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Surviving COVID-19, Growing in the Postpandemic Period
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Asian Productivity Organization
The Asian Productivity Organization (APO) is an intergovernmental organization committed to improving productivity in the Asia-Pacific region. Established in 1961, the APO contributes to the sustainable socioeconomic development of the region through policy advisory services, acting as a think tank, and undertaking smart initiatives in the industry, agriculture, service, and public sectors. The APO is shaping the future of the region by assisting member economies in formulating national strategies for enhanced productivity and through a range of institutional capacity-building efforts, including research and centers of excellence in member countries.

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SURVIVING COVID-19, GROWING IN THE POSTPANDEMIC PERIOD

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The P-Insights, short for “Productivity Insights,” is an extension of the Productivity Talk (P-Talk) series, which is a flagship program under the APO Secretariat’s digital information initiative. Born out of both necessity and creativity under the prolonged COVID-19 pandemic, the interactive, livestreamed P-Talks bring practitioners, experts, policymakers, and ordinary citizens from all walks of life with a passion for productivity to share their experience, views, and practical tips on productivity improvement.

With speakers from every corner of the world, the P-Talks effectively convey productivity information to APO member countries and beyond. However, it was recognized that many of the P-Talk speakers had much more to offer beyond the 60-minute presentations and Q&A sessions that are the hallmarks of the series. To take full advantage of their broad knowledge and expertise, some were invited to elaborate on their P-Talks, resulting in this publication. It is hoped that the P-Insights will give readers a deeper understanding of the practices and applications of productivity as they are evolving during the pandemic and being adapted to meet different needs in the anticipated new normal.
INTRODUCTION

This paper is based on my APO Productivity Talk Session on 4 May 2020, which can be accessed on the APO YouTube channel. To keep it relevant to the latest situation, I added some details, updates, and additional thoughts in this article.

2020 will be a year remembered for a long time, even for many generations after us. Some said that COVID-19 is the “pandemic that crippled the world,” and some international organizations said that it triggered a world crisis like no other [1]. Its spread has proven disruptive to the global economy and left businesses around the world counting the cost. Disruption of worldwide tourism, transportation, and supply chains is considered as one of the most explicit impacts of COVID-19.

Even almost a year after the virus outbreak, we are struggling to overcome it. Many countries are still figuring out the best approach to balance the economic situation and health issues. Governments, policymakers, businesses, and individuals around the world have undertaken unprecedented measures similar to those seen during world wars. The entire human race is helpless, locked in the battle against a virus that is five million times smaller than us.

To survive the situation, the politicolegal aspect is the most important factor. Governments decided on many policies suitable for their societies. Some decided to lock down areas, restrict public activities, mandate social distancing, or conduct massive health testing. All of those policies affect the national technology, economy, and market situations.

Without doubt, sociocultural norms will also be hugely impacted by the pandemic. Human interactions have changed significantly, especially face-to-face interactions. Humanity faces a crisis not only due to COVID-19 but also due to the lack of trust among people.

We should not stay still and wait for a more favorable situation but adapt to every change in our situation. This outbreak results in three phases (Figure 1). The first
phase is the new normal, when many countries decided to lock down public activity. We are forced to adapt to a new way of life in every aspect such as work from home, virtual schooling, online entertainment, or even online family gatherings. Many people became very stressed with the sudden change, especially the elderly who must adapt to the digital world. It is really like a battlefield where everyone tries hard to adapt fast to the latest situation. Many people are frightened and feel that they are facing life-or-death situations every day.

After a while, many countries begin to start phase two, or the next normal, when governments decided to allow public activity again but with limitations and protocols. Different from the first phase, people became used to the situation and dared to engage in activities outside the home but were still aware of the need to protect themselves. In this phase, we realized that life must go on and we have to follow new habits until the pandemic is over. In this case, we must try to make peace with the virus because it will not go away soon. We
have to adapt to the situation with limitations. Many countries decided to lock down some areas that have significant COVID-19 threats before deciding to open them again.

Finally, we will reach the postpandemic normal phase. But it will be never the same situation as before the pandemic because COVID-19 brought huge disruptions to many aspects of our lives. What should we do in this situation?
In creating short-term and long-term plans for business, especially during the 2020 crisis caused by COVID-19, companies need to base their strategies on three steps: surviving/servicing; preparing; and actualizing (SPA 2020; Figure 2) [2].
As an initial step, a company needs to assess its current condition and whether the external conditions and internal capabilities have put it in a growing (windfall) or declining (storm) state. For companies with declining business, in the short-term, the first “S” would refer to “surviving” since they need to focus on ensuring survival and preventing collapse before they are able to prepare for the future.

