Introduction

Since the onset of the health and financial crisis, caused by the coronavirus pandemic, there are two questions that our clients usually ask us:

• What should we do (and not do) now?

• What will happen when all of this is over?

To answer these questions, the article is structured around five sections:

1. Likely stages of the crisis
2. Lessons from past crises
3. Impact on brand value: global, sectorial, and individual analysis
4. How are brands reacting? Brand building and brand risk management strategies applied by different global brands
5. How brands should be communicating to protect brand value

1. Likely stages of the crisis: What is happening and how will the world be when this is all over?

In recent weeks, I have lost count of how many articles predict how different the cities in which we live, the way in which we work, and the consumer habits which we are used to, will all be after the coronavirus. But, As Danish physicist Niels Bohr once said, “It is tough to make predictions, especially about the future.”
This is true now more than ever in an environment in which regulations, decrees, and government decisions change several times in a week or sometimes in a day. But most big corporations are planning in three horizons. In particular, Marketing Week has reported recently that Coca-Cola is planning their response to the pandemic in three phases: 1) strict social distancing; 2) a period of graduating; and, lastly, 3) a new “normal.”

We are also thinking of the pandemic and brands’ response to it in three phases (see Figure 1):

- **Phase 1**: During the pandemic and the lockdown, we have witnessed some undesirable hoarding behaviours (the fever of the toilet paper, the fever of the flour, and more recently, the fever of the hair dye). We have all quickly adapted to remote working, online entertainment consumption and online shopping. This situation has forced many corporations to internally accelerate digital transformation. But also, with the lockdown, and the hard stop on activity in many sectors, with terminations and furloughs on the rise, consumers are retracting expenses, and this is forcing corporations to adjust budgets. Many brands have either “gone dark” or fallen into the trap of communicating in an indistinct and irrelevant way. Another risk for brands is the rise of the secondary market for counterfeits, specifically in PPE equipment, which requires closer surveillance.

- **Phase 2**: The gradual lifting of governmental restrictions, will be followed by a profound recession, the duration of which is unknown. It is likely that brands will slowly re-engage in this stage, trying to boost consumption with positive messages. It is also likely that consumers may engage in what experts call “revenge consumption”, and spend significantly during the first weeks and months of this phase.

- **Phase 3**: Once restrictions are fully lifted, and the financial situation improves, consumers and brands will slowly go back to normal. Some thinkers like Harari, argue that the world post-pandemic will be radically different to what it was before. Others, like Dyer, think COVID-19 will change the world for a long time, but it will not change it forever.

Figure 1. Stages of the pandemic and brands’ reactions

Source: Brand Finance Institute
2. Lessons from past crisis

Winston Churchill once said “the farther back you can look, the farther forward you are likely to see.” It is key to understand that there are so many lessons in historic crises, and we should learn from them not to repeat the same mistakes other brands have made before us.

This is why, in this section, we will review some publications and studies that illustrate two lessons:

- Link between brand investment and brand strength during crises
- Link between brand strength and business performance during crises

2.1. Link between brand investment and brand strength during crises

According to Claessens and Kose (2009), there have been 122 recessions in 21 advanced economies in the period 1960-2007. This means that each of these economies has suffered, on average, 1 recession per decade in the mentioned period. Perhaps because of this, with a recession on the doorstep, companies tend to get carried away by fear and anxiety. According to a recent research by IAB published in March, 74% of buy-side decision makers think coronavirus will have a more negative impact on ad spend than the 2008 crisis (see Figure 2).

Figure 2. Expectations of buy-side decision makers around coronavirus economic consequences vs. 2008 financial crisis

Source: IAB (2020)

Because of these negative expectations, fuelled by fear and anxiety, many companies resort to systematic spend cuts, based on traditional or “reflex” responses, without considering the long-term consequences.

I remember that my University professors in Argentina (a country more than used to crises, recessions, hyperinflations and other fascinating phenomena of the modern economy)
used to teach me that during recessions, companies tend to cut the 5 “Cs”:

- Communications
- Copies
- Courier
- Coffee
- Courses and training

But these corporate attitudes and reactions happen in all crises, and the current crisis is no exception. According to the aforementioned IAB survey (IAB, 2020), “nearly a quarter (24%) of respondents have paused all advertising spend for the rest of Q1 & Q2.”

