Dentsu Navigator: Brand Response Guide to the Russian/Ukrainian Crisis

March 2022
Context

Russia’s invasion of Ukraine on February 24th prompted a sharp response from leaders and nations across the globe. It also resulted in many brands taking action, in support of Ukraine and/or to penalize Russia. As the scale of attack ramped up, consumers called on brands to do more.

In early March, dentsu fielded the following survey to gauge consumer sentiment around the crisis and identify how they expect brands to response.
Key Findings

• **Ukraine is a top issue closely followed by inflation, COVID a distant third:** When asked to rank their concern about Russia’s invasion of Ukraine against inflation and COVID, a similar share of consumers chose the invasion and inflation as the #1 crises on their radar (43% vs. 40%); however, “extreme concern” for Ukraine is significantly higher than that for the US economy (49% ‘extremely concerned’ vs. 37%).

• **Consumers want brands to both support Ukraine and penalize Russia; yet silence when it comes to penalizing Russia is more likely to negatively impact brands’ favorability:** While a majority of consumers (48%) told us that supporting Ukraine and penalizing Russia should be equal priorities for brands, consumers are more likely to stop purchasing brands that do nothing against Russia (65%) than they are to stop purchasing brands not actively supporting Ukraine (54%).

• **Younger consumers believe supporting Ukraine should be brands’ biggest priority:** While all generations believe that brands have a responsibility to respond to the crisis in Ukraine, a majority of Gen Z and Millennials see support for the Ukrainian people as the biggest priority (51% and 44%) while older generations want brands to act against both priorities.

• **To support Ukraine, consumers say immediate relief is most important:** 60% of consumers want brands to invest their resources in relief efforts for Ukraine. Messages of solidarity with Ukraine and its people were the second most wanted measure (47%) and practical efforts to support Ukrainian employees and affiliates (44%) was third.

• ** Consumers expect brands to take all possible action to pressure Russia:** When it comes to pressuring Russia, consumers are similarly likely to expect brands to cease all business operations, including cutting off business partners (51%), ceasing manufacturing (48%) and closing store fronts (44%), as well as publicly condemning the invasion (44%).

• **Most consumers think the media is sufficiently covering the crisis but want more to be done to mitigate misinformation:** 53% of consumers say “The media coverage of the crisis is appropriate”; However, while they are happy with media coverage in the US, it has become apparent that misinformation abounds. 87% of consumers agree: Social media and news organizations have a responsibility to combat misinformation about the crisis and encourage free speech.
Ukraine is a top issue closely followed by inflation, COVID a distant third

When asked to rank their concern about Russia’s invasion of Ukraine against inflation and COVID, a similar share of consumers chose the invasion and inflation as the #1 crises on their radar; however, “extreme concern” for Ukraine is significantly higher than that for the US economy. Amid this landscape, COVID-19 appears to have taken a backseat.

Q1: Please rank the following crises in terms of your level of concern, with 1 being most concerned and 3 being least concerned. Q2: How concerned are you about Russia’s invasion of Ukraine? *From the dentsu Navigator: COVID Recovery survey, March 2022 – How concerned are you about the following? The US economy & the health risks of the pandemic.
For Gen Z, Russia’s invasion of Ukraine is the top crisis on their radar

Among other generations, the invasion is competing for concern with rising inflation, potentially due to the tendency of Millennials, Gen X and Boomers to have larger expenses than Gen Z. Amid those twin crises, COVID-19 is seen as least important by all generations.

Those Who Ranked Each of the Following as The #1 Crisis on Their Radar
– By Generation

<table>
<thead>
<tr>
<th>Crisis</th>
<th>Gen Z</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia’s Invasion of Ukraine</td>
<td>57%</td>
<td>42%</td>
<td>37%</td>
<td>44%</td>
</tr>
<tr>
<td>Inflation</td>
<td>33%</td>
<td>40%</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>COVID-19</td>
<td>9%</td>
<td>17%</td>
<td>22%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Q: Please rank the following crises in terms of your level of concern, with 1 being most concerned and 3 being least concerned.
Consumers are prepared for higher prices to hold Russia accountable

Despite high concern for inflation and the US economy, 80% of consumers say that supply chain issues and rising prices for everyday items caused by global sanctions are worth it to hold Russia accountable. This is fairly consistent across generational cohorts.

How Consumers Feel About Rising Prices for Everyday Goods Due to Sanctions Against Russia

- It is worth it to hold Russia accountable: 80%
- It is not worth it to hold Russia accountable: 20%

Q: U.S. sanctions against Russia will lead to global supply chain issues and rising prices for everyday goods here in the U.S. How do you feel about incurring those costs?
Brands are expected to both support Ukraine and pressure Russia

71% of consumers want brands to take a stance on Russia’s invasion of Ukraine. Our survey found that a majority of consumers expect brands to act to both support Ukraine as well as penalize Russia. Among those that chose a single priority, support for Ukraine was more important than penalizing Russia.

Q1: What do you feel is the appropriate approach brands should take when it comes to the Ukraine crisis? Q2: Which of the following do you believe should be brands’ biggest priority when it comes to taking a stance on the crisis?
Younger generations are more likely to value support for Ukraine

While all generations believe that brands have a responsibility to respond to the crisis in Ukraine, a majority of Gen Z and Millennials see support for the Ukrainian people as more important than penalizing Russia. Older generations tend to want to see brands take action against both priorities.

