

CHANGE WITH HEART

Why emotion trumps technology in post-COVID innovation



My hometown of Shanghai is nicknamed the Magic City.

For its 26 million residents during the historic lockdown in April and May, reality was suspended for 70 long days, with everyone shut in and a struggle to get food and basic supplies.

Despite – or because of this – in the virtual world people were finding new ways to live, new ways to express themselves, both joyful and controversial. Two contrasting examples:

With a live fitness broadcast on **Douyin** (**TikTok** in China), Taiwan singer and actor **Genghong Liu** became an instant hit on the internet. In April he bagged 60 million new fans and four million viewers for his livestreams, setting off a fitness boom across the whole country.

On 22 April, a six-minute video called **Sound**of **April** spread rapidly on the internet, reaching
millions of views within hours. It was deleted
a few hours later because it was a compilation
of the voices of Shanghai citizens dissatisfied
during the lockdown.

Shanghai emerged from lockdown on 1 June. But the aftershock for China's largest city, the continued strict control in many regions and damaged consumer confidence will have a far-reaching and long-term impact on almost every sector in China.

Back at work as Wavemaker China's Head of Innovation, I began to consider its impact on my area of expertise. 'Innovation' is probably the most over-used word in marketing. Everyone, clients, agencies, the media, is eager for it – despite the fact that it's hard to define and harder to measure, especially in the short-term. I began to think about the human behaviours and traits which the pandemic exposed, about the way brands had adapted their marketing in response, and whether this could lead us to new, more productive ways of thinking about innovation post-Covid. I'd like to share three approaches that are a world (or pandemic) away from the innovation of the past.





Part of human nature is an obsession with expeditions or odysseys. Some argue that since **Apollo 11** put humans on the moon in 1969, exploration of the galaxy has not developed as expected, while the 'inward' exploration of digital and virtual space has been rapid. As **Buzz Aldrin** put it in 2012, 'You promised me a Mars colony, and instead, I got **Facebook**.' Or as **Cixin Liu**, a Chinese science fiction writer, bemoaned in 2018, 'The imagination of science fiction just embraces the narrowness and introversion of cyberpunk.'



When people cannot step out of their homes, as in the pandemic, the vastness and profundity of space is nonsense, but their fascination with the unfamiliar still exists. This explains why on a night in April, hundreds of thousands of people gathered in a virtual club. It was created by 修勾夜店老板 (Doge Club Owner) on video-sharing site Bilibili, which created an avatar using the iconic meme dog Cheems and attracted more than 600,000 users. Called a 'cloud disco' or 'metaverse clubbing' by netizens, it may have been inspired by Travis Scott's famous 2020 virtual show on Fortnite.

Some brands quickly saw the opportunity to reach the young virtual clubbers. A new sugar-free alcohol brand called **Blue Dash** hosted a series of virtual DJ and club events called **100% Beats** on Bilibili in May, which generated considerable traffic and attention.





The first major shopping day after the Shanghai lockdown was 618 (on 18 June). In preparation, **Alibaba's** mega shopping platform **Taobao** appointed a professional metaverse project team to create a virtual shopping mall for customers. Using mobile phones, shoppers guided their avatars through 3D stores and participated in interactive activities. The company described the project as an opportunity to explore the technology of immersive shopping scenarios that Web3 may provide.

These are examples of innovation that serve a very human desire to explore at a time when that wasn't possible in the real world, using technology to create virtual alternatives of activities that we love and missed in our analogue lives.

What about the lasting impact? For years, marketers have been discussing the changing pattern of consumer attention. Whether we like it or not, consumer attention has not only contracted but shifted to the unreal. Many brands in China are striving to apply virtual reality to marketing activities, not just to embrace a new generation, but because they are afraid of falling behind – of being unknown in the virtual world.

The discussion about the metaverse began at the end of 2020 in China. My view is that until there are truly revolutionary products or applications – until people can do more than engage in it through a 2D phone or computer screen – it will remain an abstract concept for most of us.

But although we are still a long way from the promised metaverse, and the turning inwards of human exploration may disappoint some people, it is still valuable for businesses to consider using the latest technology to create a fresh user experience, not just exposure. At the same time, brands may need to wait patiently to see whether this new experience is meaningful and profitable.

¹ Cixin Liu's speech at the Arthur C Clarke award, 8 November 2018

Innovation is empathy and compassion

As a person born in the 1970s, I share the nostalgia of many Chinese people for the days before the pandemic, when concerts and live performances were common cultural activities. Some brands harnessed this yearning to establish emotional connections with consumers. Chinese rock pioneer **Cui Jian's** live online gig on 15 April was sponsored by electric car maker **Arcfox**, as was Mandopop (Mandarin pop music) legend **Luo Dayou's** concert on 27 May. They attracted more than 40 million viewers and the brand received excellent exposure and interaction with audiences.