But what we are really interested in exploring is why companies systematically cut their investment in Communication at times like this. We can think of many reasons, but I think we can highlight five key reasons that explain this behaviour:

- **Because it’s easier to cut the marketing budget than firing people**, for example.
- **Because brands are not considered as long-term assets that require a continuous investment to protect their value.**
- **Because it is wrongly believed that, after “going dark”, marketing investment can be increased again without any long-term harm.** In reality, the problem is that the long-term effect that these cuts can have is not understood.
- **Because, generally, the key communication performance metrics (if any used at all) are not linked to value creation.** If the metrics of the marketing measurement system do not explain the profitability of the investments, it is very difficult to justify why the investment should be maintained in times of crisis.

But academic and empirical evidence shows that crises represent the ideal time to take advantage of opportunities in a market in which most competitors are cutting back.

Peter Field (2008) analysed 880 companies from the IPA database and showed that brands that increase their Share Of Voice (during recessions and boom periods) are more likely to increase their market share. The short-term benefits of reducing budgets in a recession were offset by the drop in long-term profitability (which was most acute after the third year of reduction).
But while some companies cut down on their marketing spend, others have historically gone in for the kill and took the opportunity “steal market share” during financial crises. A.G. Lafley, ex CEO of Procter & Gamble, used to say that at P&G they had “a philosophy and a strategy: when times are tough, we build market share.”

The Drum has recently reported that P&G have committed to continue investing in communications to retain the “mental availability” of its brands (Deighton, 2020). Increased media consumption creates an opportunity to “double down” on brand visibility. At the same time, P&G is looking at optimize its brand portfolio post Covid-19, which in turn, will help focus the budget on a smaller group of stronger brands, increasing brand profitability in the long term.

Figure 3 summarizes the first lesson learned from past crises: maintaining or increasing advertising investment during a recession, increases market share during the recession and the profitability in the long run.

Figure 3. Brand investment and brand value during times of crisis
Source: Salinas (2009)

2.2. Link between brand strength and business performance during crises

Brand Finance conducted an analysis of the brands that had been most affected during the 2008 crisis in terms of negative impact on brand value (see Figure 4).
In addition to measuring overall brand value, and to understand brand resilience through crises, Brand Finance also evaluates the relative strength of brands, based on factors such as marketing investment, familiarity, loyalty, staff satisfaction, and corporate reputation. Alongside revenue forecasts, brand strength is a crucial driver of brand value. Brand Finance has tracked how brand values have fluctuated during the three major economic downturns experienced in 2009, 2012, and 2016.

The key takeaway of this long-term analysis is that strong brands, as measured by Brand Finance, perform better during crises, across all sectors. Considering brand strength, over the period from 2008 to 2019, the Consistent 100 Fallers have average Brand Strength Index (BSI) scores of 66 while the Consistent 100 Winners have average BSI scores of 70.

This finding is in line with other research conducted by Brand Finance which correlates brand strength with overall stock market outperformance. Brands boasting the highest AAA+ brand rating by Brand Finance, consistently outperform the S&P 500.

Figure 5. Average Brand Strength of Consistent Winners and Fallers in Time of Crisis

Source: Brand Finance

3. How the crisis and the lockdown are impacting brands

In section two, we explore the link between brand investment, brand strength and business performance.

In this section, we will explore how the crisis is affecting brand value.

The pandemic affects a broad spectrum of brands, but not all are impacted in the same way. As the pandemic has triggered market crashes across the globe, analysts at Brand Finance estimate the Brand Value at risk for the world’s most valuable brands at US $1tn. Brand Finance has assessed the impact of COVID-19 based on the effect of the outbreak on enterprise value, compared to what it was on 1st January 2020.

