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AUGUST 2020

RESILIENCY & REVIVAL

Consumer Brand Response to
COVID-19 & Long-Term Implications



The public relations profession will have a leadership role to play in all of this.

Paul Holmes
Founder and Chair, PProvoke

Foreward

The measures to stop the spread of COVID-19 have been life-altering. People's daily behavior and activities changed drastically in a matter of days.

Many of the behaviors being formed today by consumers will become permanent. **When we emerge on the other side of COVID-19, people are likely to have developed a new set of beliefs, values and expectations. Brands will need to adapt accordingly—and just getting through the crisis isn't enough. They'll need to anticipate and prepare for what's next.**

Early brand responses and reactions—from reinventing offerings to re-imagining what engagement looks like—are indicators of what the new, long-term world of brand marketing and communications could look like.

Health care and personal care services like dentistry and barber shops may be the first consumer sectors to make a comeback, according to a University of Michigan professor. However, 42% of consumers say they are not at all comfortable returning to their normal social activities due to fears over the coronavirus pandemic, according to a Bain/Dynata survey.

How brands respond in phase one and phase two of economic reopening will affect their ability to recover during phase three as we move back into public interactions. Communications has a tremendous role to play in maintaining engagement, building assurance and transforming public relations programs to aid in the revival of businesses.

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56% of consumers report being happy to hear about how companies are giving back during COVID-19.

American Association
of Advertising Agencies

Primary Ways Brands Are Reacting, Engaging and Re-Engaging

Engaging via community support, giving and education

Companies large and small have shifted product and brand marketing into community-oriented initiatives, including:

- **Corporate giving:** McDonald's* donated masks and funds to relief efforts. KFC, Chick-fil-A, Domino's and countless others are providing meals to first responders and frontline workers. Crocs and Allbirds are offering free footwear to health workers.
- **Free resources:** Toymakers Mattel and Hasbro launched resources for at-home play. Nikon made its "Nikon School" photo courses free for April, as did HBO with some entertainment and countless workout apps and telehealth services.
- **Public service campaigns:** Instagram's "Stay Home" sticker and brands' (such as Coca-Cola, Audi, Volkswagen) 'social distancing' logos encouraged physical distancing. Google is promoting a Coronavirus PSA on its homepage and partnering with California State, TikTok, Facebook, Spotify, Twitter and others on the "Stay Home. Save Lives." campaign.

Takeaways

There is a growing expectation of all companies to do right by their communities and broader society in all things, every day—not just in times of crisis. Whether efforts align to overall corporate mission or tie directly to product category, community support and purpose-driven responses will matter long-term. They must be an ongoing, central pillar to brand narrative and programs.

Brands will also need to master storytelling and drive a dialogue on owned channels around these efforts—as well as remain a helpful, enriching part of their communities' lives, beyond the products they offer.

Actions

- ✓ Revisit your narrative to reflect emerging beliefs, attitudes and needs
- ✓ Take stock of your content strategy and the stories you tell; establish a new balance (purpose-driven > product-driven)
- ✓ Consider resources and guides as a core content pillar
- ✓ Evaluate long-term programs you can launch or support for your industry's or the public's good

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All of those things were what's going on in culture. How do we make it work, how does it fit with Chipotle?

Chris Brandt
CMO, Chipotle

Finding opportune ways to connect, build community and provide experiences amid this 'new normal'

Brands are re-imagining what engagement looks like now and going forward. Some are uncovering more serendipitous ways to enrich and be present in our new stay-at-home lives. Many are leaning into more community-oriented virtual experiences. Consider:

- **Branding Zoom:** West Elm developed a series of images drawn from its Front + Main decor blog. Paint brand Behr built a collection of room designs titled Behr Your Background. Jaguar and Land Rover built off-road designs.
- **Virtual gatherings:** Chipotle began hosting daily “Chipotle Together” Zoom chats with celebrities and influencers. Bud Light started the “Dive Bar Tour: House Edition,” sponsoring a virtual concert featuring country singer Jake Owen. Natural Light beer company planned a digital commencement ceremony for the Class of 2020.
- **Participatory campaigns:** Lowe’s #BuildThanks TV ad spotlights DIY thank you signs customers made to thank healthcare workers and calls for others to join in. PEBBLES™ cereal brand’s “Daily Yabba Dabba Doo™” social media videos feature easy-to-do kids activities from artists and creators. Procter & Gamble partnered with TikTok influencer Charli D’Amelio on “the distance dance” challenge, donating to Feeding America & Matthew 25 for the first three million videos.