For companies with growing businesses, “S” refers to “servicing.” Since they are in favorable conditions, they need to show capabilities not merely to fulfill market capacity but to serve the community for good. Hence, they can show their value of caring for humanity.

In the second step, the “preparing” step, both companies that are in declining or growing conditions need to prepare for the next phase after the crisis. We must be aware that the business landscape may shift again once the outbreak has passed and prepare to face the postpandemic normal phase.

The third step, for the long term, is when a company needs to put into practice what it has planned, called the “actualizing” step. This is the moment when professionalism and entrepreneurship will be tested. We must have the courage to implement plans, probably with less time for consideration than before as the circumstances keep changing over time and the right momentum may pass.

The surviving/servicing step is the most critical phase since it will determine the company’s survivability or ability to seize opportunities. In developing the right strategy, companies should be able to perform a comprehensive analysis of both internal and external conditions.

When the crisis begins to come to an end, we should start to prepare the strategy to be implemented when market conditions reach the postpandemic normal. The market situation will be different from the conditions during or before the crisis. This is an important phase since companies have never faced a similar situation. Market conditions might affect every aspect of the business process. A company could then initiate the actualizing step, which is the time to rebound from the fall. In this stage, we should be wise in choosing strategies and using resources to gain back traction. Those who are willing to go above and beyond will come out stronger for years to come.
But before we begin to develop plans for the actualization step, we should also have a long-term vision, or at least a vision for the upcoming decade because the impact of COVID-19 also affects long-term plans. To me, a correct vision is like a “true north” that will guide us through every challenge in the next few years. No matter how hard the challenge is, we should have the right direction to reach our vision. If we set our vision and goals correctly, the compass will take us in the right direction. Of course, this has to be supported by correct actions at every decisive moment.
We also need a deep understanding of the current and future situations for the next decade. I got inspiration on facing a crisis from former US President Franklin D. Roosevelt who won a record four presidential elections and became a central figure in world events during the first half of the 20th century. He faced several crises in his terms such as an economic crisis and World War II. One famous policy was the New Deal programs in his first 100 days in office. The programs were also known as the three Rs: relief, recovery, and reform [3]. Relief programs focused on stopping the continued economic freefall. Recovery was intended to bring economic stability, and reform programs focused specifically on methods for ensuring that depressions would never affect society again.
I adopt the three Rs concept with an additional R for “rise” in the final phase of the current decade. The first R is relief because all governments created stimulus programs in trying to control the pandemic and offer economic assistance to all sectors. Many countries also built up collaboration, especially in vaccine development, humanitarian aid programs, and healthcare programs.

That is why in the first phase governments have the most impactful role. Managing such a crisis is not an easy task. At the same time, governments have to maintain functioning healthcare systems, while preserving the business sector and jobs, the continuity of education, and the stability of financial markets. Each country tries to find the right balance between all of these sectors with limited budgets, especially to control the political, economic, sociocultural, and market situations.

In the second phase, we begin to have recovery that will occur in two years. Various experts predicted that vaccines would be distributed massively after accelerated development and testing in many countries. Many experts also predicted that the 2021 global economy would rebound and show positive growth. At the same time, consumers will regain trust in the situation, which will affect their optimism and household spending. That is why it will be the right moment for the business sector to invest in companies’ capabilities and prepare for future competition.

The next two years will be the moment of truth where we should have strategic flexibility in planning and taking actions. Every company will be tested on whether it can stay relevant, sharpen its competitive advantage, and adapt to new consumer anxieties and desires. We can no longer rely on the old approaches used before the pandemic. Fast, future-oriented development will be the main priority for the investment phase.

Then, in the third phase, we will continue with reform. This is when we strengthen the main foundation for future growth and development. Consumer spending power, which will already be restored, becomes the “fuel” for us to continue the momentum to develop further. This phase will be crucial to prepare companies for the final phase. Like a boxer or bodybuilder who follows a training program before a competition, we also have to prepare ourselves to strengthen our capabilities to win the market in the last five years of the decade.
The final phase is “rise,” the growth spurt to reach favorable market conditions. In 2030, the global population will reach 8.3 billion, with 4.9 billion in the middle class. Interestingly, around 60% of middle-class consumers will be in Asia. The last five years of the decade will be the rise of Asia, especially of emerging countries [4]. After a long time, this will be the biggest opportunity for companies to grow. That is why I predict that international trade, both export (X) and import (M) trade, will increase significantly. Many global companies will also focus on optimizing their operations to serve the new middle class in emerging countries.