But this risk is not uniform for all sectors and all brands. Usually, there are two types of risks that affect brands during a crisis:

- Sectorial (the range of impact depends on the type of product or service or category where the brand operates)
• Own (the impact also depends on the company’s own culture, appetite for risk, orientation to innovation and flexibility)

3.1. Sectorial Risk

As mentioned above, Brand Finance has assessed the impact of the COVID-19 outbreak based on its effect on Enterprise Value, as at 18th March 2020, compared to what it was on 1st January 2020.

Based on this impact on Business Value, Brand Finance estimated the likely impact on Brand Value for each sector. Each sector has been classified into 3 categories based on the severity of Business Value loss observed in the period between 1st Jan 2020 and 18th March 2020:

• Limited impact (0% brand value loss)
• Moderate impact (up to 10% brand value loss)
• High impact (up to 20% brand value loss)

Among those sectors with Limited Impact, we find categories whose demand hasn’t diminished due to the lockdown, like Utilities, Food & Drink, Household products, Telecoms.

Among those categories highly impacted, we find restaurants, travel, airlines, holidays and other categories where delayed consumption is not possible. International lockdown as made consumption barely possible and once restrictions are lifted, consumption will not be made up for.

Figure 6 shows the sectors that fall in each one of the three categories.

Figure 6. Estimated Brand Value at Risk by Sector
Source: Brand Finance

3.2. Own Risk

But within categories and sectors, not all brands are impacted in the same way. This depends on their own risk. Figures 7-9 show the impact of the outbreak on specific brands within limited, moderate and high impact categories have fared in terms of Enterprise Value in the period January-March, 2020.
Figure 7. How different brands within the Limited Impact Category have fared (Jan-March, 2020)

Source: Brand Finance

Figure 8. How different brands within the Moderate Impact Category have fared (Jan-March, 2020)

Source: Brand Finance

Figure 9. How different brands within the High Impact Category have fared (Jan-March, 2020)

Source: Brand Finance
Analysing individual impact, we have identified 3 ways brands across categories have been impacted (see Figure 10):  

**Thriving**
Brands doing well because they are **well placed** to cater to our changed lifestyles and demands

**Striving**
Companies that are **reacting quickly** and are **adapting** to our changed consumption patterns

**Surviving**
Companies **unable to leverage** changing consumption patterns. These companies are most likely to be in survival mode

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**Figure 10. Own risk:** There are 3 ways brands across categories have been impacted

Source: Brand Finance

### 3.2.1. Thriving

Some companies are **thriving:**

- Companies and governments banning Zoom for official use due to privacy concerns. In fact, the Enterprise Value of Zoom increased 110% between January 1st and March 18th, 2020 but decreased 30% after privacy issues were made public (see Figure 11).

- Vodafone, being a telecommunications company is well prepared to take advantage of the increase in traffic and online entertainment consumption, but it is under fire for the timing of the UK price hike.

- Amazon reacted really quickly to the changing consumer habits and adapted its offer, delivery times, and algorithms to better cater for our needs. But it is also faced with Trade-Union problems and problems with staff in logistic centres in the USA, Spain and Italy. These reputational issues must be tackled for Amazon to emerge out of the crisis as a stronger brand and fully optimize its long-term profitability.

To evaluate the impact on Amazon’s brand value, we relied on the evaluation of the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.

This theoretical framework explains that investment in brand (not only in 4Ps, but also broader social action) will positively influence stakeholders’ perceptions, attitudes and behaviours (brand equity). This, in turn, will have
an impact on the market and financial performance of the firm (through increased market share, Premium pricing, higher profitability, etc.).

Figure 12 summarizes our indicative evaluation of the likely impact of Amazon's reactions to COVID-19 on its brand equity and performance. Although revenues are growing, and this is positively impacting brand value, internal talent issues are offsetting this positive effect, resulting in a reduction of brand strength, which will have a negative impact on long-term profitability.