Takeaways

The pandemic has driven many consumers to become more comfortable with digital experiences and offerings. This will usher in a move toward new communications formats and channels. Stream-able education and entertainment-oriented content is likely here to stay. Likewise, highly interactive and participatory digital activations—like social games, events and challenges—will thrive.

That said, **older demographics are still struggling with digital.** Brands need to make sure their virtual engagements are simple, appeal and are executable—or varied—across all their target demographics.

Community will also be an imperative part of the brand experience. Brands will need to create opportunities around shared interests that enable fans’ and users’ self-expression and allow them to communicate with one another (as well as the brand).

Actions

- ✓ Look to your customers as collaborators and activate them as influencers within their own networks
- ✓ Re-imagine what comprises “content,” focusing on community participation and virtual experiences

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Customers need digital, at-home, and low-touch options. Digital-led experiences will continue to grow in popularity once the coronavirus is quelled.

McKinsey & Company

Adapting offerings and GTM for the 'now'

Many companies' product-market fit, and corresponding communications campaigns, have collapsed—or at least been put on hold. Organizations are making swift changes that address the short-term sentiment and situation:

- **Adapting delivery models:** A groundswell of direct-to-consumer (D2C) brands were already upending nearly every category—eyewear, mattresses, cosmetics, etc. Social distancing has advanced that. With theatre closures, first-run films (Emma, Trolls World Tour) were made available for home release. Trek Bicycle began delivering bikes direct to consumers (while continuing to promote retail partners for maintenance and repairs).
- **Introducing new services via partnership:** Bacardi launched #RaiseYourSpirits with Deliveroo in the U.K. to deliver cocktails to customers (along with hiring bartenders to host virtual training events). Barcelona Wine Bar is partnering with Wine.com on virtual wine classes.
- **Virtualizing offerings:** Furniture company Burrow introduced “Burrow House at Home,” virtual appointments with its in-store specialists for design/product questions. Museums and others are offering virtual tours. After putting “Experiences” on hold, Airbnb relaunched the service as digital activities, tours and classes that cost anywhere from a few dollars to over \$50.

Takeaways

Brands need to find ways to be present in consumers lives right now—through products, services and communications—and simultaneously re-invent themselves for the future. Entire markets have been redefined. Even those who've led sectors will have disruptors and challengers on their heels.

Now is the time to investigate how customers' expectations and preferences have changed. It's also time to cement a new set of differentiators, values, purpose and vision that will resonate as we shift into the recovery phase of this pandemic, keeping in mind the new competitive landscape.

Actions

- ✓ Investigate what consumers' are signaling to your market (through online search patterns, buying behavior, etc.) and map out opportunities for your brand
- ✓ Revisit your product-market fit and go-to-market (GTM) strategy, channels and messaging
- ✓ Consider partnerships with like-minded brands to deliver a new set of services, content and/or value-add

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Community is at the heart of who we are. Now more than ever, it's critical to demonstrate—in words and actions—commitment to loyal customers. For us, it's been about prioritizing our guests, team members and greater regional community—and showing them how much we value them.

