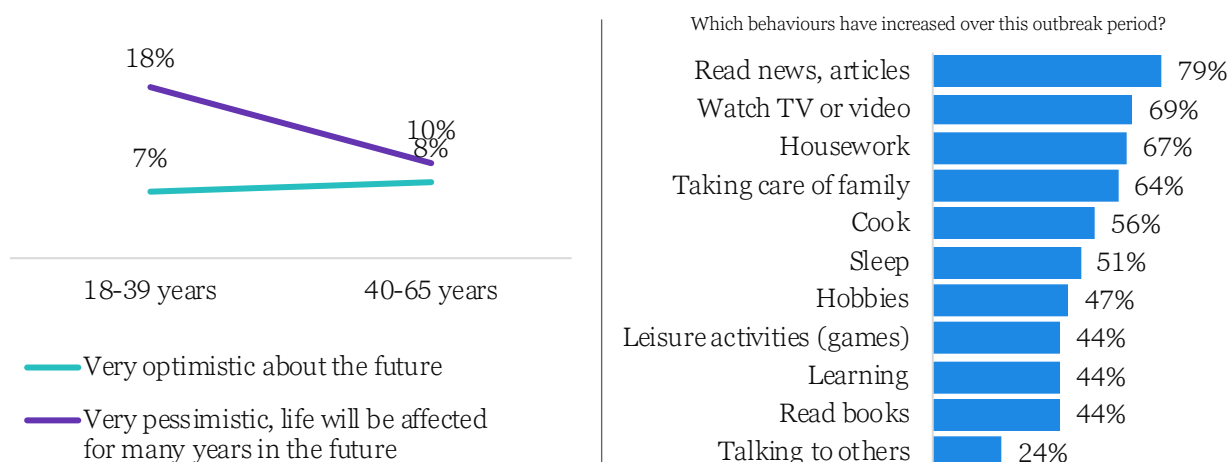
Hong Kong's famously crowded streets are eerily quiet. Most of the city's 7.5m people have been practicing various forms of social distancing for months. Shops and restaurants are empty, already struggling in a recession after nine months of teetering on the brink of revolution.



## The city remembers SARs

The city still remember the hard lessons given by the SARS outbreak of 2003, when 299 locals died; 62% describe their current state as 'worried', 53% as fearful and 51% as 'nervous'. Schools and public attractions have been closed for months, and there are tight restrictions on incoming travelers. Working from home is common and people are trying to stay away from public gatherings. **Uniquely for Hong Kong, pessimism is felt more among younger audiences.**

Life goes on with people keen to stay informed, look after the family and home, and find sources of relief. People are taking each day as it comes with little time for fun: less long-term investments and financial planning (-30%), less shopping (-37%) and 50% have not increased time spent on hobbies or leisure activities.



## Looking to build the future

People are already fatigued and this is multiplied by the current uncertainty. When the epidemic is over, they will want to start a new life (15%), work hard (28%) and find a new job (16%). Brands need to think how they can play a role in the new day-to-day and communicate it. **People are craving connection. How can brands remind people of their presence in this context?**

Source: Wavemaker APAC Study April 2020

# Indonesia

## Market deep dive

In Indonesia government actions to control the pandemic were slow, many have argued that the pandemic is Indonesia's biggest "strategic surprise" in decades. Indonesia continues to be the country with the highest case-fatality rate in South East Asia. Despite the stark numbers, Indonesians have maintained a net-positive sentiment, 77% are still optimistic about the future, perhaps because it is traditionally an optimistic nation.

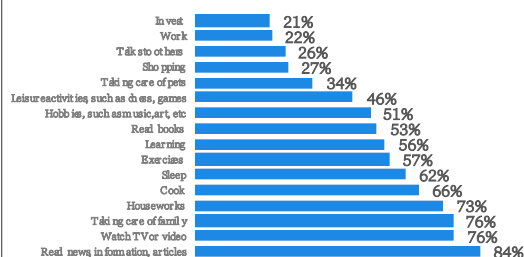
## Optimistic Indonesia is concerned

The majority believe Covid-19 will be resolved in 3 months, however 65% now show concern and project that they are 'worried'. Nearly half the population feel the disruption in daily life, travel restrictions, and not being able to dine out, as most stifling. More than 70% (especially women) say, they will be more prudent with their spending and saving, and 50% mention that they are learning to be more grateful, for what they have. There is also an heightened awareness for being and staying healthy.