The surge won’t be forever, and these examples illustrate that managing brand reputation through scrutiny is key to maximize long-term profitability. For this, brands need to undertake a multi-stakeholder approach. As Klaus Schwab, Executive Chairman of the World Economic Forum, puts it: “the pandemic could reveal which companies truly embodied the stakeholder model, and which only paid lip service to it”
3.2.2. Striving

A second group of brands are striving, adapting and reacting rapidly, either:

- Adapting business plans, products, and services to maximise changing opportunities and stay current.
  - For example, Cabify (a direct competitor of Uber and FreeNow) who has launched Cabify Express in Spain to provide courier and messages services on top of their traditional people transportation services.
  - Similarly, LVMH decided in mid-March, that they would dedicate three of their perfume manufacturing premises to produce hand sanitizer. Figure 14 summarizes our indicative evaluation of the likely impact this action will have on the Dior brand. Although apparel is one of the sectors most hardly hit by the outbreak in terms of revenues, and this is negatively impacting brand value, this initiative is having a positive effect on brand strength, which in turn, will have a positive effect on long-term profitability. Dior is sacrificing short-term profitability, to build long-term stakeholder engagement and returns.

- Adapting production to cater to urgent social needs: Dyson quickly reconfigured its production line to produce ventilators.

- Contributing through funding where able to. For example, MasterCard has joined forces with The Gates Foundation and the Wellcome Trust, through the COVID-19 Therapeutics Accelerator, and donated funds to speed up the response to the COVID-19 pandemic by identifying, assessing and developing treatments.

3.2.3. Surviving

A third group of companies is merely surviving, as they are unable to transition online or have come to a standstill. Apparel and airline brands...
could lose up to 20% of their brand value and are good examples of companies in this third cluster:

Apparel: Our COVID-19 impact analysis shows that the apparel sector is one of the most heavily impacted sectors globally and could face a potential 20% loss in brand value as a result of the pandemic. Despite the havoc that COVID-19 is undoubtedly going to wreak on the sector in the coming year, agile brands are likely to fare much better than their inflexible counterparts. With new consumer behaviour habits likely to be borne out of the pandemic, brands will look towards greater innovation in their e-commerce businesses and the potential reassessment of their store business models.

Airlines: Similarly, the COVID-19 crisis presents a dangerous threat to airlines, who stand to lose 20% of overall brand value and could struggle to cope with ever-decreasing demand in the face of global travel restrictions.

3.3. Country of origin

We have reviewed two types of risks that affect brands during a crisis: sectorial and own risks.

But, in a crisis of the nature we are living, we should consider a third type of risk: the association with the country of origin.

With wars, international conflicts or regional or systemic crises like the one we are facing now, this risk becomes apparent. Joseph Nye, the American political scientist, provides a good example of this effect: “(...) in the aftermath of the Iraq War, a number of Muslims boycotted Coca-Cola and turned to imitations such as Mecca Cola or Muslim Up as an alternative for all who boycott Zionist products and big American brands” (Nye, 2004).

This crisis is also a matter of public diplomacy. Headlines in newspapers have referred to the use of “mask diplomacy” by several countries as a tool to build soft power. The fact is that corporate brands will be impacted both by how their governments handle the crisis and diplomatic relations going forward.

The stronger the association with the country of origin, the harder will be the impact. In fact, at Brand Finance we have conducted extensive analysis of our Soft Power1 Index Database, and concluded that increasing a nation’s Soft Power Index in one perceptual point, has a positive impact of $3.6bn in its net FDI inflow. Improving Soft Power pillars such as Education & Science, Business & Trade and Governance helps attract larger amounts of foreign direct investment. Soft Power also speaks of cooperation and collaboration on the global stage which reduces perceived risk of investing in a foreign country.
4. Brands building initiatives and brand responses during the pandemic and lockdown: the good, the bad and the ugly

In section three, we have reviewed the risks affecting brands during the pandemic. In this section, we will answer the question: What should we do now to mitigate those risks and leverage brand value in the long run?

