FIVE MOMENTS IN HISTORY

Five moments from history where businesses faced tough decisions, and how they responded

For those of us who are discovering the ins and outs of furlough, and for the business owners making terribly tough decisions about how best to pull through this crisis, it feels like one of the grimmest times imaginable – unprecedentedly awful.

And to a degree, a global crisis like COVID-19 IS a complete unknown. I recently, for example, read a report saying that cinema is a recession proof business – a claim that had a hundred years of proof backing it up when it was written just a few months ago, but which is now demonstrably laughable.

But it is still worth looking back at moments in history where businesses, on a general level and on an individual one, have had to make tough decisions. Here are five that have relevance for what we're going through today.

#1 THE BEGINNING OF WORLD WAR ONE – 1914

When British soldiers were sent off to fight the Hun in 1914, brands had to decide whether to mention the war in advertising or not. It's interesting to see how many famous names you can still find in shops today were really totally unashamed about associating themselves with the war effort, from Perrier telling people they should drink French mineral water instead of German to Burberry touting its wares as suitable soldier attire (which is why we call them trench coats).

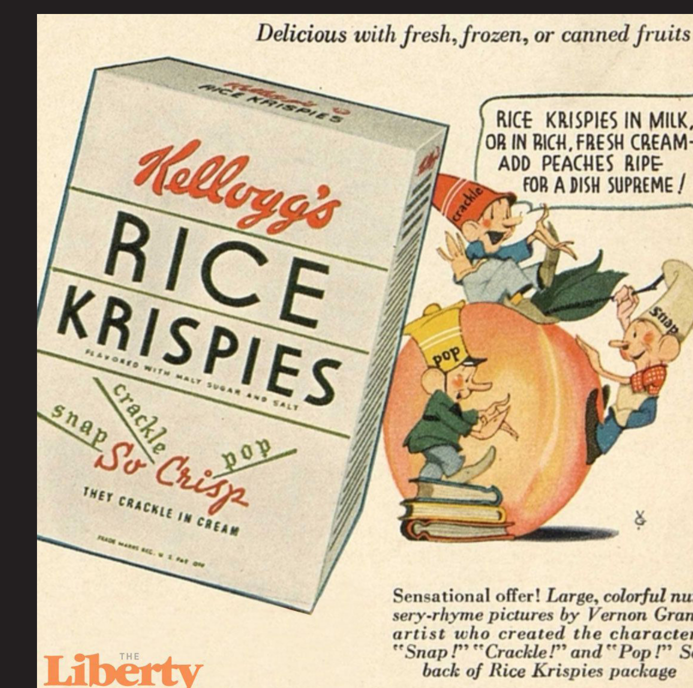
Brands operating in today's more sensitive environment are obviously taking a softly, softly approach to talking about coronavirus – fair enough, but can you really argue with longevity as proof of success?

#2 THE WALL STREET CRASH – 1929

These days when we think of breakfast cereals, the name that springs to mind is Kellogg.

But it wasn't always the case – in the United States during the 1920s, the biggest ready-to-eat cereal maker was called Post. Then came the 1929 Wall Street stock market crash and the Great Depression. Like all businesses, Kellogg and Post Cereals had to decide where to spend and where to save.

Post decided to cut marketing budgets, while Kellogg took the bold decision to spend more on advertising, introducing a little slogan that goes 'Snap! Crackle! Pop!' Business analysts have long attributed Kellogg's success to its decision to spend, as the company boosted profits quickly and took over as market leader – a position it retains to this day.




BROOKLYN DAILY EAGLE

WALL ST. IN PANIC AS STOCKS CRASH

Attempt Made to Kill Italy's Crown Prince

Hollywood Fire Destroys Films Worth Millions

High Duty Group Gave $700,000 to Coolidge Drive

#3 1970S RECESSION

During the years 1973 to 1975, much of the world experienced recession driven by high oil prices, high unemployment and high inflation. It seems like an inauspicious time to launch a business and yet it's when a little outfit called Microsoft first started selling software. Just over a decade later Microsoft's IPO was an instant hit – creating three billionaires and 12,000 millionaires.

Recession creates opportunity and innovation and no matter what is going on, technology advances continue, so it can still be a good time to launch – or, for bigger businesses, to disrupt themselves from the inside.

#4 SPREAD OF SARS

While respiratory virus-driven crises are new to people in Europe and the US, countries in Asia have had recent experience in dealing with them. One interesting example is the 2002 SARS (severe acute respiratory syndrome) breakout. Hong Kong was the second worst affected territory, with official records showing 1,755 cases and 299 deaths.

During the crisis, WHO deemed Hong Kong as an 'affected area', advising people to avoid travelling there. The impact was dramatic, with 27,000 jobs lost. tourism revenues tumbling by 41% and arrivals at Hong Kong International Airport falling from almost three million a month to just 565,000.

In June 2003, as soon as WHO said it was safe to visit, Hong Kong threw everything it could at a massive, global campaign to win tourists back. The pace at which it worked was incredible – Cathay Pacific's passenger levels leapt by around 50% within weeks and had almost returned to pre-SARS levels by October.

#5 DISAPPEARANCE OF FLIGHT MH370 – 2014

All airlines have protocols they plan to follow if they find themselves dealing with a plane crash.

But Malaysia Airlines had to throw theirs out in the face of the disappearance of flight MH370 in 2014, such was the extent of the crisis – an unprecedented situation where there was no trace of the aircraft and hundreds of families around the world desperate for information.

The company quickly changed its policy of centralised messaging to allow individual country sites to be completely flexible with their messaging, bringing relevance and humanity to communications.

You might think that the last thing anyone would do is book a ticket right after something like that. But something extraordinary happened – Malaysia Airlines' response saw $11 million generated in sales from direct channels just two months after the crisis, from virtually nothing before the tragedy.

malaysia airlines

THANK YOU.

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