



COVID-19 Marketing Analysis for a Changing Retail Landscape

April 15, 2020

Framework for Managing Uncertainty

As we've navigated the recent unknown with our clients, we've created a framework consisting of three phases to help manage the uncertainty: stabilize, empathize, optimize.

Since the COVID-19 crisis began, we spent the first few weeks working on stabilizing the welfare of our people, clients and business. We are now in the empathize phase, where we gain an understanding of human needs in this new reality and how brands can answer them.

Current Cultural Context

For some time now, the power dynamic between government, brands and people has been shifting. With government failing to address the change people seek on major issues, people increasingly expect companies to play a role in delivering societal change. This is true now more than ever. Actions taken during (and following) COVID-19 will define how consumers interpret brands for a long time to come.

62%

of people agree we will not make it through this crisis without brands playing a critical role in addressing our challenges.

72%

of Americans believe that companies should focus on the health of their workers.

65%

want brands to help those on the front line by donating or making equipment.

Sources: 2020 Edelman Trust Barometer Special Report: Trust and the Coronavirus, Apr. 9, 2020.
"Brands' Behaviour Now Will Affect Future Consumer Buying Decisions," WARC, Apr. 1, 2020.
Emotional State of the Nation Report, Maru/Blue, Apr. 6, 2020.



Self-Actualization



Esteem



Love & Belonging



Safety



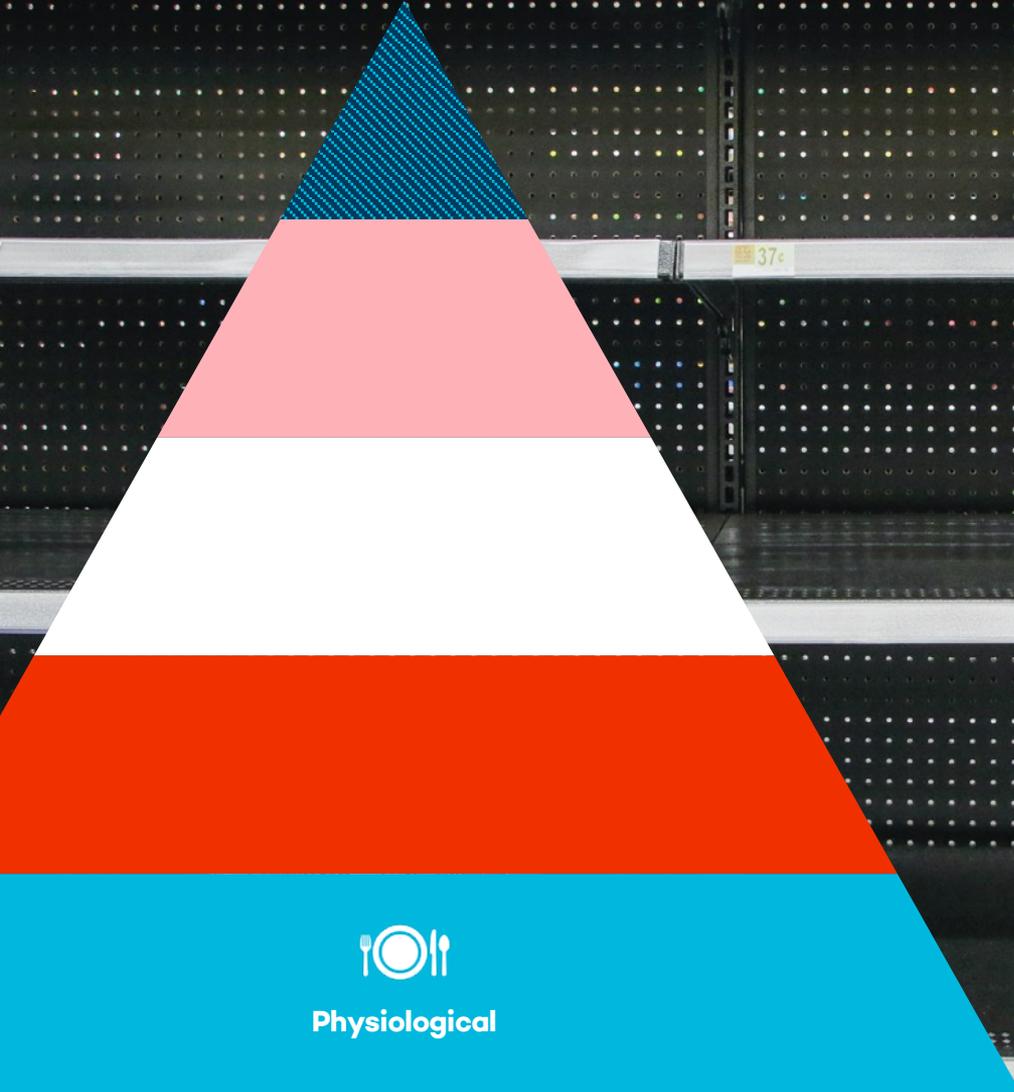
Physiological

Empathy starts by meeting people where they are.

In the current climate, this means taking a bottom-up view of Maslow's hierarchy of needs.

Undeniably, the greatest value brands can provide in navigating our new abnormal is helping people meet their most basic needs while also serving the greater needs of society.

To answer these needs, brand actions must be useful, responsible and purposeful.



37¢



24¢

24¢

24¢


Physiological



Safety



Physiological

SAFETY
IS OUR
TOP PRIORITY

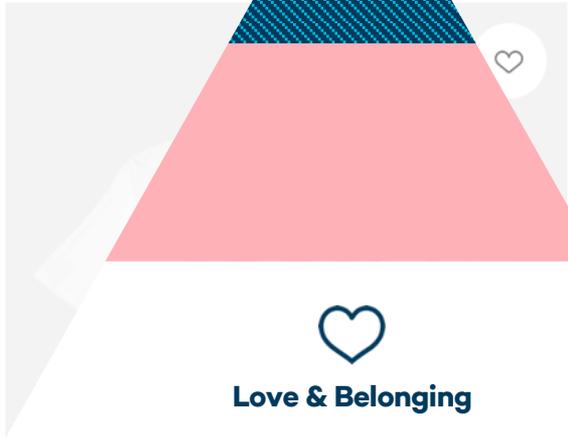
FOR THAT REASON, ONLY

50
CUSTOMERS

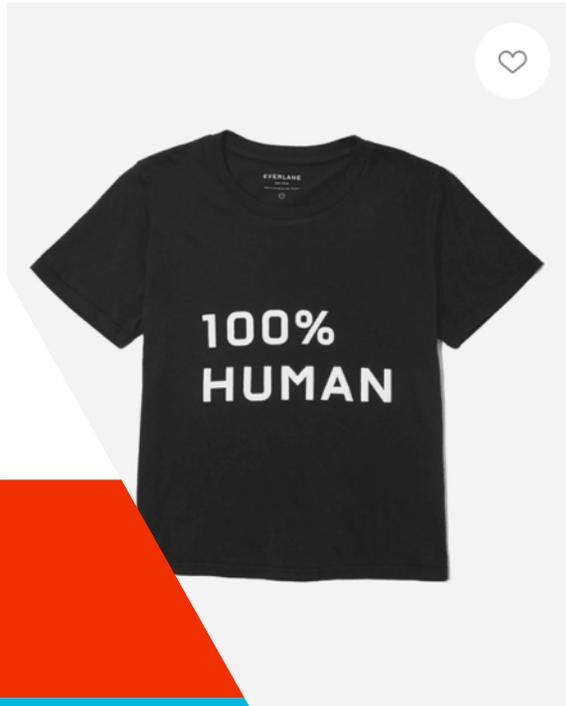
ARE BEING ALLOWED IN
THE STORE AT ONE TIME -

THANK YOU
FOR YOUR PATIENCE!

♥ STORE #650



Love & Belonging



100%
HUMAN

...x-Cut Tee in

\$25



EVERLANE

x

FEEDING
AMERICA

100% HUMAN COLLECTION

All profits from our 100% Human collection are going to Feeding America's COVID-19 Response Fund.