There are 5 types of generic brand risk management strategies:

1. **Avoid** (the risk of being judged by avoiding communication)

2. **Improve** (with pragmatic action and generating a positive impact for the brand and its stakeholders)

3. **Adjust** (implementing changes to reduce the impact and increase the earnings post-event)

4. **Retain** (or absorb the losses, when this is possible and can be offset later)

5. **Share** (redistributing the weight)

*Avoid (communicating, unless you speak about relevant issues)*

IAB (2020) has recently reported that a quarter of brands have gone dark during the past two months. Why are they doing this? Besides the obvious answer, which is that most likely their marketing budgets have been cut, they are also **avoiding** communications to avoid offending the general public by appearing tone-deaf.

This tactic rarely works. Avoiding marketing spend is not the solution, but rather carefully considering how to invest. The answer to this is: invest in brand in ways that improve the life of your clients or the situation for the society in general. This takes me to the next brand risk management strategy, “improving.”

*Improve (and mitigate the impact for stakeholders)*

The “how” is more important than “how much” you invest during times of crisis. Brands should review:

- The type of communication (commercial vs. social action)
- Content and subject
- Broad understanding of brand investment, beyond advertising
- Tone of communication
At the beginning of the pandemic, several brands jumped on to the wagon of separating the elements of their logos to further support and spread the message of social distancing. This “movement” was coined as “social distancing branding” and was followed by Audi, Volkswagen, McDonald’s, Salesforce and Coca-Cola. These initiatives have been met with criticism as they were perceived as tone-deaf, non-empathetic and opportunistic. When I first came across these initiatives, the first thing that came to mind was: Is separating the elements of the logo all what a leading brand can say or do in times like the one we are living?

Other brands continued investing in advertising and released ads centred around the pandemic: Nike’s “Play for the World” and Dove’s “Courage is Beautiful.” Other brands used advertising to say “thank you”, “wash your hands”, “keep your distance,” etc. Most of these messages are unnecessary and redundant as the general public is already well aware of the measures they need to take to protect themselves and others. But even more importantly, these messages are centred around the brand, when the question most brand leaders should be trying to answer now is: What can my brand do to improve the lives of clients and the rest of stakeholders?

It’s not the time to “educate”, “express gratitude” or “communicate hope”. If as a brand, those are the only three messages you can communicate, you are better off by writing a check which contributes to solve the huge challenge of COVID-19 or by investing in relevant and significant innovation. In other words, brands are faced with the option of doing or saying, and unless what they have to say supports or amplifies what they are doing for the society, clients and employees, they are better off by staying silent.

Recently, it was reported that Ford pulled all its US ads promoting its vehicles and swiftly replaced them with a campaign that described how it was responding with specific measures for clients during the coronavirus outbreak. This effort oriented to stay relevant and avoid sounding tone-deaf, includes two spots with the slogans “Built to Lend a Hand” and “Built for Right Now.” This communication initiative backs specific initiatives on payment relief for clients and donating money to support food programs for children not attending school, among others. This is a good example of how ads should be during the covid19 crisis: relevant, speak to client needs or amplify new and innovative solutions that will simplify clients lives.

So, we have seen how some brands have just stuck to rather “empty” words with initiatives like “social distancing communications”, others have used advertising to amplify the specific actions undertook to benefit clients in these tough times (Ford with the “Built for right now” campaign). Other brands, understanding brand investment in a much broader way that encompasses all stakeholders besides commercial audiences, have focused on social action more words.
There are many examples of these brands: Armani, Inditex, Dyson, LVMH, Seat, etc. They either reconverted their plants to produce PPE or ventilators, or offered their logistic assets to help the government transport medical supplies when most needed, or donated funds to support social action at this juncture as paid off in terms of value creation.

In Figure 14, we illustrate with some examples which brands have opted to Actions, Words or a combination of both pathways to try to stay relevant during the pandemic.

*Figure 14. Action vs. Words (Illustrative)*

Source: Developed by author

We have probably read extensively about what brands in the top left corner are doing in the press and in social media. These brands use PR tools to amplify the knowledge of their good deeds. Figure 15 illustrate the impact of these actions on media mentions.