Danone Indonesia encouraged people to stay home, stay hydrated with their brand Aqua, and NOT see their billboard in what was a first-in-market programmatically delivered digital outdoor campaign.

How people are spending their time right now



Staying connected socially has moved online, with 56% spending more time online, 76% increasing WhatsApp usage, 61% IG, and 59% FB. Indonesians feel that information is helping them stay prepared and positive (54%). News, health related content and entertainment and life style genres have gone up.

With restricted-lockdown continuing as the country enters Ramadhan, dairy, packaged goods and beverages are being stockpiled ahead of the festive period. Retailers are exploring alternative ways to reach shoppers, e.g. ordering via WhatsApp directly from the manufacturer, with particularly positive outlook for key categories: Protect (germ-kill), Prevent (nutrition), Comfort Eating (ready to eat / easy to cook).

## Adjust, adopt, align

The crisis has necessitated new behaviours leading to long term irreversible shifts. Indonesians are following an 'adjust, adopt, align' strategy in their lives. People expect the same from brands: to create positivity (56%), play their part in supporting consumers (53%) and informing them on how to face the situation (52%).

Source: Wavemaker APAC Study April 2020, Kantar COVID19 Impact on Indonesian Attitudes & Behaviours (14 Apr): Learning for Brands. Nielsen. Race Against The Virus: Indonesia Consumers' Response Towards COVID-19 (30 Mar).

# Japan

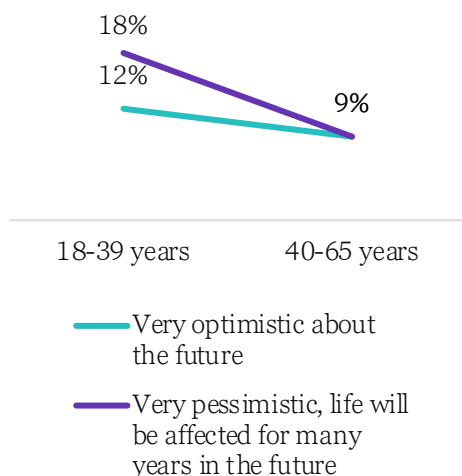
## Market deep dive

Japanese Prime Minister Shinzo Abe's recent declaration of a state of emergency in seven prefectures, the postponement of the 2020 Tokyo Olympics and a sudden drop in tourism are all taking their toll on Japanese businesses as the country's coronavirus cases continue to rise. The Olympic Games, originally set for this summer in Tokyo, has in fact been officially rescheduled to July 2021.

Estimates of damage from the postponement of this year's event in Tokyo by one year range from 600 billion yen (US\$5.4 billion) to 2 trillion yen (US\$18 billion). One thing is sure: the postponement has added even more concerns about the outlook of Japan's economy and has deepened Japan's recession fears.



## Optimism is hard to find



30% of Japanese feel very pessimistic and believe their lives will be affected for many years in the future. 58% describe their current state as 'worried' and 52% are 'scared'. Pessimism is felt across all generations, but mainly among younger audiences who little hope for their immediate future. Because of the delay in declaring the state of emergency, daily life hasn't changed so much for the majority of Japanese yet.

45% of Japanese believe Covid-19 will take more than 1 year to be resolved. But once the pandemic is over, 47% are ready to fly across the world and discover new destinations. 29% can't wait to physically reconnect with friends and enjoy delicious meals together.

## Looking forward to the Olympics

Brands will have to adapt and embrace new roles for 2020, with the postponement of the Olympics impacting medium-term plans. Moreover, brands will also need to open up and be entrepreneurial to win in this market. Consumers might find purpose and joy in this large-scale burst of innovation and re-imagining, as they gear up for Tokyo 2021.

