



Adapting to covid-19

Planning for Recovery

VTT
Global

Engaging Customers and Managing a Marketing Function through Crisis

- Lessons Learned From Companies Who Thrived
- Marketing Opportunities for Operational Efficiencies
- Marketing Opportunities for Investing in New and Existing Business



- Immediate Action Checklist: Activities to Mitigate Short-term Impacts
- Longer-term Action Checklist: Activities to Enable Long-term Growth

Rewards for Long-Term, Strategic Vision

Lessons Learned From Companies Who Thrived

A study by the Harvard Business School in 2009 analyzed the financial results and strategic shifts made by companies in prior recessions to identify what makes a company more likely to succeed or fail due to a crisis. Their research showed that in the 3 years following global recessions, on average, **17% of businesses fail**, **40% don't return to previous revenue levels**, and **only 9% flourish** compared to industry peers.

Among companies that flourish, there are two critical success factors:

- **Create operational efficiencies.** Focus less on lay offs and more on business model cost reductions to enable a quick capture of post-recession opportunities.
- **Invest in new and existing business.** Use efficiency savings to reinvest in marketing that connects your business to customer needs, facilitating informed R&D that supports higher post-recession sales and profits.

Marketing Opportunities for Operational Efficiencies

Strategic Direction. The best way to avoid inefficiencies is to have a plan and stick to it. No tactic-level decisions should be made without considering the contribution to the broader objective, and everyone should be aligned.

Optimization. Find ways across your team to improve process, reduce wasted effort, and make smarter decisions for your marketing dollars. Understand your market against objectives and re-allocate accordingly.

Automation. Use the platforms you have on hand to reduce as much manual labor as possible so it can be refocused elsewhere, as well as helping you run analyses to make smarter decisions against your strategy.

Marketing Opportunities for Investing in New and Existing Business

Market Development. Don't assume your customers will remain the same. Invest in identifying new needs, preferences, and even entirely new use cases and markets for your products that can enable more strategic growth during and post crisis.

Asset Investment. Consider how you might reinvest optimized spend toward digital channels and ad space, talented digital marketers, and consumer insights. Use these to build a resilient marketing team for the new normal.

Customer Enablement. Customers are in just as much flux with the market as we are. Enable new and existing customers to defer purchase, stay engaged, and have access to items more relevant to their current needs

Immediate Action Checklist: Activities to Mitigate Short-term Impacts

Consumers

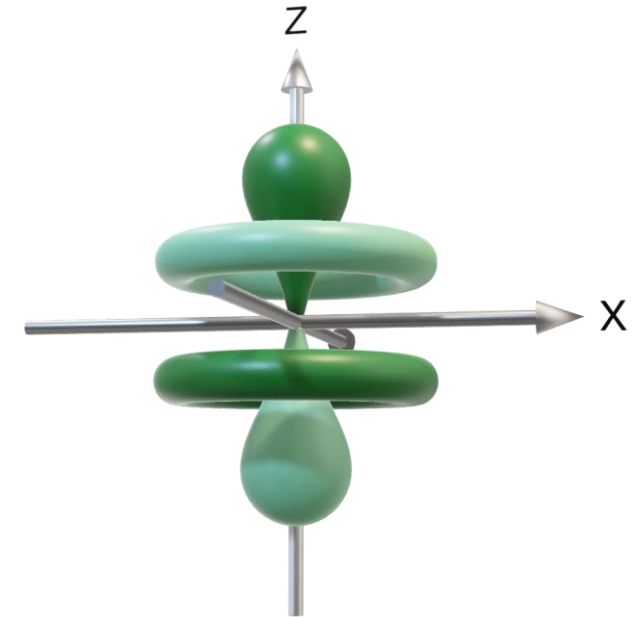
- **Prioritize long-term relationships.** Identify and target high-value customers that are critical to retention, balancing short-term actions against long-term relationships.
- **Listen for change.** Enable social listening to keep tabs on changing consumer preferences and sensitivities and leverage these insights into messaging and R&D.
- **Evaluate new needs.** Consider changing customer needs against your portfolio – some products may make more sense and resonate better than others given current circumstances (e.g. promoting leisurewear vs. business casual apparel).
- **Develop new markets.** As new use cases for your products emerge, consider if you can position them for new applications (e.g. aloe vera gel shifting from skin care to an ingredient in homemade hand sanitizer).
- **Defer consumption.** Enable, or even consider gamifying, deferred consumption to encourage continued customer engagement and to close gaps due to market volatility.

