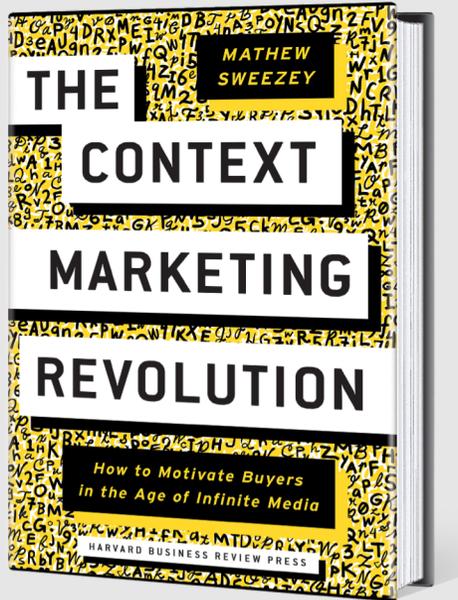


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Marketing In The New Normal

Breaking Through To the Post
COVID Consumer



Mathew Sweezy

Director of Market Strategy
Salesforce

Author:

The Context Marketing Revolution (HBR 2020)

Marketing Automation for Dummies (Wiley 2013)

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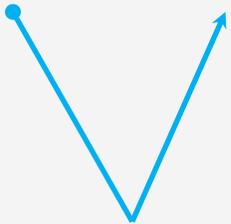
Agility Is The Antidote For Rapid Change

At this point you don't have a choice

There is enormous economic uncertainty

Pace of economic recovery may span 18 months to 3 years, with several possible trajectories

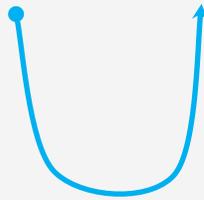
1 | V-shaped



A V-shaped recovery with a possible short lived boom driven by huge stimulus needed for a hard stop to the pandemic.

Would be a surprise scenario

2 | U-shaped



A U-shaped recovery based on a longer crisis driven by a more modest response to the pandemic.

Increasingly likely.

3 | L-shaped



An L-shaped non recovery of a decay into depression driven by failed responses to the pandemic and economic crisis.

Possible deep and long depression.