But we cannot just grow in the same way as before the pandemic because consumers worldwide have begun to care about environmental issues. Many of us already recognize the threats of climate change and several crises like water, energy, pollution, and other potential threats if we do not preserve the environment.

I agree with Philip Kotler’s viewpoint in our book Marketing 3.0: From Product to Customer to Human Spirit, and with our co-author Iwan Setiawan’s vision that in the future companies will not only try to increase profitability and returns on each investment but also seek sustainable growth with the right operational excellence for a strong competitive advantage [5].

The UN is also encouraging the business sector to achieve a better, more sustainable future by 2030. The General Assembly of the UN approved the Sustainable Development Goals (SDGs), a collection of 17 interlinked goals being adopted by companies on all continents.

This is the reason why we must have the right spirit. In the past, we needed to do our jobs in a professional manner. But in the recovery phase, we also need an entrepreneurial spirit to search for new opportunities, take calculated risks, and build collaboration in a new way. We must apply renewal marketing in the reform phase to build strong capabilities for the future. Finally, sustainable marketing will be important in the rise phase because it will determine our development in the future (Figure 3).
WHAT: VOLATILITY, UNCERTAINTY, COMPLEXITY, AMBIGUITY VS. DISCOVERY, ADVENTURE, MOMENTUM, OUTLOOK

We might learn from PR China when it comes to facing a crisis. The Chinese do not always treat a crisis as life threatening but as an opportunity or moment of action. The word for crisis, “weiji, 危机,” is a two-character compound. The first character means “danger” and the second means “opportunity” or “point of change.” Weiji emphasizes the fact that there are always two sides in every situation, even during a crisis. It helps to open up horizons and show that even when there is danger, opportunities always come at the same time.

Asia was hit by the global financial crisis in 1998 and affected more than many other continents. In addition to the economic situation, many Asian countries also faced sociocultural and politicolegal crises. For some Asian countries, those crises disrupted the long-established status quo.

At present, we also face the same situation when a crisis is disrupting the situation we are accustomed to, enforcing many people to adapt to new situations. This is a crisis that no one can avoid, and every individual must react properly and correctly to the ongoing developments.

Volatility in Change

Before the pandemic, I had already spoken about the volatility-uncertainty-complexity-ambiguity (VUCA) [6] concept on many occasions, especially in the business landscape that we need to reanalyze during and after the crisis. With Philip Kotler, the father of modern marketing, we proposed that in order to analyze the business landscape, we can use 4C diamond analysis that consists of change-competitor-customer-company aspects [7].
We have never experienced such a pandemic after globalization began. Because the interconnections are already strong, we are struggling to control COVID-19 because many people are used to moving from one location to another in short periods. They also transit through airports, terminals, train stations, or many other public spaces that function as hubs. No wonder many governments decided to switch between lockdowns and reopening policies from time to time. As a result, we face a very dynamic situation every month, every week, or even every day. These situations have a direct impact on market conditions, and whether they are favorable or unfavorable depends on which industries we compete in.

**FIGURE 4**

VUCA-DAMO AND STRONG LEADERSHIP.

What: Volatility, Uncertainty, Complexity, Ambiguity vs. Discovery, Adventure, Momentum, Outlook

Strong leadership (PQ/EQ and IQ/SQ)
Technology for humanity

VUCA
- Volatile change
- Technology
- Politolegal
- Economy
- Sociocultural

DAMO
- Discover
- Adventure
- Momentum
- Outlook

Ambiguous company

Complex customer

Uncertain competitor
Uncertainty among Competitors

Changes in the macro environment impact the business situation. Uncertainty can be higher if the government is unsure of its policy. Sometimes it even brings chaos to the industry situation, which can no longer be accurately predicted. We can only guess how policies will affect competition.

In a chaotic situation, we cannot predict how competitors will react to each change. Each player in the industry starts to try to predict every change and adjust their movements. Therefore competitors’ movements also become more unpredictable and uncertain. Some of them choose to cut prices to attract more demand; others try to adjust their operational activities by streamlining internal processes and increasing efficiency. We already know that the changing competition in the pandemic has caused the bankruptcy of several companies that could not survive the crisis.

Complexity in Customers

The pandemic also affects customers who are forced to adopt new behavior, hence altering their routines and habits. They are also much quicker to adopt new technology relevant to the current situation, and thus the flow of information received by customers is also increasing. During the pandemic, many customers are proactively seeking new information and comparing conditions between different areas in their countries or even abroad. They also observe each government’s policy on handling the latest situation. Customers also observe how companies go the extra mile to serve their clients by giving additional services or increasing product quality. Safety and health factors have become more essential during this pandemic.