Source: Wavemaker APAC Study April 2020

# Malaysia

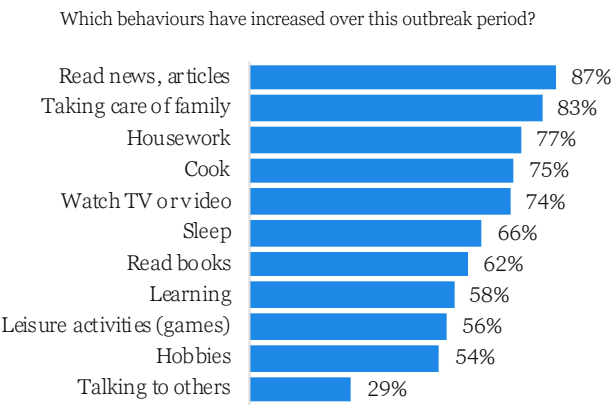
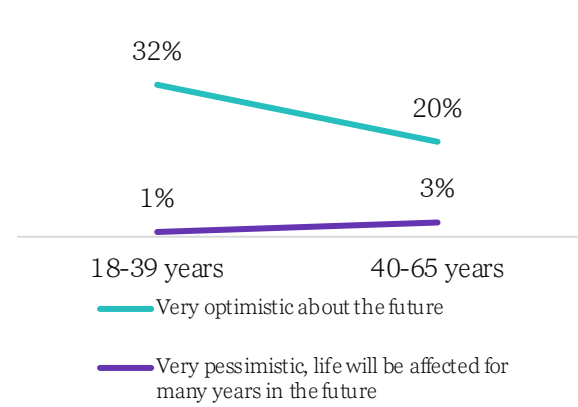
## Market deep dive

The Covid-19 pandemic comes at a time where Malaysians have started to feel the slow-burning effects of an increasingly slowing economy. Luxury and consumer appliance sectors had already projected negative growth for 2020. Their decline will accelerate after the recent lockdown measures were imposed. Malaysians however are reacting with incredible resilience, and mindsets reveal much optimism for the future.

### Pragmatic and careful approach

Malaysians remain pragmatic during this time, with 63% feeling at least somewhat optimistic about the future and 61% believing the pandemic situation will be controlled within the next 3 months. This is more apparent in younger Malaysians, but with recent developments in government responses to Covid-19 this may change. 65% describe their current state as ‘worried’, and 43% are ‘fearful’. Despite this, many are maintaining spending and consumption habits, with 56% reporting that they will still buy what they want regardless.

eCommerce has grown 80% Y.O.Y and is set to continue growing as Malaysians adapt to the restricted living measures. Successful brands have focused on the essentials, such as the Guardian Pharmacy, which worked together with Antabax to offer 1 free bottle of their hand sanitizer in exchange for an empty bottle of any competitor brand.



### Craving connection

Malaysians’ main priority, post-crisis, is to focus on reconnecting with their social circles and 45% are keen to spend time caring for their families. Shopping (38%) and travelling (35%) are also high on the post Covid-19 to-do list. **Brands will succeed if they work with and acknowledge this ‘human-first’ sentiment.**

•Source: Wavemaker APAC Study April 2020

# The Philippines

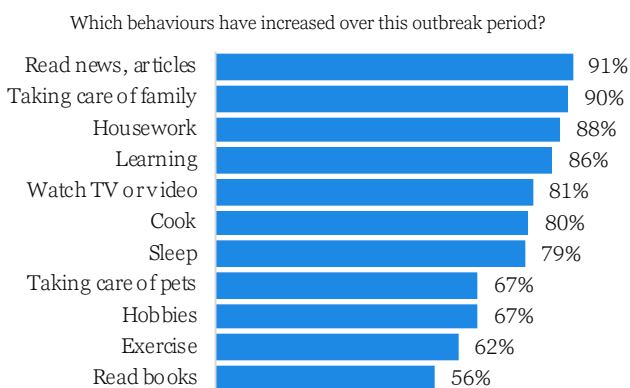
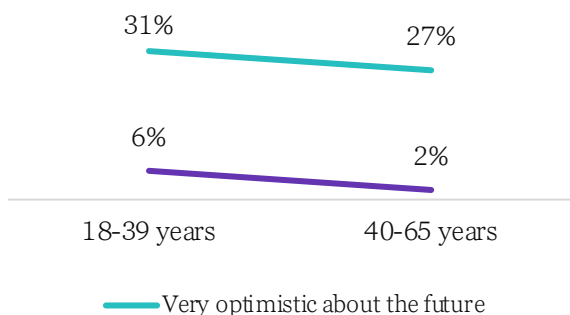
## Market deep dive

The entire Luzon area has been under government-enforced lockdown since mid-March, affecting more than half of the population. This has had major economic and cultural impacts: hundreds of thousands of people have been put out of work and Holy week celebrations – one of the most significant religious festivities in the Philippines – had to be marked in solitude behind closed doors. Despite all this, people remain quite optimistic for the future.