*Figure 15. Impact of communications on media mentions. Inditex case*

Source: Brand Finance analysis, Linkfluence

Some brands that started with “words” have shifted their direction. Coca Cola eventually decided to put action over words and announced they will be off air in Philippines and Spain, putting on hold all commercial advertising and reallocating all their committed advertising space and budgets towards supporting COVID 19 relief and response effort for the most affected communities. Aligned with these local decisions, Marketing Week has recently reported that Coca-Cola has paused marketing spend given its “limited effectiveness during the lockdown” and refocused on communities and other priorities (Fleming, 2020). In the markets where Coca-Cola is investing, it’s mostly doing so in digital. These are, in our view, the right decisions in terms of managing brand risk amid the pandemic.
So, one of the main risk management strategies for brands now is answering the question: How to generate positive impact? And the answer is: placing action over words.

Adjust (product, price, place)

But also brand leaders should consider that there is so much more than just “Promotion” among the marketing mix tools they could lever. A lot of brand directors and leaders equate brand investment with advertising investment, and this reduces their options to make a significant impact on brand value and the society in general. There are good examples of brands that are innovating and implementing changes to reduce the impact of the crisis and increase the earnings post-events, by actioning other elements of the marketing mix: adjusting their offer, prices or distribution in creative and innovative ways. Examples of these flexible and innovative solutions are:

- Creative pricing: In Australia, a chain of supermarkets set the price for one roll of toilet paper at $3.5 and at $99 for two. They also communicated to their clients in store: “Don’t be greedy. Think of the other people.” (Villa, 2020). Price, in this case, is not only creating value for the brand, but also, signalling brand values.

- Free services for those in most need: CVS in the United States eliminated the shipping costs of medicines.

- New channels: In Poland, responding to the government mandate for people to cover their mouth and nose in public spaces, the Polish Vending Association coordinated the launch of Mask-O-Mat machines, which sell masks, gloves and antibacterial gel (Bretan, 2020).

Retain (brand strength and long-term profitability)

Besides, avoiding, improving and adjusting, brands can also absorb the loss now, with the view of compensating it for it later.

Absorbing losses now, in the middle of the pandemic, is a mandate for leading and profitable brands given the change in expectations from stakeholders. From the latest Edelman Trust Barometer (2020) on Brand and Coronavirus, we know that the public in general expects now that brands, above all, protect their employees. 90% of the respondents agree that brands must do everything they can to protect the well-being and financial security of their employees and their suppliers, even if it means suffering big financial losses until the pandemic ends.

This is exactly what many of the most valuable brands have done: they have looked to protect their employees, long before governments confined them to their homes, putting their health above any economic consideration.
Twitter, EY or bank Santander were among the first to react and implemented home office or “smartworking” in an effort to protect the health of their employees.

Patagonia closed all its stores voluntarily and promised to continue paying the wages to its employees despite the losses in which it will incur.

All of these brands have put people over profits. This will surely destroy short term profitability, but will strengthen their brand and reputation, and this, in turn, will have a positive long-term effect on profitability, which will more than compensate for the short-term loss.

**Share (the burden of the crisis)**

We have seen that avoiding, improving, adjusting or retaining are possible strategies to manage brand risks. There is a fifth strategy that is now more important than ever and is exemplified by private-public collaboration: Sharing or redistributing the burden of the pandemic.

Why is this relevant? Because the expectations on the role of protection extend beyond employees to encompass the broader society. According to Edelman (2020), 90% of citizens now expect brands to partner with government and relief agencies to address the crisis and 86% expect them to be a safety net, stepping in where they are needed and able, to fill gaps in the government’s response to the virus. In short, citizens expect brands to put the collective over the individual interests.

In the last few months, we have witnessed how public-private collaboration is key to mitigate the effects of the health, social and economic crisis we are living.

The French luxury group, LVMH, will dedicate its production plants for perfume and cosmetic brands in France to manufacture large quantities of hand sanitizers, which will be donated to hospitals.

Armani decided to reconvernt part of its production capacity to put together PPE to support medical staff during the crisis. In an industry that has been among the hardest hit by the crisis, many other Italian fashion brands have also coordinated to produce millions of masks.

