

BRAND EQUITY

BE EXCLUSIVE

'IN TOUGH TIMES, ONE NEEDS TO INVEST MORE'

A Brand Equity exclusive interview with Manuel "Manolo" Arroyo, global chief marketing officer of The Coca-Cola Company. By Delshad Irani & Amit Bapna

About two years after The Coca-Cola Company killed the 'Chief Marketing Officer', a metaphorical homicide, the world's biggest beverage company resurrected the title last year. Five months ago, Coca-Cola's president for APAC, Manuel "Manolo" Arroyo, took on the additional role of global chief marketing officer. That was before the Covid-19 pandemic turned an already economically battered world upside down.

The owner of brands like Coke, Fanta, Sprite, Minute Maid, Thums Up, Powerade, and tea and coffee brands - Georgia and Costa, withdrew its 2020 outlook last month, citing the impact of the novel coronavirus. The company has rapid-response teams deployed across markets to help identify issues that may need to be resolved so it can continue to operate efficiently and to meet customers' and consumers' expectations. It's a process that's been in place for over two decades.

In an exclusive interview with Brand Equity before the nationwide lockdown, Arroyo talked about building billion-dollar brands through good times and bad. Arroyo told BE, "We are a business that has been around for 130 years, and we've seen almost anything that one can imagine. We don't mean everything but almost anything, and that includes hyperinflation, massive devaluations, etc. One of the biggest lessons that we have learnt internally, and which very much has become a part of our DNA is that in tough times, one needs to invest more. That's one of the keys to long-term success."

How has the Indian market evolved and what's your view on prevailing economic and market conditions? India, in the last 5 years, has grown what most of the other geographies have not even seen in 20 years. The speed of change is somewhat similar to the pace in China, some years ago. Everyone

has been focused on China so much so that the companies missed out on the fact that there is a new, even better lion than China that has come in, and that is India. As a Company, we see India as a bigger bet than any other geography around the world.

Humans are going to need to drink and they cannot survive without drinking. It is a very simple concept. Since we are in the beverage business, we don't sell stuff that can be easily switched or can get easily obsolete. Beverages have its change, but for the most part, every human will continue to drink.

What happened in India last year was a great example for The Coca-Cola Company. Despite some degree of stress in the economy, which started particularly in the second half, we didn't see that creating much of changes in our business. The underlying reason is that the potential of our business in this nation is phenomenal.

To put it simply, if you do the right things, you can aspire to detach yourself from the economic cycle especially when you are looking to our levels of basic availability, not going into highly sophisticated developed market type of approach.

India is currently the company's fifth largest market. But if you were to go more granular in terms of brand performance, how have they fared?

We have three phenomenal brands - Sprite, Thums Up and Coke. Of these, particularly the first two have done miracles for us. Thums Up is very close to becoming a billion dollar value brand. India is top 3 in the world for Sprite, leading the way in many aspects with China and United States. It still has a lot of potential. And, then Coke, which is definitely smaller than the other two. From a potential standpoint, it is yet to realise its full potential. However sooner or later, it is expected to take over the rest.

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There's precious little anybody can do to stop a crash. But what you do during a crisis can put you in better shape once the world rebounds.

THE POST-PANDEMIC

How marketers see the post-covid world and the way forward. By Amit Bapna & Delshad Irani

MARKETING PLAYBOOK

The question is are marketers doing what's needed to ensure their brands and businesses bounce back, too? Brand Equity asked a trio of marketing leaders of leading consumer goods companies to shed light on their new playbook for marketing during a lockdown and in a post-covid world, important learnings, and how to design campaigns in a crisis.

Sumit MATHUR

DIRECTOR - MARKETING, KELLOGG SOUTH ASIA

The New Playbook

If we simplify the problem, my perspective is that while keeping the core ethos in mind, 1) brands and categories have to be agile, 2) solve real life consumer problems at that point of time and 3) be top-of-mind for consumers as they re-evaluate choices. I believe trying times present brands like ours with a unique opportunity to offer authentic solutions to relevant and contextual consumer issues. An example is the "21 Days 21 Breakfast Recipes" campaign from Kellogg's. Backed by the findings of real-time social listening, we observed a spike in online search for recipes as families were home and homemakers were seeking tasty, nutritious and convenient food options. The team took upon itself to solve the issue faced by

Be agile, be useful

homemakers. It was conceptualised, developed and deployed over 72 hours.

Learnings

Consumer inertia, which is the biggest obstacle in ordinary situations, is passé. With significant changes to their environment, consumers are continuously evaluating and reevaluating their choices across categories and brands. Therefore, if as a marketer you are able to solve a real consumer issue and generate awareness, then you are in the preferred choice set. For instance, nutrition and convenience in food is hyper relevant



Wake up and smell the chai

The New Playbook

- Consumers may need to 'feel good' and look for short-term indulgences. Hence, investing in building personalized and memorable brand experiences remain critical.
- While the crisis may abate in terms of lockdown restrictions getting lifted, but fundamentally a 'fear and safety' mindset will continue to prevail. Hence, focus on health and hygiene will remain important.
- Increase in online shopping due to restricted lockdown conditions, might continue to remain even post crisis although reason may be 'to avoid crowded' shopping places. Hence, brands may need to sustain investments on e-commerce post crisis.

Puneet DAS

VICE PRESIDENT MARKETING - BEVERAGES INDIA, TATA CONSUMER PRODUCTS



Learnings

While the crisis and lockdown restrictions have forced consumers to adopt an extreme form of 'Contactless behavior', even post the crisis, some of these habits might continue to remain the 'new normal'.