### Fighting spirit prevails

With the vast majority of the workforce affected, only 37% of people in the Philippines have maintained the same income, while 36% are earning much less or almost no income during this period. Consumption is therefore centered around purchasing only essential items, with 70% indicating that other item purchases will be put on hold. This is in line with their desire to spend only on things worth their money.

Immediate tightening of the purse-strings however, does not mean an end to optimism. Whilst 62% describe themselves as 'worried', the next most significant feeling is that of possessing 'fighting spirit' (47%), especially with older audiences. One great example of this in action is is Gardenia's community outreach program, reaching out to frontline workers in solidarity, to give out much needed supplies, despite food supply shortages.



### Opportunity to reassess

People are using the crisis as an opportunity to reassess; evaluating their lifestyle, self-betterment, caring for their families and planning for financial investments. Men are thinking of how they can treat themselves (e.g. to electronics) once the crisis is over. In the short-term, **brands will focus on communications that reflect widespread sentiment around work, self-improvement and community spirit.**

Source: Wavemaker APAC Study April 2020

# Singapore

## Market deep dive

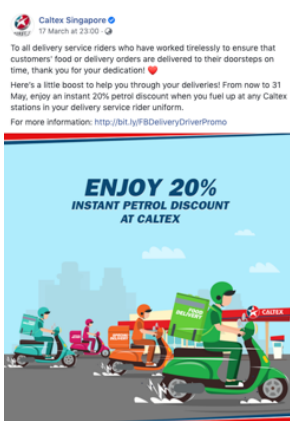
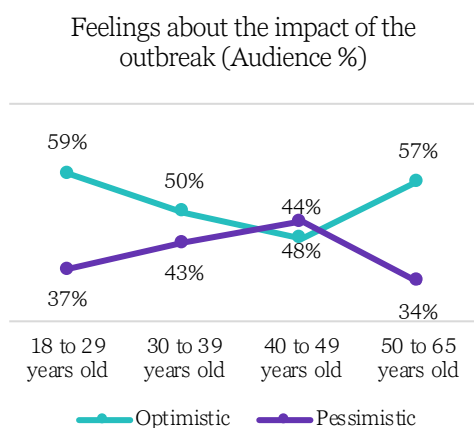
Singapore is one of the few countries experiencing a second wave of Covid-19. The government has implemented a 'circuit-breaker' so strict social distancing measures have been implemented to curb the spread – from closing of non-essential services to the restriction of social gatherings both in public and private spaces. As a nation that benefits from strong government support, Singapore is adhering to the measures. Even the world-famous Merlion is WFH.



## Pragmatic and careful approach

Singaporeans are taking a practical approach to the outbreak. Covid-19 has acted as a circuit-breaker that has restricted movement but hasn't significantly changed incomes or expectations for the long-term. Rather in the short-term, Singaporeans have become more conservative. Singaporeans are worried (57%), fearful (42%) and challenged (39%) and so are focusing spend on essentials – with NTUC and Lifebuoy listed as 'critical brands'.

Larger investments have been put off, with those aged 40+ being particularly financially-cautious. Singaporeans are keeping themselves updated on the developing situation both locally and globally, putting more trust in traditional news channels (77%) and approved websites. They're tending to watch more TV and videos (56%), especially via mobile.



CaltexSG worked with Facebook to create specialised content showcasing enhanced cleaning efforts, develop special promos for delivery people offering their services during this crisis and showcasing positive well-wishes for the country: boosting national pride when it is needed most.

## Grateful and motivated

With travel grinding to a halt, it is no surprise that once the outbreak is over, Singaporeans are looking forward to travelling again (43%). Many feel that they have learned to be grateful (33%) for what they have received via government support and are motivated to work hard (21%) and invest for the future (24%) after the outbreak is over.