In Spain, Santander Bank and BBVA have donated financial resources to acquire medical equipment. The fashion giant, Inditex will dedicate part of its productive assets and logistic network to making and facilitating the acquisition of medical supplies.

These are all examples of brave brands, who have understood that leadership in the 21st century exceeds economic power and revolves around the ability to have a positive impact on the world.
In his work “The Diary of the Year of the Plague”, Daniel Defoe wrote: “Another year of the plague (...) would end with animosities, and would make us see with other eyes the same things that we have seen before.” The brands we mentioned have understood that leadership and influence today are about cooperation.

They have understood that leadership today depends more on collaboration than on unilateral decisions based on short-termism and a thin concept of “value creation” which does not consider the impact of their decisions on the larger ecosystem.

This is precisely the great opportunity that the pandemic represents for and brands in general: to generate value through proactive collaboration and cooperation with other relevant players and stakeholders, which will probably have a positive effect on their familiarity and reputation, and in turn, on their long-term profitability and brand value.

5. How brands should communicate to protect brand value

Although we have no universal recipes, we some ingredients must always be present in our “crisis mix”:

1. Continue engaging, but avoid empty communications unless you find the right content and tone: It’s not about how much you invest, but rather how you invest.

2. Invest considering how your brand actions will improve the lives of your stakeholders: Think of brand investment in a broad sense, not only ad investment. Build reputation, not campaigns.

3. Adjust the elements of your marketing mix and not only your promotion: Innovate with all the tools of your marketing mix, thinking beyond promotion to consider possible pricing, distribution and product adaptations and innovations. Ask yourself what you can do to improve your clients’ lives.

4. Consider if and how retaining short-term losses can lead to building long-term profitability: As stakeholders and expectations on brands change, absorbing losses in the short term could hurt short term financial results but build long term value, in particular, when it comes to employee protection.

5. Consider how you can collaborate with other stakeholders and share your resources to ease the impact of the pandemic on your community: As the concept of brand leadership evolves, and expectations from stakeholders require that brands provide collaboration, protection and security, brand leaders need to think about how they can apply their company’s resources to solve pressing social issues, placing the collective interest over the short-term profits.
To manage the aforementioned risks, you should measure and track metrics linked to brand value creation. At Brand Finance Institute, we have designed a series of courses to support clients in this endeavour.

But let me go back to the original questions we posed for our whitepaper. The questions that most of our clients are asking us now are:

- What should we do today?
- What will happen when all of this is over?

However, those are not the right questions. The question that every smart and committed brand leader should be asking now is: Where do we want to be in 2021?

About the author

Gabriela Salinas is Global Managing Director of the Brand Finance Institute. She has a broad international experience, having worked for clients such as Bank of America, Repsol, YPF, Telefónica, Terra Networks, Bausch & Lomb, Johnson & Johnson, Roca, GM, Great Eastern Life. In addition to her everyday work, she lectures on brand valuation, management and strategy at several business schools in Europe and Latin America. Gabriela has written numerous academic articles and books on brand valuation, among others: “Brand Valuation: a review of approaches, providers and methodologies” (2007, Deusto, Spain), “Brand Valuation: measuring to create value” (2008, Deusto, Spain) and “The International Brand Valuation Manual” (2009, Wiley, United Kingdom).