Safety



Physiological

JoAnn Fabrics Is Helping Hospitals With Free At-Home Mask-Making Kits



Esteem



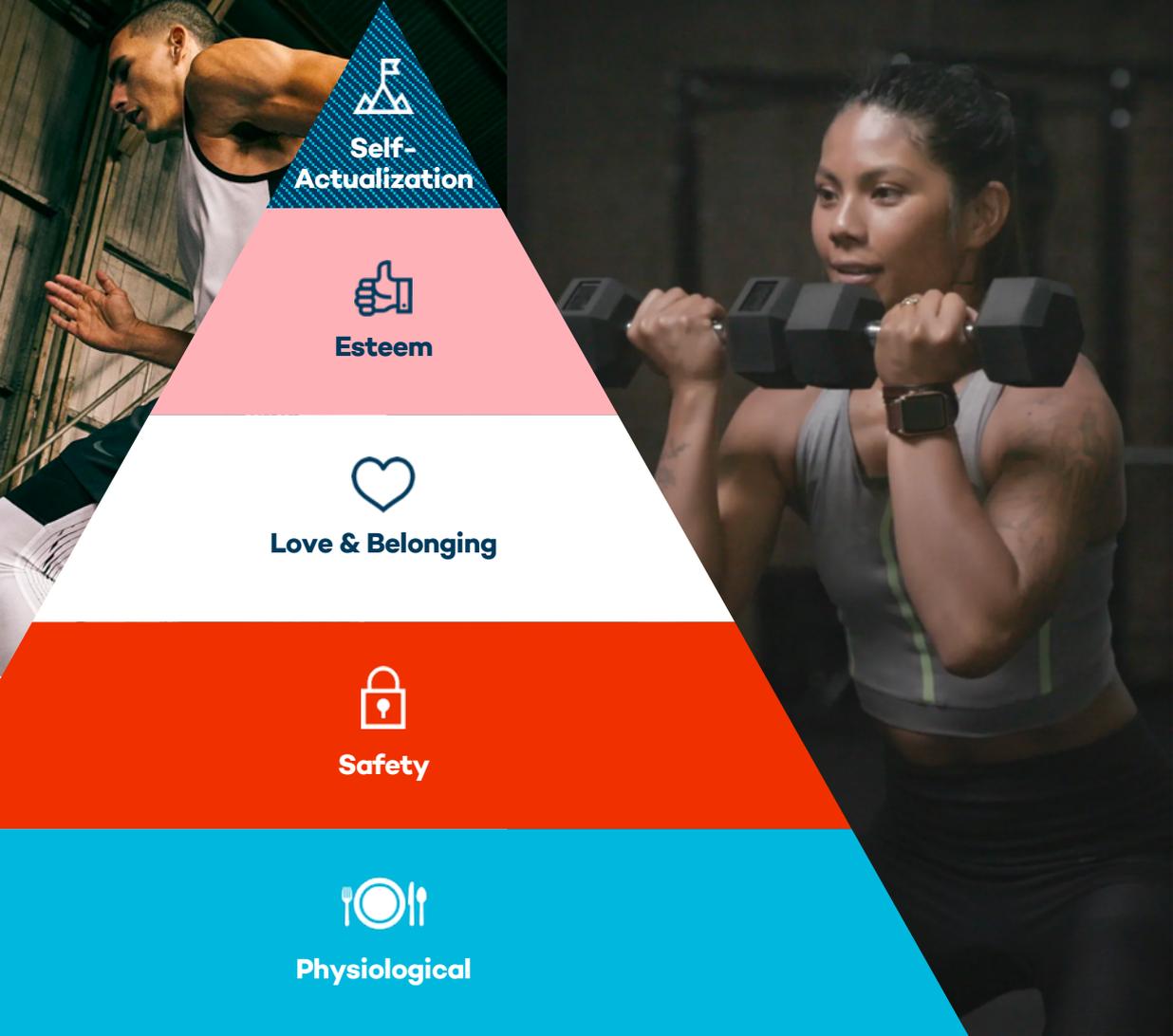
Love & Belonging



Safety



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Self-Actualization



Esteem



Love & Belonging



Safety



Physiological

**IF YOU EVER
DREAMED OF
PLAYING FOR
MILLIONS AROUND
THE WORLD,**

**NOW IS
YOUR CHANCE.**

Play inside, play for the world.



Current Human Needs in Retail

As people, businesses and governments across the world deal with this crisis, we've come to see that what is most essential in life is health and humanity. Not just individual health, but collective health. Not just following the standards, but rather **setting new standards for how we treat each other.**

Safety First

With transmission fears from essential workers and shoppers alike increasing week after week, physical retailers that are still open have been advancing sanitation practices, creating contactless services and providing workers with more protective gear.