Source: Wavemaker APAC Study April 2020

# South Korea

## Market deep dive

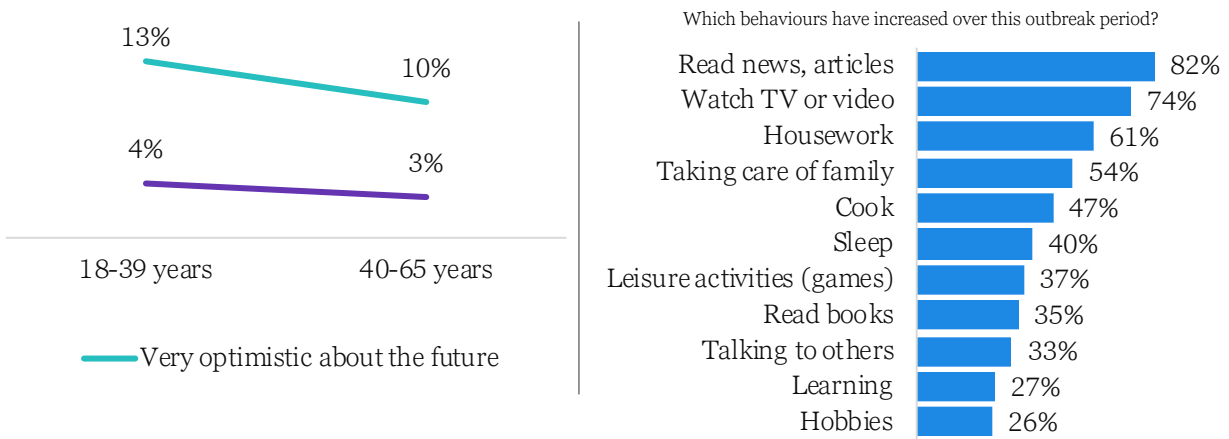
Case counts and deaths are soaring in US, Italy, Spain, France, and Germany. Amid these dire trends, South Korea has emerged as a sign of hope and a model to emulate. Behind its success so far has been the most expansive and well-organised testing program in the world, combined with extensive efforts to isolate infected people and trace and quarantine their contacts.



### Cautiously optimistic

55% of Koreans feels somewhat optimistic (though still uncertain and need to see what happens) but despite the successful measures designed by the government, 66% still describe their current state as ‘worried’ and 54% as ‘nervous’. Younger audiences seem to be more capable than the older ones to look at the silver linings.

The outbreak has not affected their financial planning, but they do feel this is not the right time to spend on expensive or not essential products (67%). If they need to buy something, eCommerce now represents now a valid alternative (51%). They seem to have found the perfect balance between “being entertained” (watching more TV and video content) and “being informed and up-to-date” (reading more news).



### Looking forward to travel

Once the epidemic is over, Koreans want to focus on self-improvement: 36% will focus on physical exercise and 16% on learning. But most of them want to jump on a plane and travel around the world (55%). Brands can start thinking now how to play a useful role in people’s lives and routines during recovery but also how to help people celebrate resilience.

Source: Wavemaker APAC Study April 2020

# Thailand

## Market deep dive

Covid-19 has compounded an already challenging time for Thailand's economy: continuing debt, drought affecting agriculture, high household debt, income disparity, have all been accelerated by the pandemic. However, local consumption, particularly the FMCG sector, has held onto growth, as consumers prepare themselves for uncertain times. Spending has increased on pantry products as well as health safety and household essentials.



## Balancing emotions

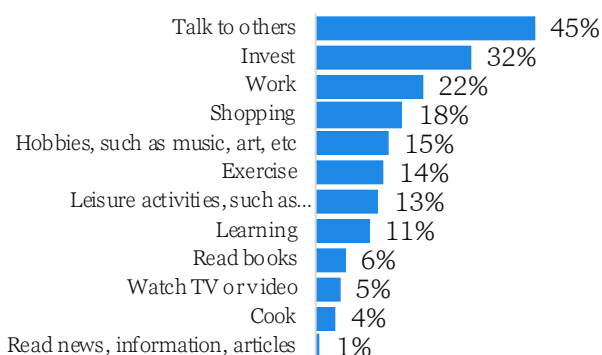
Thai's are balancing a range of emotions right now: 30% of Thai consumers feel somewhat optimistic with 62% still describing their current state as 'worried' and 47% as 'fearful'. Under 40's are more optimistic about the future at 14%, compared to older people at 8%.

Unsurprisingly, health is the top topic for consumers with 71% consuming content around Covid-19 and 65% around health. Finance has also emerged as a priority for Thai consumers, with a 32% increase in investment behaviour, and 49% consuming content around business, finance, and news. Thais are keen to sustain current lifestyles and consumption habits, with 41% of consumers agreeing that they would continue buying what they want, and nearly 2 out of 3 Thai consumers reporting no decline in spending.



Maybelline tapped-into the 'stay home' moment and worked with Tik Tok to create an AR campaign, encouraging people to get experimental and change their lip colour

Which behaviours have increased over this outbreak period?



