Executive Summary

Since January 2020, China has been ground zero for the recent COVID-19 coronavirus, and that nation’s experiences provide a vital first look at how marketers should respond to a public crisis of this magnitude. For B2C marketers, the height of the outbreak has coincided with key activation periods including Chinese New Year, Western Valentine’s Day, Milan & Paris Fashion Weeks and Queen’s Day.

This unexpected and unprecedented event has forced brands to develop innovative and sometimes unexpected responses. The outbreak has also brought changes in consumer behavior, media consumption and social and e-commerce platforms that require brands to reprioritize digital investments.

Key Findings

- Under quarantine, time spent online in China is up 20%1 — a significant boost may also occur in the West as people increasingly confine themselves to their homes. Western brands must prepare for increases in internet time and greater customer expectations of digital platforms and online response times.
- Livestreaming has become the de facto online sales and engagement channel during the outbreak in China and is expected to become a permanent priority sales channel in the market, even beyond this crisis. As a source of entertainment and information, online video content creation will be a differentiator for Western brands during a crisis. In China, product and promotion launches on e-commerce platforms have continued virtually uninterrupted, but Western brands should instead prioritize building brand equity.

What Brands Should Be Thinking About

- Provide immediate expressions of support and empathy.
- Prioritize brand equity through cause marketing while balancing sales messaging.
- Prepare for offline closures and consider online alternatives for sales and marketing.
- Prioritize online growth platforms for activation and paid media investment.
- Remain agile to take advantage of new platforms and new product positioning.


Coronavirus: China Share of Time Spent Online

<table>
<thead>
<tr>
<th>Category</th>
<th>January 14, 2020</th>
<th>February 4, 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Networking</td>
<td>32.3%</td>
<td>31.8%</td>
<td>-14%</td>
</tr>
<tr>
<td>Short Video</td>
<td>15.2%</td>
<td>17.3%</td>
<td>11%</td>
</tr>
<tr>
<td>Mobile Gaming</td>
<td>8.5%</td>
<td>12.2%</td>
<td>14%</td>
</tr>
<tr>
<td>News &amp; Info</td>
<td>7.9%</td>
<td>9.0%</td>
<td>13%</td>
</tr>
<tr>
<td>Online Video</td>
<td>8.3%</td>
<td>8.7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Note: Boosts in time spent on Mobile Gaming, Short Video & News represent advertising and activation targets.

Source: China Skinny

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