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# COVID-19 response checklist for B2C marketing leaders

The COVID-19 crisis has affected communities, businesses, employment, and economies all over the world. While the top priority is to save lives and support victims and their families, we must also act to protect the livelihoods of our community members.

Our response checklist offers practical solutions to help marketing and sales leaders and business decision makers in B2C settings protect their people and steer their organizations through an uncertain time.

This checklist focuses on the first two of five stages in the crisis-response cycle: Resolve and Resilience—how to navigate the current situation.

The specific challenges facing businesses in the current environment may vary depending on their demand archetypes. Where applicable, we have indicated how a business's actions might differ according to the following levels of demand:

- high demand and potentially short supply (for example, grocery stores and healthcare companies)
- demand potential—addresses a need that is increasingly relevant because of lockdowns (for example, fitness, media and entertainment, and financial services)
- low demand—facing a significant slowdown in demand, requiring marketing-spend adjustment to drive resiliency (for example, airlines/travel, luxury goods, and restaurants)

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# 1 Reset and calibrate

Before you consider changing commercial activities in response to the crisis, assess the immediate situation, its impact on your business and industry, and your company's value proposition and positioning in this context.

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## **Analyze consumer insights, sentiment, and demand signals to understand which trends and pockets are growing**

- Listen to consumers: scrape reviews, run pulse research on sentiment, and track customer-service activity to understand changing consumer needs (eg, new categories, products, services, warranties, return policies)
  - Identify evolving consumer trends within and across categories and product attributes
  - Track daily sales to identify shifts in channel mix (eg, e-commerce vs click and collect), DMA-level sales, and product/assortment attributes (eg, bulk sizes)
  - Identify critical changes in customer behavior
  - Build scorecards and tracking mechanisms to aggregate customer, supplier, financial, and market data for weekly review
  - Double down on external data sources to respond to rapid shifts in customer perception; ensure that external data sources (such as social listening) augment traditional sources of insight
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## **Review all your current commercial activities, from sales to communications to expenses**

- Review all scheduled customer promotions, emails, and offers to ensure continued relevance and sensitivity in the current crisis
  - Conduct in-depth review of all monthly marketing expenses, both working and nonworking, to identify the impact of each on current sales performance; engage in rationalization
  - Examine current media activities to understand current performance, spend, and planned activities as channels and ROIs undergo dramatic change
  - Review all commercial monthly expenses—fixed and variable—and identify the impact of each on current sales performance
  - Streamline sales meetings and planning activities to prioritize the critical milestones and dependencies that will support recovery
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## **Determine how your value proposition aligns with the immediate needs of your consumers**

- Reevaluate your value proposition, and identify areas of overlap with immediate consumer needs
- Consider emphasizing or adjusting components of your value proposition based on consumer trends, feasibility, and cost (eg, return policies, shipping charges, and customer service)

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# 2a Marketing

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- Rework messaging and creative to be in line with current times (eg, relevant calls to action, copy that takes an appropriate tone), especially amid potential supply shortages
- Manage tone and corporate-responsibility efforts carefully to build brand strength authentically: emphasize health, safety, and support for both employees and customers during acquisition activities
- Adjust the marketing mix and spend to prioritize high-traffic channels
  - Monitor growth in digital volume and opportunity, and strike a balance between targeting high-intent consumers and increasing cost per acquisition; ensure full coverage of bottom-funnel marketing and “demand capture”; think geography by geography
  - For high-demand, short-supply products: ensure adequate online customer experience by communicating constraints on capacity and product availability to customers at the time of shop
  - For oversupplied products: shift to the lower end of the funnel, and focus on loyalists
  - Revamp your real-time measurement plan—the traditional media-mix model no longer applies
- Adjust customer acquisition and retention strategy as needed
  - For products in high demand and demand creators: focus on acquisition and new-customer onboarding for specific customer segments and geographies, and consider increasing the use of digital search, social media, and media channels such as podcasts or radio
  - For oversupplied products: market to loyal customers using cost-efficient owned vehicles (eg, email) to maintain excitement and interest
- Expand customer engagement by focusing on personalization and loyalty: use personalization to deliver engaging, relevant content (not necessarily related to near-term sales) and maintain share of mind
- Test! Don't abandon rapid testing just because these are unprecedented times—test surgically to obtain data on current effectiveness, given that past data no longer apply
- For products in high demand: ensure adequate online customer experience by communicating constraints on capacity and product availability at time of shop