Anika Howard, VP of Brand Marketing and Digital, Foxwoods Resort Casino*

Renewing focus on employee relations and communications

Many brands put a (refreshing) focus on internal communications when the pandemic hit. At the onset of the crisis, what businesses were doing to protect their own employees was some of the first meaningful information communicated:

- **Rewarding worker sacrifices:** Businesses such as Wegmans, Whole Foods and Chipotle, who remained opened as essential businesses, raised wages as employees made risks to continue working. Many adjusted PTO and disability leave and added wellness checks at each shift start.
- **Prioritizing worker wellbeing and providing financial support:** Companies including Microsoft made early decisions to require telecommuting. Brands such as McDonald's*, Patagonia, Gap, L.L. Bean and others continued varying levels of pay and benefits while stores were closed. Starbucks created the Starbucks Global Partner Emergency Relief Program to provide one-time relief grants to its employees facing hardship due to COVID-19.
- **Communicating transparently & regularly:** Ford began weekly town halls with leadership talking frankly about turbulence and measures being taken, reporting upwards of 30,000 attendees and hopes to continue them post-COVID-19. Starbucks is regularly updating its COVID-19 homepage with specific communications to employees (“partners”) as well as the general public.

Takeaways

The elevated effort around employee communications, relations and support was a positive that came out of the pandemic. Many businesses have stood alongside and done right by their people—even amid shutdowns. Other organizations in essential categories rewarded and incentivized employees to continue working, helping to maintain loyalty and strengthen their employer brand.

Employees are a business' lifeline—ambassadors to the community; the front-line that brings a brand's promise to life with customers. If they don't wholeheartedly believe in a company's mission and purpose, and if they are not well cared for, it's difficult to get traction and maintain corporate reputation externally.

Actions

- ✓ Maintain a strong employee communications cadence post-pandemic
- ✓ Watch for long-term burnout and impact to culture
- ✓ Build a proactive, long-term employee engagement strategy

Go-forward Considerations

If necessity is the mother of all invention, never has there been a more important time to unleash our creative minds to solve the problems ahead of us. Unleashing the business of creativity isn't only vital, it's an absolute for success.

Heath Rudduck
Chief Creative Officer, SHIFT

Every major crisis breeds a new wave of innovation. This will take shape in new product, go-to-market and communications strategies.

In the short-term, brands should focus on compassion, aid and support. But beware of COVID fatigue. Words like “unprecedented” and “uncertain” aren’t landing as well as they did early on. As shelter-in-place restrictions are eased, they should shift to reassurance and reinvention. In the long-term, they must reinforce purpose and community and provide enrichment to the lives of stakeholders.

As your brand and business moves forward, keep in mind:

- **Brand equity is morphing.** Narratives and actions must have a larger societal ethos along with how a brand/service can help—its employees, customers, communities and the world.
- **Communication, content channels and formats will evolve.** Virtual experiences and communities are moving to the forefront.
- **Agility is more important than ever.** Services and campaigns must be adaptable and able to mirror the needs and beliefs of here and now—not just during the pandemic, but always.
- **Hyper-local engagement is growing.** While news is still at national and global levels, the pandemic has put a renewed focus on supporting hyper-local communities.

- **Employees are a critical stakeholder group.** Many businesses put employees first during the pandemic. They are a business’ ambassador to the public, and employee communications and engagement post-pandemic needs to be maintained.
- **Think happy.** Times are tough. People want, need and are searching for good news. It doesn’t mean to be tone deaf or blind to current realities but finding and promoting some happiness along the way—now and moving forward—is a sound strategy. This is a time for brand values to shine.
- **Plan and act for the long(ish) game.** Preparing for a near-term future and staying in lock step with people’s emotional state is a top priority. But this will end, and new-normal realities will dictate new consumer values and expectations. A long-range plan and thinking are imperative, but the agility to adapt to changing market conditions quickly remains paramount.

If you’d like to chat about this paper or your marketing efforts during and after the pandemic, please contact Annie Perkins, Managing Director of SHIFT East and head of our consumer marketing practice at aperkins@shiftcomm.com.

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About SHIFT Communications

SHIFT is an integrated communications firm that operates at the nexus of art and science to help brands break through and thrive. We leverage data and analytics to engineer the who, what, when, where and how behind programs. We harness deep human insights, empathy and expertise to craft compelling narratives and campaigns that connect on a personal level, and then use advanced targeting to get them in front of the people who matter most. Established in 2003, SHIFT is an AVENIR GLOBAL company representing global brands and emerging category disruptors in the technology, b2b, healthcare and consumer sectors. Learn more at shiftcomm.com

* indicates a SHIFT Communications client