Bounce-back Plan

As the lockdown restrictions are lifted, it is about ensuring adequate supply to meet the short-term demand surge. In the medium to long-term it is about robust scenario planning and building agile and adaptable plans that can anticipate the new/changing consumer interests post-crisis.

Tata Tea's latest initiative under Jaago Re is directed at supporting the elderly population in this time of crisis. 'Is baar Badon ke liye - Jaago Re', aims to sensitize youth to support the senior citizens. The brand has tied up with NGOs to extend support on-ground and roped in employees and social media influencers to spread the word.

Sukhleen ANEJA

CHIEF MARKETING OFFICER, RECKITT BENCKISER HYGIENE HOME, SOUTH ASIA

Education and access

The New Playbook

Messaging and communications has evolved towards an even greater focus behind driving behavioural change. Especially in the context of home and personal hygiene our consumers and communities are experiencing a never-seen-before inflection point and it's therefore imperative for us to be at the forefront of educating them with the right information and providing the right access. An example of this is our recent public service message by Lizol. It's our effort towards educating consumers on the need for disinfecting surfaces. Various celebrities have stepped forward to share their tips for keeping their homes protected during the lockdown.

Everyone within the organization has now adjusted to the new normal. Being agile and staying closely connected within the teams internally has helped ensure that the disruption could be minimized on how we work. As for our brands, there is an irreversible change in consumer behaviour that we are experiencing. Hygiene practices are evolving and it's reflecting in the increase category adoption for home and personal hygiene. Also, as news consumption is peaking, consumers are looking at brands for leading the way in this fight by sharing knowledge and a positive perspective.

Bounce-back Plan

Ensuring product availability is and will remain a key priority during and after the lockdown. In parallel, all the other marketing initiatives for the balance part of the year are being re-evaluated for sharper prioritization.



GLOBAL REPORT

The Curious Case of Luxury Brands : Luxury fashion brands have been aiding the fight against the global pandemic – here's what comes next for them

SALES OF LUXURY brands have been hit hard by the coronavirus pandemic. That did not

stop some of the most popular names in the luxury retail world from aiding the fight against

the virus. However, luxury retail might be losing sight of broad-term implications by focusing too much on the present, according to a recent study by research firm Bernstein. The study suggested what might come next for luxury brands. It observed that luxury brands are heavily reliant on consumers from China: 70% of luxury goods purchases are made by Chinese tourists abroad. In a world where people travel less, a recapture of Chinese spending in the global retail market would resemble a similar challenge faced by luxury brands in recapturing Chinese spending in Hong Kong last year, the study said. Here are some other things the report said:



Travelling like before seems far-fetched

In the absence of a "miracle" – in the form of a successful coronavirus vaccine – travel restrictions could endure for two to three years if the 1918 Spanish flu is taken as a benchmark. Since most luxury purchases are made by people who travel, the stronger brands that enjoy "must have" status will be the ones standing

tall. Hong Kong is a major Asian market hub for luxury retail trade, especially due to its affordability and cheaper rates compared to mainland China. Last year, protests in Hong Kong had hammered its luxury sales as Chinese consumers chose to travel elsewhere. Bernstein says the key to luxury brands surviving will be the adoption of price differentials, like in Hong Kong's case.

Tiptoe-ing back to normalcy

Bernstein expects consumers will exercise caution in social gatherings, including going out to restaurants, shopping malls, or to the cinema. This change in consumer behaviour would imply a slower recovery for wine and spirit

sales. Staying at home would have an impact on the use of beauty products, as well as fashion and other accessories. This would be the case even if social media activity is high and working remotely requires people to keep up appearances, the study said.

Market resilience and looking forward

The good news, Bernstein says, is that investors believe long-term prospects for the luxury sector remain strong and the pandemic will be an interim hindrance. The shape of recovery and its speed - especially outside of China - may be shallower and slower than the market expects, the report said.

Source: Business Insider



Handle With Care

The term 'flew off the shelves' is too often too loosely used to indicate how hot a product is. But a few months ago, when the novel coronavirus outbreak shook up the world, millions of bottles of hand sanitiser did fly off shelves in places from Miami to Mumbai.

A recent analysis by the marketing intelligence company WARC, highlighted the sharp rise in the sale of hand sanitiser in the US - up by over 650% compared to a year earlier, and 450% compared to Amazon Prime Day. Closer home, Nielsen data showed that among the growth in various FMCG categories, the most prominent one has been for the hand sanitiser - from 11% in the period between November 2019 and January 2020 to 53% in February 2020.

Leading brands Lifebouy (Hindustan Unilever), Dettol (Reckitt Benckiser), Savlon (ITC) and Himalaya have been grappling with production and supply chain issues to meet the sudden surge in demand. ITC announced its plans to change the production line at a newly installed perfume plant in Himachal Pradesh to a sanitiser manufacturing unit, and launched an advanced hand sanitising liquid, Savlon Hexa. The new product is "designed to address the critical and urgent need for effective preventive hygiene needs of the nation," says Sameer Satpathy, chief executive, personal care products business, ITC Ltd.

Meanwhile, several companies have made their maiden forays in the hand sanitiser segment. Among them are Emami, Nivea, Cipla. Others like Zydus (makers of Nycil sanitiser) and Dabur advanced launches for their products.

A quick look at how the early surge in hand-sanitiser brands played out in Corona times.