4 | Y-shaped

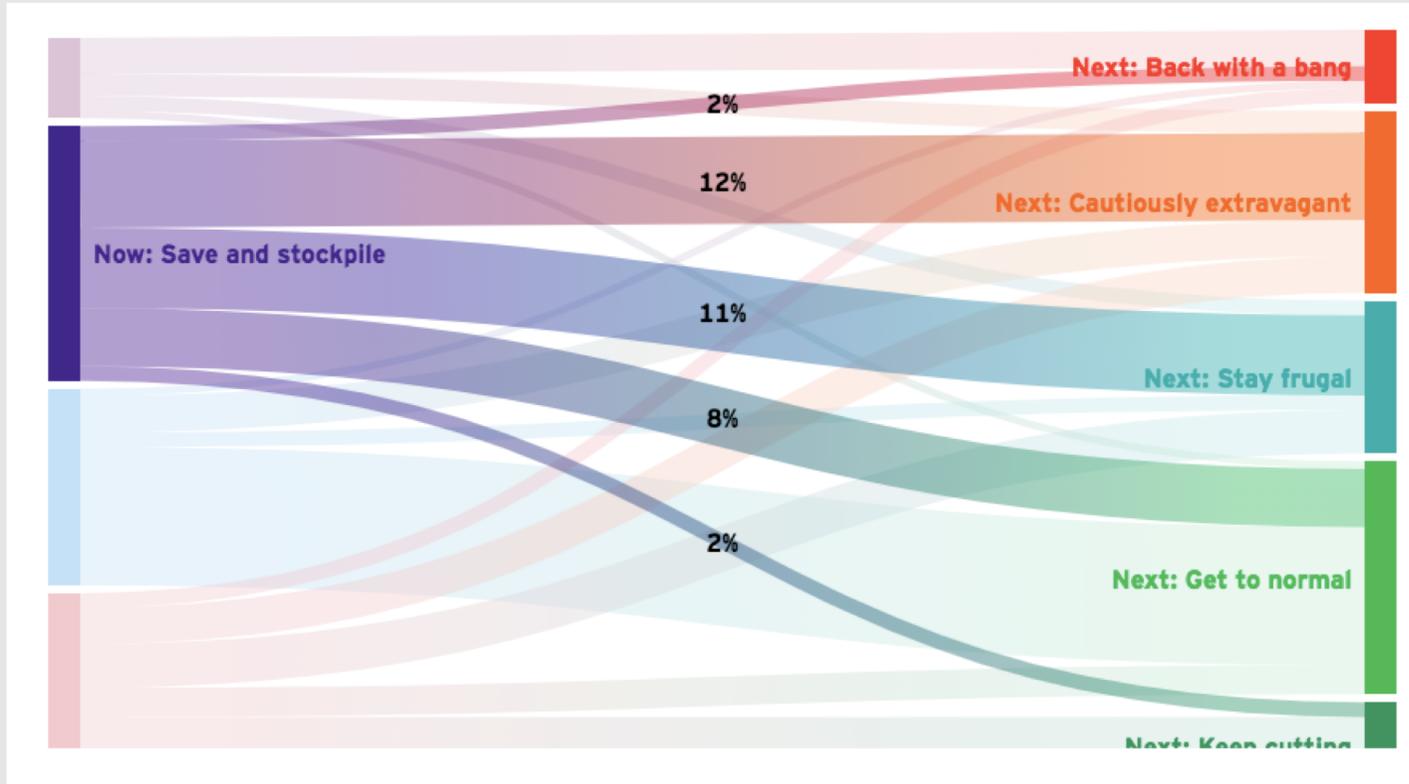


A Y-shaped recovery is a combination of U & L-shaped recoveries. In this (likely) case, the economy divides into two tracks: slow and fast sectors.

Both fast and slow recoveries.

Personas Are Changing Quickly

Customer personas are rapidly changing and will change again as we enter the Next Normal. Keep up with changes through relentless customer conversations.



EY Predicts These Five Next Normal Personas

- Get to Normal (31%)
- Cautiously Extravagant (25%)
- Stay Frugal (22%)
- Keep Cutting (13%)
- Back with a Bang (9%)

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Embrace Agile at All Levels

Agile Work Flow: The only way to pivot and navigate the constantly shifting landscape is to follow agile work flows. This means a focus on talking to customers, testing ideas, and iterating based on data.

Agile Team Structure: Agile organizational structure is much less popular, yet it is a key to minimizing operational overhead while maximizing marketing returns.

An agile-squad model can raise a company's metabolic rate. 

	Consumer- and market- insights squad		Marketing cash-liberation squad
<p>Central hub for monitoring changes in consumer sentiment/behavior, market and regulations Feeds information to other squads and enables quick response to market changes</p>		<p>Prioritizes immediate review of cost base and budget Contributes to company stability & other marketing efforts (eg, communications)</p>	
	Growth squad		Digital marketing and sales squad
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			Post-COVID-19 growth squad
		<p>Develops clear plan for next normal Balances resourcing with short-term squad</p>	

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Continuous Customer Conversations

Three days a week at 7:00 AM, senior Procter & Gamble executives check in with each other about their customers: what they're buying, how their needs are changing, and whether the company's products are hitting the mark (CNN).

Daily Stand-Ups

Stand-ups create a daily flow of real-time issues from the ground up. Stand-ups must answer three things:

1. What did you do yesterday?
2. What are you doing today?
3. Any roadblocks in your way?

Each stand-up manager attends two stand-ups, gathering info from their reports and passing it to their manager.

Daily/Weekly Calls

Identify key information sources and ensure you have daily calls with them. These sources could be analysts, key customers, government officials, key groups of customers, account teams, etc.

Schedule a weekly call with your full team and have each sub-team report on progress. Fast paced, full call should take 30 min.

Internal Data Feed(s)

There should be real-time data feeds of information for various teams, projects, and information. Real-time and collaborative are key.