Digital Humanness

Staying apart is making online shopping more necessary than ever, even for inessential-but-makes-me-feel-good items. Retailers are balancing curating products that address shopper needs of the stay-at-home moment with creating space for digital community through social platforms.

Kindness Always

In a time of compounding social deprivation, rising fears and economic instability, retailers must do what they can to show kindness to shoppers and workers alike. Empathetic communications, small rewards, and “together apart” actions like community livestreams show brand heart.

Recommendation 1: Become a protector through enhanced health practices

89%

of people want brands to keep the public fully informed regarding how the brand is **supporting and protecting** their employees and customers.

2020 Edelman Trust Barometer Brands and the Coronavirus, Apr. 9, 2020

Insight

By implementing practices that show they care for the health and safety of essential business workers and shoppers alike, retail brands are positioning themselves as necessary protectors of their communities.

The screenshot shows a news article layout. At the top left is the logo 'A BULLSEYE VIEW'. Below it is a navigation link '< news & features'. The main headline reads 'Target's Latest Safety Measures Are Designed to Promote Social Distancing' with a sub-headline 'April 2, 2020 - Article reads in 3 minutes' and a 'COMPANY' tag. To the right, another headline reads 'American Giant, Hanes, and other clothing brands will make 1 million medical-grade masks a week'. Below the headlines are two images: a red square with white line-art icons of a face mask and a pair of gloves, and a photograph of hands sewing a white fabric mask on a sewing machine.

Major retailers like Target and Walmart are increasing their cleanliness practices, paying workers more, and reducing shopping hours for stocking, cleaning, and employee well-being. Convenience stores are offering pump-side delivery. Gap, Nike, New Balance, Hanes and other brands big and small are making personal protective gear.

Recommendation 2: Build community through more human digital engagement

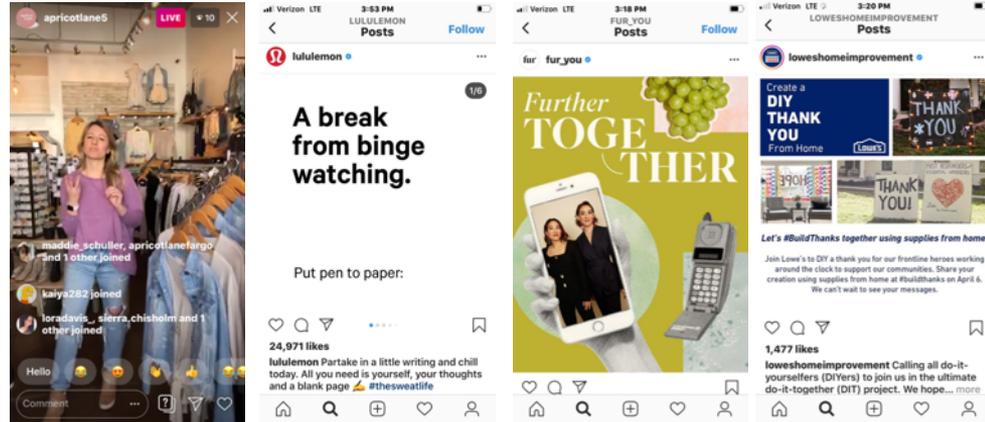
84%

of people want brands to use social media channels to **facilitate a sense of community** and offer social support to people.

2020 Edelman Trust Barometer Brands and the Coronavirus, Apr. 9, 2020

Insight

Online shopping has become more practically necessary than ever, while online socializing with brands and fellow customers is answering a need for human connection born of loneliness, boredom, or crisis overload.



Retailers big and small are refocusing their efforts to digital commerce and finding inventive ways to communicate their crisis response, foster community and make digital shopping more interactive. Clothing stores are creating shop-at-home livestreams. The DTC brand Fur hosted a livestreamed talk with their founders about entrepreneurship and working from home. And Lowe's is inspiring DIY support.