By Amit Bapna & Priyanka Nair



CavinKare, the company that launched shampoo in a sachet, entered the fray with a sachet sanitiser under its brand Chik. Chairman and managing director, CK Ranganathan, says, "The concept of launching the sanitiser in a sachet and making them available in a typical kirana outlet is an ideal step to ensure safety of the masses at this crucial time."

Along with the organised branded players, there are a number of local and unorganised players that have entered this space with everything from medical-grade hand sanitiser to aloe-infused, scented ones.

Add to that growing list

of sanitisers available in the market, the big alcobev firms like Pernod-Ricard, Diageo and Bacardi that have repurposed their lines to produce and supply this essential good. Though they are mainly providing sanitisers to healthcare workers and hospitals.

It will be interesting to see what shape their marketing strategies take in the coming few months and once supply chains normalise. Nikhil Ojha, partner, Bain & Company, says "While marketing team resources have been constrained over the past few weeks, they're now shifting to prepare for the post-pandemic times." They are working on matching their CRM or internal audience data to track changes in customer behaviour over the last month, as also looking at changing their media mix, he adds.

It would be interesting to see how many players, apart from the legacy brands, will survive over the long-term once things go "back to normal". Though when that will be is anybody's guess.

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THE INDIA STORY

Brand Equity spoke to various brand custodians about hand sanitiser consumption patterns in India, the way forward, and what will come after the Covid-19 menace passes.



THE MARKETING PLAYBOOK HAS TO CHANGE

"The qualitative understanding of the consumers and their behaviour will now play an even more crucial role in decision making. Predictability is now passé and historical data trends have little to offer in such an extraordinary situation. While the brand strategies may not be significantly altered, the execution changes dramatically. The long-term marketing objectives will now have to be viewed as a series of short-term phased milestones. Both reviews and responses will now have to be real time."

Tarun Arora, CEO,
Zydus Wellness

TRUST MATTERS

"Our current priority is to get as much as possible into the market to combat this great challenge that the country is facing today. While there will be many who will enter this segment, trusted brands are what people will choose, going forward, as the situation improves."

Philippe Haydon
CEO, The Himalaya Drug Company



MAKE ROOM FOR MORE

"Before the Covid-19 outbreak the hand sanitiser consumer market was very niche, and majority of the consumption was "on-the-go" only. That consumption pattern has changed overnight leading to an unprecedented spike in demand. Post the pandemic, this surge will subside, but demand will certainly settle down at a much higher level than what it was in the pre-pandemic stage."

Jayant Khosla,
MD and group head, VLCC

IT IS AN ESSENTIAL

"From a niche product, sanitisers is now in an essential category and that is definitely a big change we've seen in consumer behaviour."

Pooja Sahgal
vice president & head, marketing, Kaya



ADVERSTING IN THE TIME OF CORONA

A wrap of some best and bewildering pandemic-themed ads and campaigns that were launched this month.



Real beauty

Unilever's Dove got top marks for its dramatic and beautiful campaign celebrating the heroes on the frontline of the pandemic. Unilever CEO, Alan Jope, tweeted this: "The women and men in this ad are on the frontline of the Covid-19 pandemic. They're truly heroic, demonstrating self-sacrifice and putting their patients and community first for the greater good. Proud that @Dove is showing that courage and care are beautiful."

The Big Fat Indian #WeddingsFromHome

Matrimonial platform Shaadi.com and ad agency Leo Burnett launched an initiative to help organise virtual wedding ceremonies and celebrations. Avinash & Kirti from Ghaziabad were the first to marry via video-conference under this initiative. Over 200 guests joined in through video call.



Calling the Pug and Zoozoos

Vodafone and its long-time agency partner, Ogilvy, brought out the big guns to fight the Covid-19 menace. Both the Pug and Zoozoos are back with messages to stay home and stay safe, wash hands often and wash out fake news.



Stay home, Jack

Honda UAE and Memac Ogilvy Dubai created the first car ad made entirely from home, using no stock footage and featuring



a miniature blue car zipping past your screen - the surprise element. The end line reads, 'Until we drive again'. Meanwhile, in Japan, one of Honda Motor's measures to help people involved remodeling 50 of its minivans to transport patients to hospitals and quarantine facilities.

This Mother's Day...

iD Fresh Food's extended its 2019 Mother's Day campaign 'Khaana khaaya?' (that's mother's speak for 'I love you') to spread a message of kindness, generosity and empathy. The 2020 version against the backdrop of the pandemic encourages people to ask not just to your loved ones, 'Khaana khaaya?'



21 Days

Well, we've gone way past the 21-day mark. But foods major Kellogg's began its '21 Days 21 Recipes' campaign to help first-timers and full-timers in the kitchen whip up meals as online searches for recipes saw a significant spike. The brand curated snackable content of '21 recipes for 21 days', developed by Consulting chef, Ranveer Brar. Brar and son launched the campaign with a live session, #KidsKitchenWithRanveerBrar, on user-generated content platform Momspresso Hindi's Facebook page.



No wet towels on the bed

Welspun tackled the big question of what to do after the 20-second hand wash. So it launched a digital campaign to raise awareness about personal hygiene and towel cleanliness. No damp towels. Wash frequently. Avoid sharing.



2 minutes to lockdown

As Maggi's family packs flew off shelves along with hand sanitisers, and fears of food shortages spread, Nestle launched a campaign featuring its employees telling people "We are doing everything to bring Maggi to you!"