Ex Format:

Slack Channels, Chatter Group, Google Doc, MS Team, Quip

Ex Content:

Daily analyst reports, customer stories, project collaboration, success stories

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Messaging Changes with Micro Stages

Within the larger framework, there will be many micro stages where messaging must change. This requires a very fast and agile marketing team, able to listen and respond nearly in real time. This is a muscle you must develop now, as it will be critical moving forward.

Beginning (Feb-March)

Inform — help your audience understand what they need to do: wash hands, maintain social distancing.

Unity — show unity by separating brand logos and using images of distance.

Lockdown (March-May)

Solidarity — social distancing is hard; show how you are standing with them.

Heroes — show your support for front-line workers.

Inspire — entertain, inspire, and help give them something to do during lock down.

Reopening (April-July)

Recommit — as you move to reopen, remind your audience what you stand for.

Open for business — create simple messages about being open and how you are keeping employees and customers safe.

Recovery Begins (July->)

Purpose Driven — focus on a purpose beyond your product.

Inspire/Entertain — support a New Normal lifestyle and inspire greatness within it, and entertain the younger generation.

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Agile Is The Key to Future Proof Your Marketing



Lessonly pivots overnight to create a coloring book

Lessonly scrapped content plans when COVID-19 hit and pivoted to create a coloring book (Context Marketing). Saying, “We hope it brightens your day and helps you Do Better Work and, more importantly, live a better life!”



Salesforce Reimagines World Tour

Our flagship in market event which would have had 5k physical attendance was able to pivot in just two weeks to become fully digital. The effort reached 80,000 customers.

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The New Consumer Demands

Which consumer behaviors will stick

Safety Will Remain Priority Until Vaccine

Businesses Need Protocols for Cleaning: 81% of consumers said habitually cleaning high-traffic surfaces would make them feel more comfortable in businesses. This option received the highest percentage of all options, followed by more hand sanitizer stations.

Requiring employees to wear masks, limiting capacity in stores, having specific hours for the vulnerable, and requiring customers to wear masks all make customers more comfortable.

Source: Morning Consult Survey of 2000 US Consumers May 14.

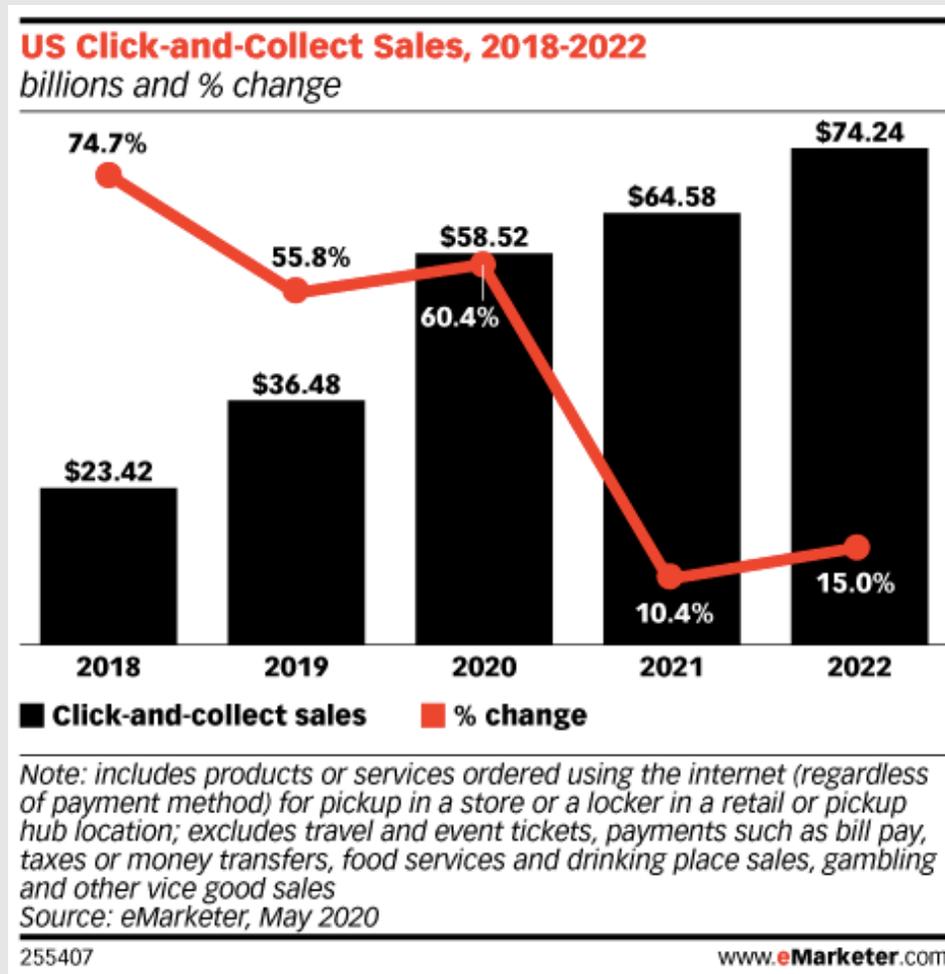
Consumers Will Avoid / Distance For 6 Months: Almost 40% of consumers expect to take avoidance action for more than six months. Among consumers expecting to retain changed behaviors, around 60.4% expect to have less physical interaction in the New Normal.