These conditions result in increasing complexity in understanding customers. Decreasing income during the crisis may result in shifting purchasing power. The inability to transport may place convenience as an essential purchase factor above all others. I believe that postpandemic customer traits and behaviors will be different from before.

Ambiguity in Companies

In the first few months of the COVID-19 outbreak, many companies could not figure out how to handle the situation quickly. They were confused about choosing
the right action as the business landscape changed. Having doubts about whether
they should develop new products, cut prices, target new customers, or even
change operational activity, there were no guarantees that those actions would
give specific results. Many companies focused on planning and executing short-
term plans for quick wins. Others tried to develop longer-term plans.

Among all the elements in VUCA, ambiguity is the most dangerous because
without correct decisions or failing to act to face the crisis means that a
company will fail to grow or more likely fall apart. Slow or even wrong moves
could threaten business performance in the short and long runs, after which it
would be difficult to recover.

To handle VUCA, companies may adopt the discover-adventure-momentum-
outlook (DAMO) mindset, which was introduced by Jack Mba-Alibaba (Figure
4) [8]. Alibaba even built a DAMO academy to strengthen the concept and
apply it to all its business. We can see the result now that Alibaba has
successfully expanded its scope of business in many countries.

To make it easier to understand, I modified DAMO based on my understanding.
The first element is “discover new opportunity.” We should not be pessimistic
about changes in the business landscape because with every change, there will
be new opportunity. It is up to us to find and utilize it.

For the second word, I adapted it to “adventure the new way.” We must observe how
well our service, our approach, and our way of doing business are working. There is
always room for improvement or even innovation no matter how good we are. I
admire the Japanese kaizen concept that pushes us to be better every day. It is not
only about the procedure but also about the spirit of continuous improvement.

For me, momentum is the most important element in DAMO, because no
matter how good our plan is and how great our capabilities are, they will not
get the best results if we execute with the wrong momentum. There are three
questions to determine the right momentum: Is it the right place? Is it the right
time? Is it the right situation? If there are no answers to these questions, then it
is not the best momentum. Instead of waiting for the right moment, we can
adjust our initiatives to make them more relevant. If the answers are “yes” to
all three questions, we should take action quickly because once the momentum
has passed, it will be difficult to regain it.
The last word is “outlook,” which is also very important because we need to have a long-term vision each time we undertake an initiative. These days, we cannot just try to make big profits in the short term but also need to see the outcome in the long term. This is especially true if we compete in an industry that requires major investment and effort in every maneuver.

We all agree that leading an organization during difficult times requires strong leadership. However, we do not always need an impressive figure in the organization because we can see ourselves as leaders. Even if we do not have subordinates, we have a responsibility to lead ourselves to do the right thing.

During the crisis, several elements are needed. We have to possess a physical quotient (PQ) along with an emotional quotient (EQ). Many believe that physical health is the most essential during the pandemic. We all agree with this statement, but ignoring mental health is not an option at any time. We must maintain cleanliness by washing hands frequently, maintaining distance, increasing immunity, and wearing masks. Only in good health can we be productive. Yet we also need to stay calm and be able to make the right decisions at the right time.

Leaders also must pay attention to the intellectual quotient (IQ) as well as to the spiritual quotient (SQ). These two factors are often overlooked when panicking during a crisis. However, we must always use rational thinking in every process and decision making. At the same time, we must help others because this is also a humanitarian crisis. Therefore we must judge every action morally.

I must emphasize that the pandemic has changed and will keep changing the business landscape. As a result, the macro and micro aspects of the business environment will continue to change. I can assure you that one thing will remain the same and that is change itself. That is why whenever I analyze a phenomenon, I start by observing the changing business landscape before formulating strategies and tactics.

After this crisis, things will never be the same again, so there is no point in relying on old approaches to doing business. We have to adapt and continue to develop for the future. Therefore, a new approach to marketing, which can be referred to as “postmarketing,” is needed.
I do not believe that digital technology can completely replace offline interactions even after the pandemic when we have become used to multiple digital platforms to communicate with one another. But our experience in using technology will increase our productivity in the future, both in daily activities and at work. This is one example where we have to integrate many paradoxes to get optimal results in the future (Figure 5).

The OMNI Approach: Integrate the Paradoxes

In creating value, we must pay attention to the values of the organization. In using technology, we also have to realize how it will help humanity. In formulating every strategy, we must support it with great tactics. This does not merely depend on one element or factor. We must combine every aspect to achieve the optimal results.
It is also time to combine every great principle in each culture. In creating value, Western countries are already famous for their management and professionalism principles. We can see that many textbooks used by reputable universities are written by professors from Western countries. In the business world, they have a long-recognized reputation for building professionalism with very high productivity.