A new purpose

Hindustan Unilever partnered with UNICEF to launch a national mass-communication campaign titled #BreakTheChain or #VirusKiKadiTodo to fight Covid-19. And address challenges at scale. The mass media campaign will have 5 and 15 second informative assets to equip the general public with prevention strategies to protect themselves. Based on three key themes - social distancing, handwashing and generosity, the campaign will generate these short informative assets across India. Meanwhile, HUL-onwed Surf Excel tweaked its famous line to 'Ab, daag bhi ghar par rahenge.'



A BRIEF HISTORY OF HAND SANITISERS

The Origins

Unlike the soap bar, which was made by the Babylonians around 2800 B.C., the origin of hand sanitiser has several theories. According to some records, hand sanitisers were used as an antiseptic since the late-1800s. Some reports claim that it was Lupe Hernandez, a nursing student in California, US, who invented hand sanitiser in 1966. Hernandez combined alcohol and gel for doctors who didn't have the time to access soap and water before meeting patients.

However, reports indicate that there isn't evidence of a US patent for hand sanitiser under that name.

Around the same time, German company Hartmann launched Sterillium and claims to be "the world's first marketable alcohol-based hand disinfectant". In several published reports, there is also the mention of Goldie and Jerry Lippman, a married couple who developed a waterless hand cleaner in 1946. They made it for rubber plant workers who used harsh chemicals to scrub their hands. The product was called Gojo, and is still used today by auto mechanics to clean off grease and oil. For many years, Gojo products were sold as industrial cleaners. In 1988, the company officially launched a hand gel called Purell. Stores didn't buy stocks of Purell for many years. It was in 1997 when the demand started picking, and Purell, which is regarded as one of the most selling hand sanitisers, appeared in the consumer market.



In Numbers

As per the latest report of Fior Markets, the global hand sanitiser market is expected to reach **USD 2.14 billion by 2027**.

The demand for hand sanitisers has increased by **1400%** in the December 2019 to February 2020 period.

According to a Nielsen report, in India, as coronavirus threat spread and the demand for hand sanitisers sharply increased, smaller players jumped in to exploit the demand surge and in March 2020, around **61%** of the market was captured by these newly launched brands.

Spirits to Sanitiser

Bacardi Limited, the leading spirits company made a global announcement to help produce more than **267,000 gallons (1.1 million litres)** of hand sanitisers, as worldwide demand continues to exceed supply. Diageo, maker of Johnnie Walker and Smirnoff, pledged donation of up to two million litres of alcohol to manufacturing partners in UK, Ireland, Italy, the USA, Brazil, Kenya, Australia and India to enable the creation of more than eight million bottles of hand sanitiser, in order to help protect frontline healthcare workers.



LOVE IN THE TIME OF CORONA

Philippines sold "anti-coronavirus bouquets" with mini bottles of sanitiser, soaps and masks and gloves, nestled between red roses.

DIY SANITISERS

As Thailand saw a shortage of sanitisers, the health authorities encouraged citizens to **make their own sanitiser**.

Some DIY solutions include using ingredients like **isopropyl alcohol, aloe vera gel, tea tree oil, glycerol, and distilled water**.

Hoarders Beware

In South Korea the government instituted penalties up to **\$42,000** or two years in prison for anyone found hoarding hand sanitiser.

Rotunden, a supermarket in Denmark, started selling one bottle of sanitiser for **40 DKK (\$4.09)** and **two bottles for 1,000 DKK (\$95)**. The store owners explained that it was a move to discourage hoarders. Amazon tracked down a seller in the US, who spiked prices of sanitisers, gloves, and masks. The seller was left with **17,700 bottles** of hand sanitiser and nowhere to sell them because Amazon banned him.



SIDE TAKE

Procter and Gamble had its biggest US sales gain in years as Americans stocked up on toilet paper and soap

Procter and Gamble, the conglomerate behind household staples in high demand amid the coronavirus pandemic, bucked a global business slump on Friday, reporting a 10% uptick in US sales as consumers stocked up in the first quarter.

The company behind brands like Bounty paper towels and Charmin toilet paper also increased the dividend amount it plans to pay investors by 6%, but warned it wasn't immune to the virus' headwinds. For fiscal 2020, the company now decreased its expectations for sales to 3% to 4%, where it previously expected up to 5%.

Among the best performers in the first three months of the year were categories



like Fabric and Home Care, which includes Vick's and other cold-care medicines, and Home Care and Baby. But Americans didn't stock up on everything as the virus spread across the country. Grooming and shaving products sales decreased by one percent compared to a year ago, as did its beauty segment. "Our organization has been doing a terrific job against our near-term priorities - protecting the health and safety of each other, maximizing availability of P&G products to meet heightened consumer need and helping society meet and overcome the challenges of this crisis," David Taylor, Procter and Gamble's chief executive, said in a press release.

Source: Business Insider

THINGS CONSUMERS VALUE MOST DURING A PANDEMIC

Consumers will remember those companies who treated their customers and employees well. This is a moment of truth for many across the world. **By Yaquta Mandviwala & Eric Almquist**

BY INVITATION

Consumer behaviours are transforming overnight amidst the COVID-19 crisis, forcing companies to re-think their course of action. The current situation across the world has generated panic and paranoia among people. The uncertain duration of the lockdown and the potential risk to life and employment is creating a sense of foreboding and loss of control. Daily life is becoming dysfunctional. Fundamental challenges, including a tight cash-flow situation and the inability to procure essentials are causing high levels of stress. This is exacerbated by the operational challenges of working from home while balancing family time and household work. Added to this, is the significant increase in sedentary behaviour and screen time, leading to sudden lifestyle changes.