## Focus on taking care of the family

Once the epidemic is over, Thai people want to focus on taking care of their family (54%), travel (52%), and re-plan their lives (42%). 41% will also look to diversify their skills through learning and self-development. The opportunity for brands is to consider how they can **provide value in people's planning for immediate and long-term concerns.**

Source: Wavemaker APAC Study April 2020

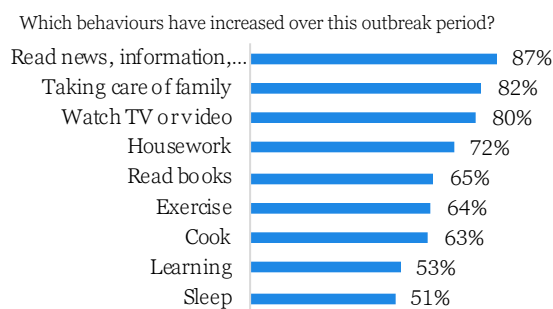
# Vietnam

## Market deep dive

As the pandemic spreads around the globe, Vietnam stands out as an example of a market with a low reported number of infections and zero deaths. Nevertheless, in a closely-monitored situation, nationwide social distancing has been implemented since 1st April, and citizens are only advised to go out for essential services and to avoid gatherings. Face masks are compulsory, and visas have been suspended, grounding the tourism industry.

## Cautious and monitoring closely

The Vietnamese carry a cautious, reserved and pragmatic attitude towards the current situation, but remain optimistic (63%). Vietnamese are following the situation closely, monitoring Covid-19 day-by-day. Consequently they are shifting their attention to news programming and doing so on a daily basis. Content consumption has clustered around more trusted mediums such as TV (80%), as well as on-the-go media with video predominantly viewed on mobile.



Vietnam's spending behaviours have remained practical – people are focused on spending money on essentials (75%), fueled by a sense of wanting to protect themselves and their families (82%). Vietnamese consumers are paying more attention to pharmaceutical companies that sell hand sanitizing products, particularly Lifebuoy, a brand that has responded proactively. Lifebuoy has built 100 free hand-wash locations around Vietnam and created a soap donation fund for elementary schools, health facilities & public places.

Consumers are moving their purchasing power to eCommerce platforms which are witnessing strong growth, like Shopee. We see keen future purchase intent, with heavy research against consumer electronics brands, particularly Apple and Samsung.

## Be responsible now, protect the future

An overwhelming sense of responsibility (59%) and unity (50%) characterizes the nation's mood: familial care, working hard and looking out for one another are core concerns. Once the crisis is over, there is a clear sense of wanting to **get your head-down and work hard** (51%), understanding that maintaining livelihoods during this difficult time will allow the ability to indulge will follow.

Source: Wavemaker APAC Study April 2020



# 7. Looking forward

# What do people in APAC want to do when this is over?



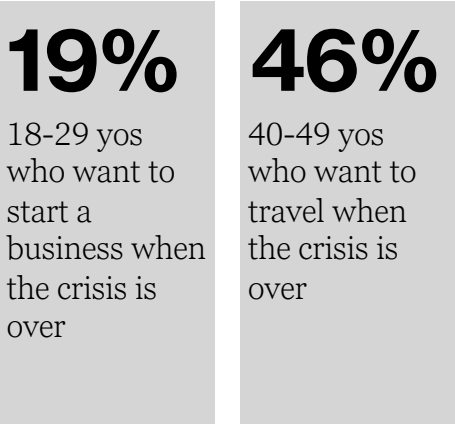
## A ‘2020 Do-Over’ or ‘The First Year of the Rest of Our Lives’

Across our region, people are looking forward to the end of the crisis. What they want to do with that time ranges from those who say they want to travel and throw parties, to those who are looking at this as an opportunity to reset (getting fit and taking exercise), and a third group who foresee big life changes through re-planning life and self-improvement. In all of these dynamics lie different opportunities for brands and companies to help and grow. Whatever the future holds, it certainly won’t be boring!

Source: Wavemaker APAC Study April 2020

## GenZ are getting serious whilst Millennials & Gen X want to shop and travel

There are some interesting generational fault-lines emerging from our research. GenZ are reassessing and preparing for a future with hard work – and they’re being entrepreneurial about it. The 55+ group are less likely to see big changes and expect things to go back to the way they were. The group in the middle (arguably the most affected by an upcoming recession), are most likely to go shopping and travel when this is all over – craving escapism and a return to normality.