Many Western companies have good management systems, even on a small scale. We can see how well they plan, organize, take actions, and control every effort they make. They have also invented many management process concepts that are implemented worldwide. In terms of professionalism, Western companies always try to apply it in every task. They respect each agreement that has been signed with any party and pay attention to the smallest details in every arrangement. Every worker also tries to fulfill his/her assignment based on the job description provided by the company.

Many big companies from Western countries are also famous for their innovation and creativity. The iPhone in the Steve Jobs era was always successful in making product breakthroughs. Richard Branson and Elon Musk are other examples among many others who keep creating new businesses and solutions through innovation.

In value principles, Westerners have excellent systems that put public matters at an individual level. Democratic systems involve every individual in deciding the future of each country. Western countries promote freedom of speech to give everyone a chance to share their opinions. They study every opportunity and analyze it to identify good and bad practices. This allows learning from mistakes and improving for the next effort.

Westerners also have a culture of sharing, not necessarily sharing wealth but also intangible aspects such as knowledge, information, or opinions. To make it easier to access information, major libraries have long been available in most countries. Internet technology now also makes it easier to access information. During offline/in-person events, Westerners also tend to speak their minds if there is a chance.

Serious attention is paid to many aspects of employee well-being, not only working conditions and salaries. That is why some Western companies
introduced dining, entertainment, and relaxation facilities in their offices to boost employee morale and therefore work results and productivity.

Many good values and principles also originated in Asia. In the last century, numerous Asian national leaders made geopolitical breakthroughs. Deng Xiaoping managed to disrupt the old system, paving the way for PR China’s current far-reaching achievements. Former Prime Minister of Singapore Lee Kuan Yew transformed his country into a prominent Asian force. Many other Asian leaders have had significant impacts on their countries and the region.

We can learn from Asians about the value of an entrepreneurial spirit. They show that, although people may struggle under difficult conditions, with great determination and relentless effort, it is possible to build successful businesses. Their many examples show that persistence can overcome even the chaotic situation we face right now.

We also should learn from the Japanese about how to improve consistently. They are famous for their perseverance in seeking constant improvement and being focused on doing their work better. That attitude can be simply summarized as trying to make our work today better than yesterday’s and tomorrow’s better than today’s.

Asia has a well-known reputation as a manufacturing hub. For example, Japanese companies are strong competitors in the automotive industry, mainly because their cars are reliable and affordable. PR China is now known as the “factory of the world,” capable of manufacturing numerous products effectively and efficiently.

Asia also has a strong value culture. The family is often prioritized over the individual. Many Asian parents place their children’s welfare above all else, especially by trying to give them the best education possible. In many Asian cultures, children are expected to care for and respect their parents and elders.

In the work environment, Asians have a habit of finishing tasks first and improving later. In this case, the ROK has the excellent example of pali-pali, meaning trying to do everything quickly and fix any problems faster. Because of this spirit, it has transformed from a developing to a developed country, surpassing many others in terms of economic growth and GDP per capita in the last few decades. Asian
countries are eager to learn. Japan, the ROC, PR China, and the ROK learned technology from the West before improving it themselves. Asian employees are also famous for their work ethic. This work attitude is part of Asian culture, contributing to current economic success.

The current pandemic is the right time to transform for a better future. The best way is to combine good elements from all cultures. This is how we can integrate paradoxes by combining management principles with good leadership. Professionalism should be combined with an entrepreneurial spirit to encourage us to keep growing.

Innovation with significant breakthroughs can also be combined with gradual improvement. Creativity in innovation combined with high productivity will boost output. Individual contributions can be combined with teamwork. Thinking and analyzing should be implemented with the right practices. Sharing is also a part of learning because we always learn something new every time we share information. The boundaries between work and play have blurred with flexible hours, work-from-home policies, etc.

Rebirth of Quality, Cost, Delivery, and Service Principles

During the crisis, we should prepare for the postpandemic normal. Companies could reexplore the four principles of quality, cost, delivery, and service (QCDS) (Figure 6). It is essential to look at these four factors to maintain the operation of companies.
The first principle is “more quality, more value.” As the postpandemic normal arrives, customers will set new, higher quality standards for the products and services they demand. To meet those standards, companies should set strategies from customers’ perspectives when developing products and services for the right focus and provide higher value.

The second principle is “less cost, more productivity.” Companies should adopt an inside-out approach and learn how to stay productive while pursuing efficiency. They may start by examining all operational processes and eliminating nonessential ones that add little to no value to customers. There are options that companies could take in pursuit of efficiency, such as benchmarking, reengineering, outsourcing, and mergers and acquisitions (M&As).