The key question which arises, is what do consumers value most at such times? During the COVID-19 pandemic, consumers globally are valuing services, products, people and institutions that focus on six areas—digitally bridging the divide with the outside world, reducing anxiety and effort, promoting wellness and reducing risk, offering entertainment, providing hope and doing good things for people and society. These six areas are based on Bain's 30 Elements of Value which helps companies understand what consumers look for.

So, how best can companies create value for customers along each of these six dimensions?

SIDE TAKE

Burger King's 'plant-based' Whopper ads are banned in Britain for being misleading

Burger King introduced and promoted its first plant-based burger, the Rebel Whopper, in January. These ads have since been banned by the UK's independent advertising regulator, the Advertising Standards Authority (ASA).

Ten complainants came forward with allegations that the burger was not suitable for vegetarians, vegans, or those with egg allergies as it was cooked alongside meat products and contained egg-based mayonnaise. For this reason, the "plant-based burger" in the fast-food chain's ads came across as misleading. Burger King UK's Twitter account promoted its vegan-friendly burger with images of the product which stated "100% WHOPPER. NO BEEF". On its Facebook ads, a round logo was seen at the bottom left of the image that said "POWERED



BY THE VEGETARIAN BUTCHER", while text in small font at the bottom stated: "Product is cooked alongside meat products." Another Facebook post on the Burger King UK account stated "TASTE OF BEING WOKE" beside an image of the Rebel burger. Smaller text below said, "T&C's apply." At the very top, the Burger King logo and the Vegetarian Butcher logo were shown.

BURGER KING'S RESPONSE The fast-food chain claimed that the ads explained in small print at the bottom were meant to imply that the Rebel Whopper might not be suitable for vegans or vegetarians as it was cooked alongside other meat products.

ASA'S CALL TO BAN THE WHOPPER ADS The Advertising Standards Authority considered that consumers would understand the claims as put forth by the ads and, in particular, the claim "plant-based burger" to mean that it would not contain any beef or animal products. It also considered the presence of the "Vegetarian Butcher" logo, the green color palette and the timing of the product release and its advertisement to coincide with 'Veganuary' which further led to misleading information. The regulator said that although the patty itself was plant-based, it was cooked on the same grill as meat products and also contained egg-based mayonnaise. With that reasoning, it made clear that the ads must not appear again in their current form.

Source: Business Insider



DIGITALLY BRIDGING THE DIVIDE WITH THE OUTSIDE WORLD

Elements of value like informs, connects, affiliation/belonging help bridge the divide with the outside world. A situation of a lockdown, necessitates the need for reliable information. Media and technology leaders can play a responsible role in keeping consumers informed in real time with genuine information about COVID-19, protecting the public from a misinformation "infodemic". Platforms that add value by simulating an in-person experience as virtual interactions become imperative for the work-from-home phenomenon. In the US, Nextdoor, a social networking platform for local communities, is helping build a sense of affiliation and belonging. It allows neighbours to offer help (essential goods, watch-out for at-risk neighbours) to one another during the outbreak.

REDUCING ANXIETY AND EFFORT

Proactive communication helps reduce anxiety and gives consumers a greater sense of control. Select airlines and hotels were at the forefront of proactively informing customers about refunds and tweaking cancellation policies to address the anxiety brought on by the current situation. Ecommerce companies can reduce anxiety by providing greater transparency on the availability of stocks rather than taking orders and then cancelling them. Companies can ensure that their communication to customers, is simple and clear and reduces effort to comprehend. Self-serve options should be easy to execute. Banks can make it easy at a time like this, by allowing customers to pause standing instruction payments and offer options to adjust these amounts in future instalments. Insurance companies can provide options to suspend auto-renewals without penalizing customers. Real estate developers can offer similar flexibility to their customers on payments.



30 ELEMENTS OF VALUE

What do consumers value? Knowing the answers can help companies re-design their value proposition

SOCIAL IMPACT ELEMENTS

Self-transcendence

LIFE-CHANGING ELEMENTS

Provides Hope
Self-actualization
Motivation
Heirloom
Affiliation & Belonging

EMOTIONAL ELEMENTS

Reduces Anxiety
Rewards Me
Nostalgia
Design/aesthetics
Badge value
Wellness
Therapeutic value
Fun/entertainment
Attractiveness
Provides access

FUNCTIONAL ELEMENTS

Saves me
Simplifies
Makes money
Reduces risk
Organizes
Integrates
Connects
Reduces effort
Avoids hassles
Reduces cost
Quality
Variety
Sensory appeal
Informs



PROVIDING HOPE

With gloomy economic forecasts dominating the headlines, announcements from some companies are providing hope. A few major employers in the US (including Amazon and Walmart) have committed to bring on board more than 815,000 new workers to meet the surge in demand for critical services, potentially offsetting some of the anticipated layoffs that are expected in the weeks ahead. Similarly, updates about leading pharma and biotech companies 'racing' to devise treatment and vaccines for COVID-19 is bolstering optimism and providing hope to millions of people across the world.

DELIVERING "SELF-TRANSCENDENCE"

Self-transcendence is top-most on the elements of the value pyramid. Customers value their ability to help other people or society more broadly. Companies that link their offerings to some greater good, provide this value to customers. This could be done by enabling people to contribute by offering their help, digitally serving as volunteers, counselling or contributing to do something good. Even the simple act of applauding and supporting health workers holds meaning beyond the self.

Businesses and governments should consider whether their actions and communications deliver these types of value. If not, they should refrain from taking any actions or releasing a communication, as it will be ignored or, worse, make consumers even more anxious.