Source Coresight Research

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Safety Forced New Consumer Expectations



Buy Online, Pick Up in Store (BOPIS)

In Q1, sites with BOPIS grew their digital revenue twice as fast as those who didn't offer BOPIS.

Between March 10 and March 20, daily digital revenue spend for sites offering BOPIS — via curbside, car, drive-through, or store pickup — **grew by 92% compared to 19% for sites not offering it over the same period.**

Contactless Checkout

- Online orders using a mobile wallet grew by 39% in Q1, representing 26% of all digital orders – Salesforce Research
- American Express study reported that **58% of consumers are more likely to use contactless payments now than ever before** @msweezy

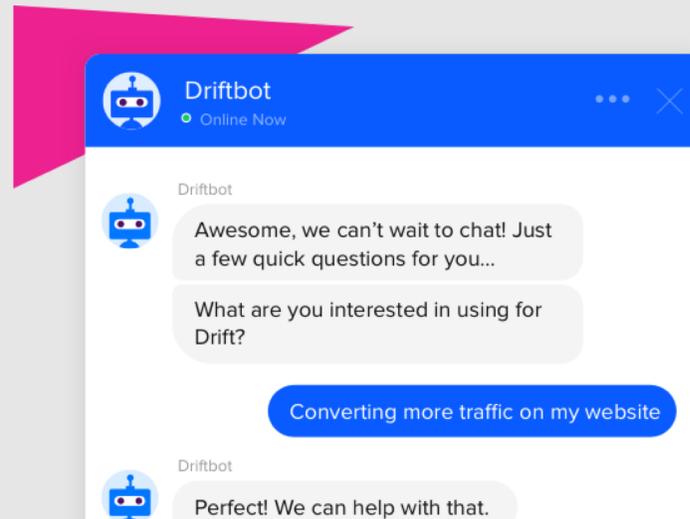
DO: Expand Self-Service Offerings

BOPIS

PRE COVID DATA: US e-commerce click-and-collect sales jumped 74.7% to \$23.42 billion in 2018 and 55.8% to \$36.48 billion in 2019. Due to increased demand for click-and-collect amid the pandemic, we expect sales to surge 60.4% to \$58.52 billion in 2020, up from a prior estimate of 38.6% growth.

Conversational Marketing

20 billion monthly messages were sent between people and businesses as of 2019, which is **2.5 times more** YoY compared to Q2 2018.



e-Commerce

An April 2020 report from Antaxi found that 56% of respondents report shopping online more now than ever before, and—more significantly—**53% plan to do more of their shopping online** after the crisis is over.

All businesses now must become digital-first to meet consumer behavior in the Next Normal.

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A New Digital Baseline For All Buyers

The number of consumers who now use digital channels has increased by an average of 20-25%. And first-time digital consumers account for almost 40% of the growth in digital goods and services.