The third and fourth principles are related to the ways companies can deliver value to customers. There are two approaches to providing value under the OMNI framework. One is “offline delivery and online transactions.” Since the COVID-19 outbreak forces people in some countries to stay at home, transactions in developing countries have been limited. To solve this problem, companies can offer online transactions. Customers can remain at home and wait for orders to be delivered after paying electronically.

But, considering that not all regions have good infrastructure, online transactions remain challenging. So there is the fourth principle of “online service and offline transactions.” Most people nowadays have smartphones, but not all have access to or are eligible to perform online banking transactions. Customers may easily purchase products and services online using mobile apps on their smartphones. But on the other hand, they still lack knowledge of or access to online transactions. Hence, offline transactions could take the form of payment through convenience stores, small retailers, or agents. This not only solves the infrastructure problem but also emphasizes human-to-human interactions, which are essential for specific customer groups.

**OMNI Organizational Culture**

Under normal circumstances, companies could create or ride momentum. During a crisis, the option for companies online remains to ride the momentum. This leaves no choice but to seize opportunities and ensure business continuity and sustainability while waiting to return to normal conditions.
Because resources are limited, various aspects need to be considered and prioritized (Figure 7). Those aspects represent the main foundations of a company, including finance, marketing, operations, technology, and people. We need to ensure cash flow to support short-term goals. This is the most important aspect because many companies collapse because of cash mismanagement, especially during a crisis. Inadequate cash for operations will make companies unable to carry out usual activities.

After cash flow is secured, we can identify unproductive assets that sometimes become a burden. The performance of assets and liabilities on the balance sheet should be reevaluated. There are many choices in dealing with low-performing assets. They can be sold, utilized for other functions, or even rented out depending on the future strategy and whether they will be needed or not. Finally, in the actualization phase, we should try to realize profits to make up for losses during the crisis. This is also the time to strengthen competitive advantage and continue to increase efficiency. When demand recovers, there will be opportunities to maintain satisfactory profit margins in future operations.

It is time for us to go all out and prioritize business profitability. We should remember that business is defined as organized efforts and activity of individuals to produce and sell goods and services for profit. But as mentioned earlier, in the future profitability must grow with a sustainable approach.
In the marketing field, we must focus on observing which customer segment should be prioritized. Their needs and wants, expectations and perceptions, and anxieties and desires also changed due to the pandemic. We need to reassess whether service is still relevant for them and make adjustments as necessary. With deep understanding, then we can focus on developing new products or services to meet customers’ preferences in new normal conditions. This may not always mean entirely new products. We can adjust the conventional ones with kinds of delivery or additional services. The main focus is to rebuild customers’ trust.

In the final step, we also need to build a brand that will provide value to the community, not only seeking profit from society. In the future, brands will not only increase a company’s reputation or sales but will also make the world a better place, which will be relevant to the younger generation who are more aware of the environment.

In operations, the first step is minimizing costs by eliminating inefficiencies. Because all resources (money, time, effort, workforce) are essential during a crisis, we need to reallocate them into the most prioritized areas that determine the company’s survival. After we have a lean operation, the next focus is on how to ensure on-time delivery of offerings. This will determine customers’ judgment of the company’s reliability and responsiveness. The experience will affect customers’ repurchases and willingness to recommend products.

Postcrisis, customer demand will be higher in terms of quality. Therefore we must focus on producing high-quality products and providing high-quality services. At the same time, we must pay attention to cost increases as they will affect profitability. We should prioritize using technology to build intimacy with targeted customers. Especially during the pandemic, many customers have avoided face-to-face interactions and relied on technology to perform many daily activities. With technology, we can stay in touch with customers and build deeper relationships.

Technology can also be adopted for the innovation process. There are many possibilities to grow businesses by combining current capabilities with technology. It is time to invest in the future to sharpen competitive advantage. Future technology development will emphasize the value of humanity, intending to make activities easier, quicker, and cheaper.
During the pandemic, many customers avoided physical interactions and switched to online platforms. Workers had to adopt digital approaches, which are very different from offline interactions. In the next phase, we need to retrain staff to suit postpandemic conditions.

In the middle of the pandemic, many governments decided or will decide to reopen public activity. Customers who came to prefer offline interactions will go back to stores with some limitations. To regain customers’ trust, retail staff must be given appropriate equipment to ensure safety and cleanliness. Customers who became used to digital communication in the crisis will still want to interact face to face after the pandemic ends. Organizations must take an OMNI approach by combining offline and online modalities when interacting with customers. The situation will never be the same again in the future, so we must adapt now.