These difficult times will soon pass (hopefully), and consumers will look back at these historic days and remember those that stepped forward and helped—government executives, NGOs and the frontline service staff who rose to the occasion and delivered on the challenging asks.

Consumers will also remember those companies who treated their customers and employees well. This is a moment of truth for many across the world, and how well or poorly people are treated in these times, will not be forgotten in a hurry. How companies behave during these trying times will in many ways be indelibly etched within the minds of consumers as they think about these brands in the future.

The authors are partners in Bain & Company. Views expressed are personal.

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'In tough times, one needs to invest more'

We have these three brands firing and also Maaza is doing well. In the last two years, it is a leading brand in this segment. So with these four, we have been able to build the portfolio brand using smart water, which was not there two years ago. Building a diverse portfolio is one of the building blocks of our strategy in India.

And in future, you will see a few global big brands, a few regional big brands, regional meaning Asia Pacific and parts of Asia and Europe, LATAM, and then a few big local brands. For those local brands to really sustain in the long-term, they really need to be in a place where you have a meaningful sizeable opportunity. India would make that cut.

What's your reading of local Indian competitors in regional markets?

We have got a lot of regional players all over the world, their level of success has changed over history and the DNA of each of them is very different. But most of them typically play on a lower price point, lower margin type of approach. They tend to be a hybrid between a brand in a price label and those that really connect into some space from a brand perception.

As they play in their lower price point, their ability to invest back in brand building is fairly limited. We have got a bunch of them in Latin America, relatively successful. Some of them have expanded internationally including into Asia but they are more of exceptions.

What's different in India is the size and scale of each state and the cultural nuances are more dramatic.

There is a lot of stuff going on in sparkling. But the biggest or the most interesting place is not only bubbles, it is outside of bubbles, whether it is waters, juices, teas, coffees,

that is the arena that will really reshape the beverage industry in India.

We have seen it in China i.e. local players coming out of basically nowhere and building a 5-6-7 billion dollar business in a matter of less than a decade and one will see those kind of developments here as well.

The acquisition of Costa could be a game-changer for the company. What's the play there?

When it comes to ready-to-drink beverages, we are worldwide leaders. There is a trick there, and a significant majority of that comes from Japan where we have a brand called Georgia Coffee, it is our number one brand there. But the real global bet is Costa, the acquisition that we made just a couple months back.

Costa for us is not a ready-to-drink platform. It is a coffee platform, a holistic coffee platform that spans all the way from retail to ready-to-drink and anything in the middle that could have a innovation that can be brought to the table.

For instance, think about an automated coffee, with real fresh milk, which makes it very challenging from a supply chain and from a ready-to-market at this point of time, but the quality that you get from the machine is just phenomenal. It is not just a vending machine that you put a coin into and get whatever coffee. This is high quality type of coffee. So that's why Costa was a very strategic acquisition for us, not only in terms of what it brings to the coffee platform, but also because it is a major first attempt at getting into hot beverages. We are basically a cold beverage company and Costa is helping us see the world in a very different way.

One of the biggest, and some also say most problematic, advertising themes that emerged in the past decade is Brand Purpose. What's your view on how



Manuel "Manolo" Arroyo
GLOBAL CHIEF MARKETING OFFICER,
COCA-COLA

brands should navigate the purpose-driven marketing space?

First, the company should have its own purpose. Then within the umbrella of the company, there are brands that are more ready than others to stand for something, in the way that modern consumers, media and individuals talk about purpose.

There is a lot of consumers out there who don't really necessarily care. Some brands are very ready. Other brands are just not ready. But you start to promise the world certain things and you are not going to get the right traction.

It is important to not lose a logical connection between the purpose, what the problem is about, how and why the brand is consumed, what kind of emotions are activated - day-to-day emotions versus the elevated values that we talk about. It has to be logical. Otherwise you are going to end up creating what we call love for a brand but not necessarily in terms of consumption. And at the end of the day, none of us, neither in beverages nor any other major FMCG would want to lose out on profits - we are not NGOs. We try to make a clear difference in the planet and in the way we operate and we do it in the way which is sustainable. We talk about creating loved brands in a way that is responsible and sustainable. But not all brands can do it.

The company ignited huge debate with the controversial decision to kill the CMO role over two years ago and then reinstituted the role last year. But do you think that the role of marketing and the CMO has diminished over the years?

Coca-Cola has been here for decades since almost the beginning of a marketing driven company. Marketing is of the essence of what we have done for decades and we never stopped doing that. And then at some point of time, for the right reasons, a CMO

was moved into a Chief Growth Officer, which included in addition to the purely marketing typical function, a lot of commercial and strategic planning. And there was a reason why that happened. We were trying to be more disciplined about the different levers that drive growth. It does not mean or didn't mean that marketing doesn't drive growth. But it is not the only function that drives growth.

Within Coca-Cola, we have always talked about this. We have two major top line growth drivers. After you start with our own people, first thing you have to have is extraordinary talent, extraordinary people that is common to any company. But for us the revenue comes from the consumers that decide to drink this instead of that, and from customers who decide to buy your portfolio versus someone else's portfolio. So that hasn't changed. It was the same. Now, what has changed and why the change - why James (Quincey) and the board decided to go back to the prior archetype of design in the company was that they felt that it would need that bit more of focus. Once the levers of those disciplines for growth have been put in place, and that is something that my predecessor Francisco Crespó did extremely well, it was a lot of great

knowledge and infusion of a different way of thinking that has already been embedded into the organisation, and into our bottling partners. It was the right time to re-emphasise again the focus on pure marketing. The other elements of the Chief Growth Officer continue to exist. But they are reporting now to different players in the management committee. Some of our marketers were not really completely happy because we didn't have any more a Chief Marketing Officer. In my mind there was. For me, just the label changed and two other significant pillars were added to it.