Sponsored content has always been an important tool for marketers, and advanced mobile internet infrastructure made both these events a better experience for fans, but I believe that Arcfox's real innovation is a desire to communicate with compassion. By doing so, they demonstrated genuine empathy and an understanding of the audience's nostalgia and pain during the pandemic, and provided comfort with high-quality content.

The long-term brand benefit will take time to quantify and depends on whether Arcfox implements this strategy consistently. This case may inspire marketers to think about innovation not just as a way to shock or impress the target audience through eye-catching applications, but as a way to establish a deeper connection between the two.

Such innovation can also occur in product design.

Li Auto, one of our clients and China's leading electric vehicle brand, launched its new flagship model L9 on 21 June. In addition to all the technical features vital to electric vehicles, such as mileage and intelligent functions, L9 deliberately emphasized the care of young passengers by introducing an easy connection with the Nintendo Switch console. A small product innovation, but a smart feature that strengthens Li Auto's brand positioning as 'the ideal family car, moving home'.





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Innovation is adaptation

As I mentioned in the introduction, in April Genghong Liu went from a relative unknown in mainland China to the country's hottest fitness broadcaster on social media.

and evolution

As well as spotting the opportunity to serve a new stay-at-home audience, the exercise guru quickly figured out what worked on live broadcast platform Douyin. For example, on 9 April he and his wife did their routine in down jackets; a cute and funny idea that attracted 1.5 million new fans in one day.

Brands can innovate by adapting their plans to take advantage of unexpected opportunities like these. Sports giant **FILA** talent-spotted the couple and became the first international brand worn by them in a live broadcast. It was reported that the company spent nearly \$2.53M (17M Yuan) on a two-day broadcast. Husband and wife wore and reviewed FILA's product which received 1.32 million likes on Douyin.

Working with influencers is the norm for brands. But in this case, timing was crucial. The partnership helped Liu maintain his position in live fitness as the country emerged from the pandemic, and FILA's quick thinking won them a huge new audience.

The ability to evolve has always been vital to innovation, even more so during the pandemic when many businesses had to adapt or go bust. **New Oriental** (Xin Dong Fang), China's largest private education company, experienced a disaster in the 2020 lockdown. According to founder Yu Min Hong, the Government's policy of prohibiting after-class education services at that time destroyed his business – in the second half of 2021, the market value of New Oriental fell by 90%, its operating income fell by 80%, and 60000 employees were dismissed.

But recently New Oriental has shown signs of a resurrection. In June 2022, its share value soared by 71%, in part due to its extraordinary evolution. In 2021 Yu launched **Oriental Select** (Dong Fang Zhen Xuan), a live channel on Douyin selling agricultural products.

The channel's main presenter and influencer is a former New Oriental English teacher called Yuhui Dong. While teaching English with a whiteboard, he sells rice and other products to the audience. In the past six months Oriental Select has grown slowly, from zero to 1M fans, but in June this number surged, reaching 3.5M on 13 June.

This sudden leap is attributed to Yuhui Dong selling rice. And according to Yu, their journey has only just started: 'Oriental Select has won some support from people. But this is only the beginning. It's now relying on the combination of our English teaching and selling.' Meanwhile, on his own Douyin account, Dong commented: 'New Oriental has been waiting for six months, and has finally been noticed.' A weird but wonderful example of evolving-to-innovate!



Innovation starts with people

What these three non-traditional, post-pandemic approaches to innovation have in common is their human starting point. Like good product design, they are inspired by a deep need or emotion. Here's a quick summary:

01

Innovation is exploration and the alien

It is human nature that people need to escape from the ordinary and explore new places and things, physical or virtual. Brands can innovate to provide new, disruptive, even alien experiences which will attract valuable consumer attention in a crowded media space.

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Innovation is empathy and compassion

Innovation can surprise or impress with eye-catching tech and applications, but it can also express a brand's empathy and desire to get along with its customers. This helps to build an emotional connection, consolidating the value proposition of the brand and helping it to stand out.

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Innovation is adaptation and evolution

When the world becomes more uncertain, adaptation and evolution are no longer just growth strategies, but a way of survival for both consumers and brands. Brands that adapt and evolve with their audience not only remain highly relevant, but develop an agile and timely culture.

As for me, I'm still taking a PCR test every 72 hours, but lockdowns are less frequent and my favourite restaurants are open most of the time. I am trying to take my own advice by adapting and evolving, and am looking forward to helping my clients do the same.



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