Source: Wavemaker APAC Study April 2020, GWI March 2020

# Plan for Recovery, look forward to win the ‘New Normal’

## Key consumer trends across APAC

Across all markets, moderate optimism is the prevailing emotion. People expect the crisis to last for a few months but the long-term outlook is for a region that will get back to winning ways. We can see these four key trends emerging across markets:

Resilience  
and fighting  
spirit

Pragmatism  
and  
conservatism

Hard work  
now, leading  
to reward  
later

A desire for  
human  
connection  
and  
exploration

---

## Essential advice for brands

**Recognise that many of marketing’s laws still apply – some even more so:** it’s easy to focus on the disruption, but we believe now is the time to deploy all we’ve learned, not jettison it. Sustained SOV, the right blend of brand and acquisition, balancing short and long-term planning and creativity have all never been more important.

**Continue to monitor changes in how people feel:** whilst unemployment will rise and downturns will take time to work through, many of the facts about culture and society will look quite consistent. Many will sustain their consumption habits. But your consumers will *feel* differently. Think about how brands can bring people together, create an emotional connection and actively contribute. Now is the time to act on brand-purpose.

**Be agile in your media planning and execution:** media trends are also accelerating, so flexibility to adapt is critical. Increase in investment for digital, social and eCommerce will continue as will digital outdoor in the Recovery phase. However resist the temptation to jump on the innovation bandwagon, focusing on what is meaningful for your brand.

**Stay positive:** even in markets where the downturn lasts and where Covid-19 is not the only problem, people are optimistic. Brands must be too. The vision of the future brands present must be an optimistic one. But, it must be grounded in the everyday not the far-flung future. Recognise that dreams are not just exotic travels and life overhauls. Show the small pleasures and bring your brand close to everyday life.

# Meet the team



**Charlotte Wright**  
Chief Growth  
Officer  
Asia-Pacific



**Sandeep Pandey**  
President, Product  
& Strategy  
India



**James Hier**  
Chief Growth &  
Product Officer  
Australia



**Linna Zhao**  
Head of Insight  
China



**Diego Cerrone**  
Head of Strategy  
North Asia



**Catherine Wolkers**  
National Head of  
Research & Insight  
Australia



**James Boardman**  
National Strategy  
Partner  
Australia



**Rose Fang**  
Insights Manager  
China



**Lucy Hudson-Evans**  
Regional Strategy  
Director  
SE Asia



**Benjamin See**  
Performance  
Executive  
SE Asia



**Rylie Huang**  
Senior Strategy  
Planner  
Singapore



**Kheng Hian Ong**  
Media Planner  
SE Asia

# Contact

## Wavemaker APAC Study 2020

Quantitative study of 8,784 respondents in total, with 4,116 in China - Mainland.

In field:

China - Mainland 15<sup>th</sup> – 17<sup>th</sup> February 2020

Australia, India, China - Hong Kong, Japan, Malaysia, The Philippines, Singapore, South Korea, Thailand, Vietnam from 26<sup>th</sup> March to 2<sup>nd</sup> April 2020

Indonesia 10<sup>th</sup> to 16<sup>th</sup> April

For more information please contact:

### Gordon Domlija

Chief Executive Officer, Wavemaker China

President, Wavemaker Asia Pacific

[Gordon.Domlija@wmglobal.com](mailto:Gordon.Domlija@wmglobal.com)

### Charlotte Wright

Chief Growth Officer, Wavemaker Asia Pacific

[Charlotte.Wright@wmglobal.com](mailto:Charlotte.Wright@wmglobal.com)

### Amanda Khoo

Regional Marketing Manager, Wavemaker Asia Pacific

[Amanda.Khoo@wmglobal.com](mailto:Amanda.Khoo@wmglobal.com)

## About Wavemaker

We believe there always is a better way to grow. We positively provoke growth for our clients by reshaping consumer decision-making and experiences through media, content and technology. The Wavemaker way is globally consistent. Fuelled by the world's most powerful consumer data, we understand where and how marketing can intervene decisively to help brands win more sales. Our 7,200 people across 88 markets have the deep knowledge, confidence and courage to provoke growth for some of the world's leading brands and businesses.

We are a part of GroupM, WPP's global media investment management company. Discover more on [wavemakerglobal.com](http://wavemakerglobal.com), [Twitter](#) and [LinkedIn](#)

# Wavemaker<sup>o</sup>

Grow fearless