Finance, marketing, technology, operations, and people have significant roles during and after the pandemic (Figure 8). But the pillars cannot stand alone; they must support each other. Therefore, each must function as a combined unit
in a company. Teamwork and close coordination among divisions are urgently needed. Organizational harmony must be maintained even in a crisis. There is no time for sectoral ego and lack of teamwork. A crisis like the current pandemic is an opportunity to test company solidity and toughness. The true character of each individual is often shown in a situation like this.

2021 and Beyond

I always note the song of the year, word of the year, and annual Academy Awards best picture winner. These show trends and moods during that year. Interestingly, the Oxford English Dictionary decided not to choose a word of the year for the first time in 2020. 2020 was truly a year full of surprises. Seismic events occurred, such as COVID-19, postponement of the Olympics, the US presidential election, lockdowns in major cities, work-from-home arrangements implemented around the world, bushfires in Australia, and many more. It was a year filled with new words and phrases. Therefore the Oxford English Dictionary expanded its selection to “words of an unprecedented year.”

That prompted me to select five “magic words” of 2021, all of which included elements of the drivers of change: “digital” for technology drivers; “human” for market drivers; “local” for politicolegal drivers; “global” for sociocultural drivers; and “balance” for economic drivers (Figure 9).

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In 2021, we expect that pandemic control will be better, so offline interactions might increase with some limitations. I still hope that digital transformation will continue because automation and contactless interactions will be preferred in many future activities. Technology development should be relevant to the human market situation. We all need empathy, love, and warmth in our lives which cannot be given by machines or robots. That is why machines cannot entirely replace humans.

I chose “local” in politicolegal aspects because every country has a different policy and approach to the pandemic. Individual provinces and cities within a country may enact regulations at different times to adjust to the latest situation. This depends on the overall national, community, and neighborhood circumstances.

Meanwhile, “global” was chosen for the sociocultural context because internet usage makes it easier to spread information globally. K-Pop, K-drama, and K-culinary broadcasts have become popular in many countries. Not long ago, the Korean BTS pop music group broke the Guinness world record for the most-viewed livestreamed concert, seen by 756,000 fans from more than 100 countries. The ROK has shown that the sociocultural approach is a potent method to influence the world.

Finally, I use the word “balance” because we need to maintain harmony and synergy in building the economy going forward. International trade must be balanced with the domestic economy. On the other hand, no country can survive without collaboration with others, especially to maintain national competitiveness. We also cannot grow without paying attention to environmental sustainability. We need to make extra efforts to avoid future world crises.

We also have to balance each magic word. Technology development must be balanced with human progress. The local perspective also has to be balanced with the global situation. It is not only about how to strive during the crisis but how to maintain sustainability. That is what triggered me to write Marketing 5.0 to prepare for the future.

**Marketing 5.0: Technology for Humanity**

A decade ago, Philip Kotler, myself, and Iwan Setiawan decided to write about a new marketing concept after realizing that many customers and companies
were aware of significant business changes. Customers no longer wanted to be treated only as buyers but as complex, multidimensional individuals. The original book is now a series (Figure 10).

Customers are not a target segment for a company to bombard with every marketing effort. We need to build real relationships with them, not just transactional relationships as in the past, which is very important during the pandemic. We have to take care of our customers from the heart.

Customers choose companies and products that meet their deeper needs for participation, creativity, community, and idealism. They will not only look at the value of the product but also at the entire operation and values of the organization. Companies that have good goals for society will be liked by customers. On the other hand, companies that harm the environment will be criticized by society.

Marketing 3.0: From Products to Customers to Human Spirit was published in 2010 and has been translated into 27 languages worldwide. As the subtitle suggests, we describe the major shifts from product-driven marketing (1.0) to customer-oriented marketing (2.0) to human-centric marketing (3.0). Although published a decade ago, the book’s relevance has become more evident under
the current conditions. Genuinely caring for society essentially forced companies to adopt social impact for the future and younger generations. It is time that we show how companies care about the conditions in society.

We also realized that more customers adopted digital technology in their daily activities. Many workers use various platforms to increase their productivity when they work primarily from home. Many households have also become accustomed to using e-commerce platforms to buy groceries and other necessities on a daily basis.

During the pandemic, digital usage has increased significantly because lockdowns drove everyone to adopt a new way of life. With lockdowns and social-distancing policies, both markets and companies were forced to adopt new contactless digital realities. Therefore, customers’ behavior also changed significantly. Once again, Philip Kotler, myself, and Iwan Setiawan recognized this when writing the second book in the series in 2016. Marketing 4.0 was published in 2017 and has been translated into 24 languages. In it, we differentiate “marketing in the digital world” from digital marketing. Marketing in the digital world does not rely on digital media and channels. It requires an OMNI approach: online and offline at the same time [9].