Recommendation 3: Curate stay-at-home goods and stress-relieving guidance

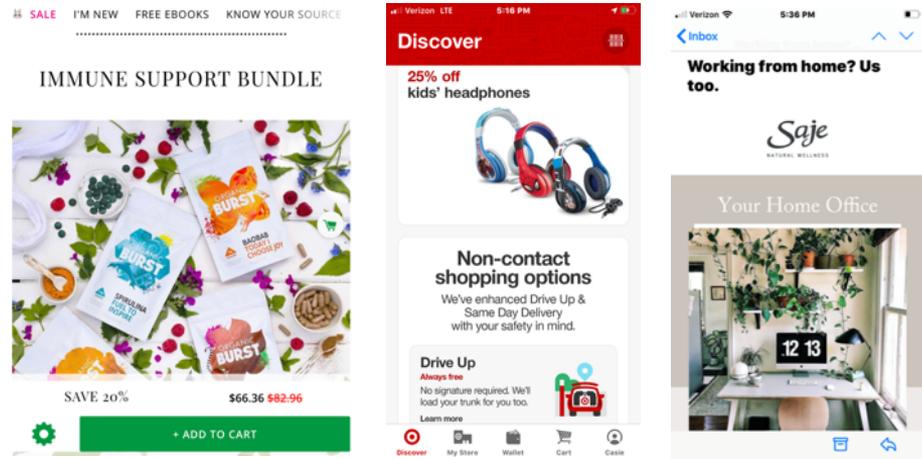
71%

of American consumers report that they are **social distancing or social isolating** as they hunker down for an extended crisis they estimate will last nine months.

Savanta: Consumers and Coronavirus, Apr. 8, 2020

Insight

With stay-at-home orders making people feel lonely and overwhelmed, they are trying to make home an oasis of well-being, from comfy work-from-home clothes to kid activities to backyard beautifying to virtual happy hour-ing.



Brands are creating curated stay-at-home offerings and ideas, from headphones for kids doing school coursework from home (Target), to home office ideas (Best Buy), to supplements that boost your immune system (Organic Burst), and so much more. Promoting curated offerings makes people feel seen and gives them relevant help in this time.

Recommendation 4: Inspire with positive and compassionate outreach

In this time, Americans want brands to make them feel:

Informed	44%
Hopeful	38%
Optimistic	34%
Reassured	33%
Calm	28%

Emotional State of the Nation Report, Maru/Blue, Apr. 6, 2020.

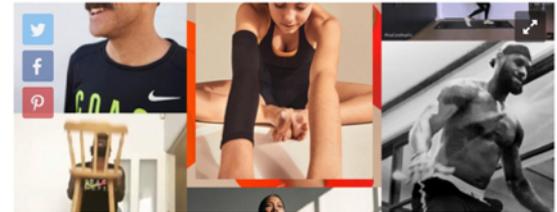
Insight

Amid feeling concerned (40%), anxious (27%) and worried (26%), people are looking to brands to play a more emotional role in their lives — to uplift their spirits, to be a true part of their home life, to be a caring friend.



Nike documents how top athletes 'play inside' to inspire responsible lockdown fitness

Creative Works By Ellen Ormesher - 09 April 2020 11:48am



Offer fuel for hearts and minds. Milk Bar is offering “care package” shipping nationwide and sharing baking ideas on Instagram. Levi’s is livestreaming intimate concerts from musical artists. Celeb chefs are giving cooking lessons. Girl Scouts are offering activities for kids. And Nike is enlisting its community to inspire us to play inside.



There is also the potential for **a much better world** after we get through this trauma.

Richard Danzig of the Center for a New American Security



A man wearing a dark hat, glasses, a white shirt, a dark bow tie, and a grey jacket is looking out of a window at night. The background shows a city street with lights and a grid pattern on the window.

Looking Ahead to Potential Retail Futures

Need for superior cleanliness and fear of closeness will dissipate with time and reassurance.

A renewed love for the tangible and sensory experience of in-store shopping.

A greater comfort than before with digital shopping including grocery delivery services.

More respect for essential workers and heightened expectations of employee rights.



We believe meeting people where they are will lead to more meaningful brand communications and actions, and we hope these data-led thoughts on beginning with empathy are useful to you and your team.

Please let us know what other questions you may have. Through social listening, search patterns, online forums, trend monitoring, and qualitative and quantitative research, we are seeing emerging trends and inspiring examples across categories that we can translate to your specific challenges.



Thank you for your partnership.
Stay safe and well.