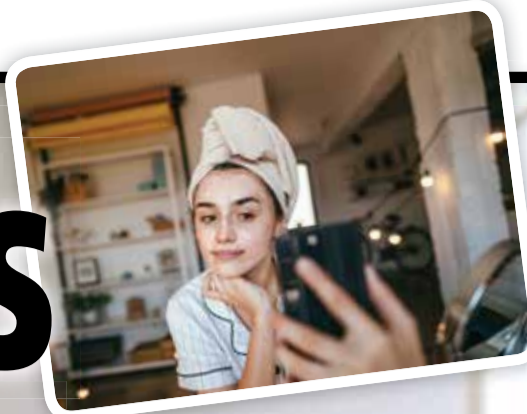
What we are doing now is going back to a more classical design. Because regardless of everything, the core on the essence of what marketing does is not going to change. My own point of view is that individuals make it more or less bigger in an organisation. Big or small, it is up to you. I have always believed that respectfully for any of the people in this chair. We have no doubt that the company requires super strong marketing and will continue to need very strong marketing strategies. For us, it is more the realisation that it is not good enough that it is only in Coca-Cola. We all have phenomenal portfolios right now. And we are also very open about this. Even though we lead every single one of the categories we are present, the strength of our brands is not exactly the same in every second.

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The Influentials

Social media influencers join the fight against Covid-19, slowing down on 'regular' work during the pandemic. Here's what they're up to. **By Priyanka Nair**



Experts Speak

Pro tips for brands and content creators

"For both brands and creators, the means of producing their 'regular' content has been affected since the lockdown. And some creator pages have realized that donating their page reach + shifting daily content focus towards a relevant cause isn't just a "do-good initiative" but a beautiful form of personal expression. A brand's role needn't just be limited to content "creation". Using your page's reach to endorse/support content + causes that are part of your brand world can be a simple and beautiful way to help users discover a new side to your brand personality, while also doing your bit in your own way to help make the world a better place."



PG Aditiya
ECD, Dentsu Webchutney

"Less aspirational and more authentic marketing was already becoming a trend over the years and with a situation like this coming through, any authentic and positive action that a brand can take will go a long way. It will not only provide some comfort to the people who are affected during a time like this but will also lead to the brand getting remembered positively in the future. Today, brands cannot be the light at the end of the dark tunnel, they have to light up the dark tunnel. I believe brands today have the chance to influence mindsets and behaviours more than ever."



Chandni Shah
co-founder and COO, Social Kinnect

"This period is almost like a reset button for marketers who otherwise go for standard big scale productions, the chaos has thrown open a completely new opportunity and brands are rewiring fast. We are seeing an accelerated adoption of influencer-led communication. Our recommendation to clients is be original and influencer can produce that for them. Everyone is at home and managing with basics, so be genuine and be basic, create micro-clusters and scale up, anything we do should put our consumers at ease and we don't need to be serious to be relevant."



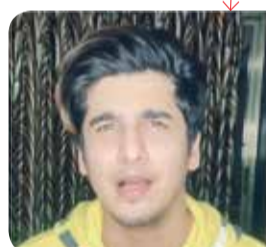
Shekhar Banerjee
chief client officer - West, Wavemaker India

TikToks Get Serious

Before Covid-19 struck the world, Indian TikTok star Faisal Shaikh aka Mr Faisu typically spent his days only lip-syncing to Bollywood songs and dialogues to entertain his 26.6 million followers. Shaikh, who calls himself a fashion influencer, also uses Instagram and Snapchat to push his work, though in a previous interview with Brand Equity he appreciated more the Chinese video-sharing app's inclusiveness. Recently, his 11.6 million Instagram followers spotted him talking about the Aarogya Setu App, developed by the Government of India for contact tracing coronavirus cases. In an average his five Stories were seen by 10 lakh people, this led to over 100,000 app downloads, claims Samir Bangara, co-founder and CEO, Qyuki Digital Media, the company that manages Shaikh's account.



Other popular TikTokers like Bhavin Bhanushali, Sameeksha Sud and Vishal Pandey, who usually make entertainment-based content, are also following a similar strategy of pushing out awareness and education campaigns to their communities. For instance, the importance of a 20-second hand wash practice which is recommended by the World Health Organisation.



Lifestyle bloggers and content makers Mitali Sagar Patel and Summiya Patni, who run House of Misu, a blog and Instagram page dedicated to fashion, beauty and lifestyle, have stopped taking on 'regular' branded content work for the time being. Recently, Patni was seen talking about food delivery app Zomato's social initiative through Feeding India, a fund to support families of daily wage workers. It was an organic piece of content and contribution, Patel tells us. In her view, the influencer community can help "deserving brands" by giving them a "shoutout". "Now is the time to prepare for a new world and a new consumer mindset. Be patient and be sensitive," she adds.

Ashutosh Harbola, CEO and co-founder, Buzzoka, an influencer marketing platform, agrees with these sentiments. "Brands should not be pushy in terms of content created. It should be subtle and easy to digest. Sales and everything is a bi-product and it will always follow post the lockdown," he says.