Market Operations

- **Avoid knee-jerk reactions.** Be iterative in your approach, but stick to a master plan.
- **Communicate cross-channel.** Make any COVID-19 related positioning or service updates prevalent across email, push, and online channels to build and maintain brand trust.
- **Plan for contingencies.** Prioritize the health of your staff, but make critical skills-based contingency plans in the case of illness or resource loss.
- **Streamline operations.** Streamline marketing operations as much as possible to maximize the impact of limited resources.
- **Experiment.** Use experimentation to test hypotheses and optimize initiatives quickly for the best use of resources.
- **Optimize channel spend.** Reassess out-of-home marketing spend and reallocate to relevant digital channels. Secure media spend as soon as possible to avoid being priced out.

Company/Organization

- **Stay Up-to-Date.** Check in with peers across the organization to remain informed on changes to operations such as supply chain, logistics, product, etc. to stay ahead as these may ultimately require communications from the marketing team.



Longer-term Action Checklist: Activities to Enable Long-term Growth

Consumers

- **Hypothesize new use cases.** As customer needs, behaviors and attitudes adapt to change and become a new normal, develop hypotheses for how this may impact your product portfolio.
- **Inform innovation.** Use analytics to identify any meaningful shifts in preferences, needs, and behaviors to enable key R&D and digital innovation opportunities.

Market Operations

- **Work with partners.** Look for partnerships with other brands, possibly beyond your industry vertical, to help each other bridge performance gaps and stay relevant.
- **Call in deferred consumers.** Create a plan for calling in any 'deferred consumption' initiatives in balance with continued new business to ensure delivery streams and enabling revenue flow.
- **Backlog maintenance.** Plan how the team will handle the inevitable backlog of Marketing activities accumulated during any short-term reactionary measures.
- **Build out the digital team.** Plan for an increase in the digital and social interaction teams you have as digital, ecommerce, and social media likely become even more of a part of the 'new normal' in how every industry engages and enables their consumers moving forward.

Company/Organization

- **Plan for budget cuts.** Be ready for potential budget cuts as executive leadership realigns spending to meet operational demands. Have a strategy to make sure you use you optimize resources across Q2- 4 and even 2021 plans.



Enabling long-term success. During times of crisis, Marketing can be highly reactive, focusing on short-term objectives instead of maintaining a long-term, holistic perspective with necessary iterations to meet consumers where they are. This puts brands at risk of falling behind their more strategic competitors. With proper preparations, marketers can increase their likelihood of seeing improved business and customer outcomes.

Business Outcomes



Business Impact. Leveraging an agile attitude yet sticking to a focused strategy can enable optimizing limited resources and still have meaningful impact on short, medium, and long-term business outcomes.



Competitive Advantage. Analyzing consumer trends to inform R&D on new products, use cases, and potential markets as consumers enter the the new normal gives companies a competitive advantage.




Avoid Disruption. Planning for contingencies in staff, delivery, and resource gaps can reduce down-time and disruption to Marketing's mandated deliverables from both executive leadership and customers.

Customer Outcomes



Brand Strength. Continuing customer engagement and getting involved in a shared community in a slow market helps to build trust, bring value allows the brand stay relevant across the crisis and plant seeds for success during recovery.



Delayed, Not Dead. Creating opportunities for deferred consumption instead (where a planned purchase is made later) of destroyed consumption (where a purchase is never made) to mitigate the gap in revenue flow across the crisis.



Enabled Customers. Being a valuable partner to customers and innovating on go-to-market models to provide goods, services, and information to those who need it, where they need it throughout the crisis enables customers to buy easily and maintain sales

Thank You

About VTT Global:

VTT is a boutique 'strategy' consulting firm, we specialize in transformation

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