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<td><a href="mailto:j.sampson@brandfinance.com">j.sampson@brandfinance.com</a></td>
<td>+27 82 885 7300</td>
</tr>
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<td>Samir Diot</td>
<td><a href="mailto:s.diot@brandfinance.com">s.diot@brandfinance.com</a></td>
<td>+65 906 98 651</td>
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<td>Mark Crowe</td>
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</tr>
<tr>
<td>China</td>
<td>Scott Chen</td>
<td><a href="mailto:s.chen@brandfinance.com">s.chen@brandfinance.com</a></td>
<td>+86 186 0118 8821</td>
</tr>
<tr>
<td>France</td>
<td>Bertrand Chovet</td>
<td><a href="mailto:b.chovet@brandfinance.com">b.chovet@brandfinance.com</a></td>
<td>+33 8 86 63 46 44</td>
</tr>
<tr>
<td>Germany</td>
<td>Holger Muehlbauer</td>
<td><a href="mailto:h.muehlbauer@brandfinance.com">h.muehlbauer@brandfinance.com</a></td>
<td>+49 151 54 749 834</td>
</tr>
<tr>
<td>India</td>
<td>Ajmon Francis</td>
<td><a href="mailto:a.francis@brandfinance.com">a.francis@brandfinance.com</a></td>
<td>+44 207 389 9400</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Jimmy Halim</td>
<td><a href="mailto:j.halim@brandfinance.com">j.halim@brandfinance.com</a></td>
<td>+82 215 3678 064</td>
</tr>
<tr>
<td>Ireland</td>
<td>Simon Haigh</td>
<td><a href="mailto:s.haigh@brandfinance.com">s.haigh@brandfinance.com</a></td>
<td>+353 087 689 5881</td>
</tr>
<tr>
<td>Italy</td>
<td>Massimo Pizzo</td>
<td><a href="mailto:m.pizzo@brandfinance.com">m.pizzo@brandfinance.com</a></td>
<td>+39 02 303 125 105</td>
</tr>
<tr>
<td>Japan</td>
<td>Jun Tanaka</td>
<td><a href="mailto:j.tanaka@brandfinance.com">j.tanaka@brandfinance.com</a></td>
<td>+81 90 7116 1881</td>
</tr>
<tr>
<td>Mexico &amp; LatAm</td>
<td>Laurence Newell</td>
<td><a href="mailto:l.newell@brandfinance.com">l.newell@brandfinance.com</a></td>
<td>+1 214 803 3424</td>
</tr>
<tr>
<td>Middle East</td>
<td>Andrew Campbell</td>
<td><a href="mailto:a.campbell@brandfinance.com">a.campbell@brandfinance.com</a></td>
<td>+971 508 113 341</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Tunde Odumeru</td>
<td><a href="mailto:t.odumeru@brandfinance.com">t.odumeru@brandfinance.com</a></td>
<td>+234 012 911 988</td>
</tr>
<tr>
<td>Romania</td>
<td>Mihai Bogdan</td>
<td><a href="mailto:m.bogdan@brandfinance.com">m.bogdan@brandfinance.com</a></td>
<td>+40 728 702 705</td>
</tr>
<tr>
<td>Spain</td>
<td>Teresa de Lemus</td>
<td><a href="mailto:t.delemus@brandfinance.com">t.delemus@brandfinance.com</a></td>
<td>+34 654 481 043</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Ruchi Gunewardeene</td>
<td><a href="mailto:r.gunewardeene@brandfinance.com">r.gunewardeene@brandfinance.com</a></td>
<td>+94 11 770 9991</td>
</tr>
<tr>
<td>Turkey</td>
<td>Muhterem Igüner</td>
<td><a href="mailto:m.iguner@brandfinance.com">m.iguner@brandfinance.com</a></td>
<td>+90 216 352 67 29</td>
</tr>
<tr>
<td>UK</td>
<td>Richard Haigh</td>
<td><a href="mailto:r.d.haigh@brandfinance.com">r.d.haigh@brandfinance.com</a></td>
<td>+44 207 389 9400</td>
</tr>
<tr>
<td>USA</td>
<td>Laurence Newell</td>
<td><a href="mailto:l.newell@brandfinance.com">l.newell@brandfinance.com</a></td>
<td>+1 514 991 5101</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Lai Tien Manh</td>
<td><a href="mailto:m.lai@brandfinance.com">m.lai@brandfinance.com</a></td>
<td>+84 90 259 82 28</td>
</tr>
</tbody>
</table>

Follow our social channels:

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For business enquiries, please contact:

Gabriela Salinas
Global Managing Director,
Brand Finance Institute
g.salinas@brandfinance.com

For media enquiries, please contact:

Konrad Jagodzinski
Communications Director
k.jagodzinski@brandfinance.com

For all other enquiries, please contact:
enquiries@brandfinance.com
+44 (0)207 389 9400

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