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# 2b

## Pricing and promotions

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- Refresh item segmentation based on new shopping behaviors (eg, which items are key value items that require competitive pricing)
- Reevaluate promotional effectiveness constantly during the crisis, adjusting calendar and plans weekly; consider supplementing with rapid consumer-sentiment research to project speed of consumer recovery
  - For low-demand products: eliminate promotions that are creating loss for likely inelastic or nonincremental purchases
  - For products in high demand (and potentially short supply): recalibrate to avoid promoting supply-constrained categories, and remove promotions that encourage hoarding
- Build if/then promotional and pricing plans, incorporating both consumer-traffic trends and key competitor pricing and promotional activities
- Focus promotions on products and services most suitable to the occasion and current context (eg, family buys, value orientation, individual packaging, grab and go, high-flexibility services)
- Prioritize promotional activity through e-commerce or click-and-collect channels to meet consumers where they shop; experiment with e-commerce promotions previously avoided due to overlap with brick-and-mortar channels (eg, personalized pricing)
- For B2C players with physical inventory, partner with supply-chain businesses to understand expected inventory positions and obsolescence risk:
  - For low-inventory items, pull back on promotions, especially those driving multiples (eg, BOGOs)
  - For items with obsolescence risk, consider accelerating markdowns and/or shifting toward deeper, unit-driving promotions
- Consider more localized promotional spend, in response to variations in regulations, customer sentiment, and recovery timing
- Consider relaxing return and cancellation policies to encourage near-term purchases
- Evaluate opportunities to offer financing to help consumers manage large purchases
- For demand creators: alter promotions to be acquisition focused—increase emphasis on free trials, “freemium” services, and similar promotions

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# 2c Product

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- Focus on SKUs/products/services that are growing, to simplify the portfolio
- Launch and test new consumer propositions in agile ways—for example, by leveraging direct-to-consumer, presale, or third-party partners (such as Amazon) to get early reads on demand
- Tailor messaging and product attributes to focus on the most salient characteristics (eg, health, cleanliness, financial responsibility)
- Experiment with investing in new technologies to bring products to the home with augmented-reality (AR) and 3D-scanning solutions (eg, use AR app to “test” whether a car seat fits into one’s car)
- Accelerate digital, remote, and at-home options and additional services such as home delivery or extended returns; consider offering them free of charge to drive adoption over the long run
- For low-demand products: leverage excess capacity or products to convey helpful messaging while engaging in positive brand building related to corporate social responsibility
- For products with demand potential: solidify accretive portfolio/product-mix actions: where actions are aligned with projected demand curves and in sync with customer priorities, make longer-term changes to product mix (vs “scrappier” changes made during the immediate response)

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# 2d Sales and channel

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- Quickly realign all resources to the highest-growth channels—likely e-commerce and click and collect
- Ensure that digital shelf and assortment are fully represented by dedicating resources to managing SKU-level detail, product images, and any tagging
- Continually optimize on-site performance by testing and learning which personalization tactics result in the strongest performance
- Prepare the sales force for the virtual world, using video technologies to stay in touch
- Double down on customer-service focus and call-center preparedness, using two-way communication to keep a close eye on consumer sentiment
- Think about ways to launch new and innovative channels—there may be opportunities to create jobs in the gig economy, via which new workers are likely to be entering the workforce every day
- Be open to partnerships to support rapid development of new capabilities such as drop-shipping or top-class customer service/call centers
- For products in high demand:
  - Connect with customers through direct, proactive outreach and provide support through out the crisis (eg, waiving one month of interest on company credit cards)
  - Establish genuine, caring connections with employees; their experience is linked directly to the experience of your customers, so be thoughtful in flexing to meet talent needs (eg, retraining, upskilling, and seconding)

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# 2e Commercial cash

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- Purposefully rationalize marketing on existing channels to create a funding source for reinvestment
- Explore ways to reduce near-term nonworking spend: reach out to agencies/partners and explore immediate ways to reduce nonessential costs (eg, production, advertising, and marketing research)
- Quickly redeploy resources to reduce media inefficiencies: cut inefficient spend by channel, including paid search (eg, keyword efficiencies), display (eg, frequency caps), and paid social (eg, audience prioritization)
- Stretch creative and production: leverage existing creative, postpone photo and video shoots, reassess upcoming large campaigns, and ensure that tone and messaging are relevant
- Holistically evaluate your advertising commitments (including make-goods and credits)
- Reduce spend on in-person events such as trade shows, given the likelihood of cancellation
- Optimize upper-funnel media: analyze over/under exposure of ads, GRP ranges, efficiency by creative, and spot length in light of changing consumer sentiment
- Shift spend across geographies, microtargeting in those less affected by the pandemic and deprioritizing virus hot spots
- For demand creators: lay the foundation for M&A by identifying bold investments, including acquisitions, to permanently capture new demand generated during the COVID-19 crisis

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# 3 Read and respond

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## **Evaluate performance of tactics, likely resetting ROI measurement**

- Reset ROI measurement baseline, looking at results daily and using A/B-testing campaigns (vs year-over-year comparisons)
  - Populate and update performance scorecards, identifying trends and areas of opportunity
  - Document learnings and publish results
  - Celebrate success and build on momentum
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## **Continually optimize successful tactics**

- Build the what's-next plan, following each commercial change across levers
  - Compare the next set of tests with the full set of potential changes to commercial activities, and adjust for the next set of activities
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## **Integrate new customer insights and market-demand signals to align on next wave of commercial tactics**

- Refresh customer insights and identify new implications
- Assess potential changes to product and customer experiences by taking a data-driven approach, examining behavioral data to identify and react to rapid changes
- Ensure that your value proposition is still salient
- Align on top priorities across marketing, pricing and promotions, product, sales and channel, and commercial cash

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