Q1: What do you feel is the appropriate approach brands should take when it comes to the Ukraine crisis?  Q2: Which of the following do you believe should be brands’ biggest priority when it comes to taking a stance on the crisis?
To support Ukraine, consumers say immediate relief is most important

Since the start of the crisis, brands have stepped up with monetary donations, donations of supplies or by modifying their products to provide immediate assistance on the ground (i.e. Google air raid alerts). These are exactly the relief efforts consumers most want to see from brands (60%). 40% or more of consumers also want brands to publish messages of support and take practical measures to protect Ukrainian employees and affiliates.
Consumers expect brands to take all possible action to pressure Russian gov’t

When it comes to pressuring Russia, consumers express a similar desire for brands to cease all business operations, including cutting off business partners, stopping manufacturing and closing store fronts, as well as publicly condemn the invasion. Consumers also express that impacting the Russian gov’t shouldn’t come at the expense of citizens.

Q: Which of the following do you think brands should consider implementing to penalize Russia for its actions? Please select all that apply.

- Cut ties with any business partners or affiliates in Russia (51%)
- Stop all manufacturing in Russia and find alternative suppliers (48%)
- Adhere to sanctions against the Russian government but do what they can to not penalize the Russian people (46%)
- Publicly condemn the Russian government’s actions (44%)
- Close store fronts in Russia (44%)
- None of the above (9%)
- Other, please specify (1%)
**Action boosts favorability, while silence may result in switching**

Consumers are highly likely to reward brands that show their support for Ukraine or act to penalize Russia; however, a sizable share are also willing to take action against brands that do nothing, especially brands that are not cutting ties with Russia. For modern brands, silence is not an option.

<table>
<thead>
<tr>
<th>Support for Ukraine</th>
<th>Take Action</th>
<th>Don't Take Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
<td>I am more likely to purchase brands that are actively supporting Ukraine</td>
<td>54%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Penalizing Russia</th>
<th>Take Action</th>
<th>Don't Take Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>81%</td>
<td>I am more likely to purchase brands that are actively penalizing Russia</td>
<td>65%</td>
</tr>
</tbody>
</table>
Gen Z is most likely to penalize brand silence

When looking at purchasing behaviors, Gen Z is the generation most likely to stop purchasing brands that are not actively supporting Ukraine. At the same time, over half of all generations express a willingness to do so.
Most consumers think the media is sufficiently covering the crisis but want more to be done to mitigate misinformation

That being said, an additional 38% of consumers say the media should cover the crisis more extensively, presumably in a way that clearly communicates the facts and encourages free speech.

Q1: What is your opinion of the media coverage of the Ukraine crisis? Q2: How much do you agree or disagree with the following statement?

**Media Coverage of the Crisis**

- The media should lessen the coverage of the crisis: 9%
- The media coverage of the crisis is appropriate: 53%
- The media should cover the crisis more extensively: 38%

87%

AGREE: Social media and news organizations have a responsibility to combat misinformation about the crisis and encourage free speech
Brands are increasingly expected to have a position on specific issues.

The swift and immense public pressure on brands, from Uniqlo to Pepsi-Co, to cease business operations in Russia illustrates how modern brands are not only expected to be purpose-driven, but to take stances on, or do something about, specific issues that arise. In this case, tepid marketers can focus on a more positive show of support for Ukraine, which is particularly likely to resonate among a younger audience.

Consumers are paying attention to the evolving situation.

While many companies responded quickly, meaningfully, and authentically as Russia invaded Ukraine, consumers are continuing to pay attention as the war unfolds. Social media can be a platform for brands to rally consumers, or for those same consumers to call out companies that they feel are not doing enough. All marketers—and especially those who have already responded to the crisis in some way—must be proactive and have a plan in place as the situation evolves.

Embrace a greater need for ‘authentic agility’.

The pandemic taught marketers the need for agility, and many organizations have spent the last two years streamlining operations and hierarchies in order to deliver. However, with the ability to act more quickly comes greater responsibility.

The Ukraine crisis illustrates that when it comes to responding to complex, global and political issues, marketers need to be thoughtful about their exposure and brand purpose even, and especially, when acting with agility.

Find ways to combat messaging fatigue.

Another learning from the pandemic that marketers can apply to the Ukraine crisis is that it's very easy for consumers to hit a kind of message fatigue. It's important to recognize that these crises are not experienced in one way but have many aspects and angles that brands can contribute to. Marketers need to plan for more than one message or differentiate the story they're telling in a way that's unique to what their brand offers and values.
Dentsu’s mission is to help clients navigate, progress and thrive in a world of change. At the center of this mission is a human-centric approach to business and solutions. In this spirit, dentsu fields a monthly consumer survey to help our teams and clients keep a pulse on salient marketing topics.

The dentsu Navigator is a consumer survey administered each month through Toluna, an online research panel. Conducted by dentsu, this survey was slightly smaller than our typical panels, distributed among a random sample of 600 respondents in the Unites States. The survey garners an equal number of male and female respondents and controls for nationally representative weighting across race and ethnicity (using latest publicly available US Census numbers).

You can read additional dentsu reports on dentsu.com.
Thank you

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