In the era of connectivity, the straightforward, personal funnel-like process of decision making needs an update. A brand’s initial appeal is influenced by the customer community to determine the final attitude. Many seemingly personal decisions are essentially social ones. The new customer path should reflect the rise of such social influence.

In the traditional era, loyalty was often defined as the retention and repurchase of products or brands. In the connectivity era, loyalty is ultimately defined as the willingness to advocate a product/brand. Customers might not need to continuously repurchase a particular brand or might not be able to. But if the customer is happy with the brand, he/she will be willing to recommend it, even when currently not using it. The new customer path should be aligned with this new definition of loyalty.

Customers are also now actively connected, building ask-and-advocate relationships. Customers who need more information will search for it and connect with others who might have better knowledge and more experience.
Depending on the bias during the conversation, the connection either strengthens or weakens the initial brand appeal. The new customer path should also recognize this connectivity among customers.

Then, we realized that technology would become more critical in the future; therefore, we are finalizing Marketing 5.0: Technology for Humanity during the pandemic. We were inspired by Society 5.0, a high-level initiative in Japan, which contains an approach to create a sustainable society supported by smart technologies.

For a long time, I have said that technology development should be leveraged for the good of humanity. Marketing 5.0, as the subject of the trilogy’s final volume, has the elements of both the human-centricity of Marketing 3.0 and technology empowerment of Marketing 4.0. Marketing 5.0 is applying human-mimicking technologies to communicate, create, deliver, and enhance value across the customer experience. Some of the applied technologies might sound far-fetched or even intimidating to us but have started to become affordable and accessible in recent years.

Marketing 5.0 will enable us to deliver personalized, contextual marketing to every individual customer at the point of sale. Frontline marketers can design a seamless interface with customers using augmented marketing. All these execution elements require corporate agility to provide a real-time response to market changes.

**The Principles of Creativity, Innovation, Entrepreneurship, Leadership, and Productivity and Improvement, Professionalism, and Management**

In the pandemic, we must balance the two principles of creativity, innovation, entrepreneurship, and leadership (CI-EL) and of productivity improvement, professionalism, and management (PI-PM), depending on how we want to integrate those paradoxes to make a company relevant to the current situation. The CI-EL paradigm can make immense contributions during the pandemic (Figure 11).

**Productivity and Creativity**

Productivity is about how to do something right. We act according to particular procedures, standards, and targets determined and try to reach the maximum output in a limited time. This is what we call single-loop learning. Meanwhile,
creative thinking encourages us to review the status quo and try to take a different approach to get more optimal results. It is about doing the right things in a particular situation. To find a new approach, we should be open to any alternatives. This is called double-loop learning.

It would be wonderful if we could create innovations using available resources. At the same time, we must try to increase productivity by controlling costs and improving the quality of products and services.

**Improvement and Innovation**

Innovation is how we try to take a big leap forward to strengthen our competitive advantage, usually initiated by a small team and then implemented across the organization after testing. However, we do not always succeed in innovating because the probability of failure is also high. That is why innovation must be combined with improvement. This approach involves all employees from the top level down to frontliners. All members of the organization must try to achieve better performance with gradual improvement every day. With these two guiding principles, the organization will continue to transform itself for future challenges.

**Professionalism and Entrepreneurship**

The two paradigms of professionalism and entrepreneurship do not need to differentiate between office workers and entrepreneurs, because many desk
workers have the necessary entrepreneurial spirit to help the company grow. It is about attitudes and ways of thinking, not about the job title. Professionalism is still important because we need to act according to the norm and existing procedures to ensure that everything runs well. At the same time, an entrepreneurial spirit that is very dynamic, dares to take calculated risks, and continuously seeks new opportunities is also critical. In this pandemic, it is essential to conduct operational procedures in a professional way to ensure that customers always receive the best-quality products, while an entrepreneurial spirit always looks for the right momentum and fair chances to maximize potential.

**Management and Leadership**

Management is simply about how to do things correctly, and leadership is about how to influence people. These two elements are crucial during the pandemic because only with a strong management system can we be stable in facing uncertainty, and only with strong leadership will we go in the right direction.

We should manage with our heads because rational judgment is necessary to do the right things. But we also need to lead with the heart because strong leadership is not always related to position. If your company decides to undertake a significant transformation during and after the pandemic, leadership will have a critical role in making it successful.

In the end, giving up is not an option. Companies must plan and implement actions for SPA in these times. The pandemic has ended professional marketing and business as usual. It is the beginning of the next new postmarketing and business phase, and the normal will never be the same again.
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