Brace Yourself For The New Normal

Mumbai-based marketing consultant Pri Shewakramani and blogger Scherezade Shroff came together for charity in an innovative way. They launched 'Quarancharity' on Instagram, a programme that includes paid virtual knowledge sessions around fitness, food and fashion. Celebrity fitness coach Yasmin Karachiwala, chef Pooja Dhingra, stylist Anaita

Content Is King, Chef, Fitness Coach & More



Shroff Adajania and a few others have participated in Quarancharity so far. The money raised will go to different NGOs to help people and animals in distress. Prashant Puri, co-founder and CEO of AdLift, a digital marketing agency, sees these influencers' activities as a positive move. Puri thinks brands could also actively involve influencers to do the right thing. "Stop direct selling. Instead, educate and bring people together. This is the right time for brands to focus on building community," he says.

Community Matters

Shubhreet Kaur Kochhar, who writes about her parenting journey on her Instagram handle and blog Raising Karma, is currently focusing on content that's informative. Kochhar is creating daily posts on how parents can keep their kids busy at home, activities they could do together, and tips to stay calm. The mother of two also supports several local businesses. For instance, Superbottoms, an Indian cloth diaper brand, which is now making masks too. Sunday



Bricks, an Instagram page on structured Lego building. Along with these Kochhar also supports several arts, crafts, and reading workshop-based handles. Kochhar tells BE that she is seeing several 'mommy bloggers' doing the same. According to Kochhar brands should "use social media to build dialogue, generate and share ideas, lend a helping hand and grow the community."

INNOVATION TRAP: CREATING A NEED OR SOLVING A PROBLEM?

BY INVITATION

The innovation journey has to start upstream for it to be successful.
By Soumya Mohanty

WE FEEL WE live in a disruptive age with smartphones, nanotechnology, and genetically modified food but all the progress in areas like public health, sanitation, telephone, electricity, cars were developed in the 18th and early 19th century. Today, 9 out of 10 innovations fail and so do 11 out of 12 start-ups.

Yet the buzzwords that dominate marketing symposiums have innovation at their heart. Innovate or be disrupted. Build a culture of innovation. Much of this is because of our future fixation. A Harvard psychologist Daniel Gilbert argues that our sense of future is warped because we overestimate the impact of singular future events. It causes a sort of technological FOMO.

Since the conversation is always about the next big bet, there is a constant search for new trends. We spend a lot of time, meeting ahead of curve consumers, harvesting social media hoping to spot trends. A lot less time is spent on just looking at the same data and shifting perspective. I will admit, this still confuses me. Only last year we were speaking of the Woke Generation, the debate has already shifted to Woke Wash!

When Alice asked the Cheshire Cat, "would you tell me, please, which way I ought to go from here?", cat replied "That depends a good deal on where you want to go".

Headline-making innovations are rare. They are outcomes of radical new

technological paradigms and less to do with unmet consumer needs. Such innovations create need. We did not need social media and were possibly happier chatting in our evening clubs. We adopted social media and discovered uses for it. The same applies to virtual digital assistants today or voice-enabled technology.

We talk less often of incremental or routine innovations. Routine innovations in products, in business models, in packaging, at point-of-sale often unlock much higher value, liberating monies to fund disruptive innovation. "Cash on Delivery"/ "Free/ Easy returns" unlocked huge value for e-commerce players.

Over multiple recent studies, we have observed a declining interest in cooking. Cooking is no more the identity marker of being a good wife or mother.



A LOT OF INNOVATION INVESTMENT AND EFFORT IS USED TO GENERATE IDEAS, TEST OR OPTIMIZE IT. MUCH LESS IS INVESTED UPSTREAM

This poses a challenge for the cooking aid category like packaged masalas. Till now they all added value to the dish - making it more appealing. But how do they tackle decline in home cooking itself? 'Maa ke haath ka khana' is not a guilt saver anymore. My self-worth as a host is no longer based on the Biryani I cook, but the food I table. Very soon, this trend will also impact other categories like the edible oils, which is still fighting old battles of being the healthier oil.

In the US, the decline in home cooking started in the 60s and over three decades led to only half of Americans cooking at home on a given day. At some point in the late 90s, the trend levelled off as cooking

from scratch emerged as a "leisure and entertainment" activity. An interesting offshoot is the number of men cooking has shot up by 13% with a proportionate decline in women.

Another such trend is the increase in the share of spend of experiences vs tangible products. A recent survey by Kantar had over two-third Indian millennials preferring to spend money on experiences rather than acquisitions. The trick would be to link these two separate trends and reposition cooking an experience. It is not a blockbuster idea, but a simple reimagining of the business cooking aids is in - not to make the outcome better but enhance the input experience. (This piece was written before the lockdown. Given the unprecedented numbers of people cooking at home today, brands would do well turning a chore into an engaging experience.)

Such real trends are supported by multiyear data. "If it doesn't take many observations to think you have spotted a trend, it is not a trend at all". - Daniel Kahneman.

A lot of innovation investment and effort is used to generate ideas, test or optimize it. Much less is invested upstream to understand the consumer and how she lives, interacts, buys. Even less to quantify the shifts in her ecosystem, her family and her aspirations. Maggi is an excellent example of brand leveraging the shifting trends from "Mummy bhook lagi hai" to the mother teaching her teenage son how to make his first bowl of Maggi. Parenting has evolved and so has the brand.

An idea is a milestone in a journey of generating value. The journey starts far upstream. These rigorous, exploratory, longitudinal studies need patience and commitment. The alternative is to fall for the fad fallacy and risk changing strategy many times.

The author is chief client officer, South Asia, insights division, Kantar. Views expressed are personal.