600 million daily video meeting participants (MS Team/Zoom) = **1 in 13 of world population**

Google Hangouts: 60% daily increase (**25X more use than in January**)

20% more groceries were bought online than in-store for the first time in history.

e-Commerce more than doubled from 13% to 30%– a threshold projected for 2025.

There has been a **4X increase in the use of telehealth during COVID**, and this is only the beginning. In 2019, only 11% of US consumers used telehealth, compared with 46% today.

*During COVID there was a **4X increase in Google searches for “data plan upgrade.”***

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DO: Invest in Digital Infrastructure

Leaders are shifting TV ad dollars to digital video and e-commerce. TV spend is likely to be down 23-29% from 2019, with wise brands shifting that spend to experiences and digital efforts.



A General Mills spokesperson told *WSJ* that the company was shifting TV ad dollars to digital video and e-commerce. And for **many it's not perceived as a temporary backup plan, but a viable strategy for the future:** Half (50%) of the respondents to the Advertiser Perceptions survey said they felt it was possible to replace linear TV reach with OTT/CTV and digital video ads.

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Financial Stress Puts Loyalty Up For Grabs

Trading Down: When consumers move down a level of luxury because of a tighter budget.

Loyalty Shock: Occurs when product scarcity or a tight budget spurs the trial of new brands. Because many of those new trials will be successful, loyalty to the former brand decreases.

McKinsey found that 30-40% of consumers have been trying new brands and products. Half of these consumers switch because their desired product is unavailable; an additional 19% purchased cheaper available options.

Lasting effect: Of the consumers who switched brands, 12% expect to continue purchasing the new brands after the pandemic. (Household brands purchased during the last downturn saw a sustained 10% rise post 2008.)

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DO: Invest In House Brands or DTC

25% of consumers tried private-label brands for the first time during the pandemic crisis. At least 30% of those who tried them plan to stick with them.

Direct To Consumer (DTC)

Nestle's global e-commerce sales shot up 30% in the first three months of 2020.

Procter & Gamble reported 35% growth in online sales over the same period.

Private Label

Private labels made up 16% of the market before the pandemic, up two percentage points since 2014, according to market research firm [IRI](#).

Since the start of the pandemic in the US, private-label sales grew **29%, outpacing regular-branded product sales, which grew by 24%**, according to the most recent data from Nielsen.



Target recently launched Good & Gather, a food and beverage brand the retailer expects will become its biggest store line.

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B2B DO: Double Down on ABM

89% of B2B brands have enlisted some form of Account-Based Marketing and are spending, on average, 16% of their total budgets on it. In addition, high performers are spending 30% more on ABM than their underperforming counterparts.

Shift ABM Targets: Engage customers in priority order based on (i) need, (ii) Customer Lifetime Value score, (iii) fast ROI.

Empower Reps with Real-Time Intelligence: SDR, BDR, and AEs must be empowered with real-time insights on their target accounts so they know whom to reach out to, when, and what to discuss.

Evolve ABM Past Basic IP Targeting: The New Normal will also be free of third-party cookies, requiring ABM strategies to be more advanced than simply IP targeting. Look for more advanced ways of collaborating, targeting, and deploying your efforts.

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B2B DO: Increases Event Cadence 5X-9X

NYT has deconstructed a large event and reconfigured it into a short digital experience. They have increased the frequency by 5X, with the goal of 9X.

*Pre-COVID: 40 Events Planned
for 2020*



*Post COVID: Goal - 1
Per day*

The New York Times Events

Make the most of your time indoors. Better understand the world outside.
Experience New York Times events, live at home.



STYLES
A Moment of Calm with Jewel
MAY 6



DEALBOOK
Debrief: In it Together?
MAY 7



TOGETHER APART
Taking Vows Amid the Virus
MAY 7



COOKING
Happy Hour With The Times: Sam Sifton and Kim Severson
MAY 7



NEWSROOM
This Is Good
MAY 8



THE STONE
Facts, Fiction and Fake News in the Pandemic
MAY 10

*How They Plan to
Meet That Goal*

- Task Force made of 6 cross discipline team members. They meet once a week.
- Transitioned production into 3 person team pods. A Pod is responsible for a series, or event type
- The Task Force created a playbook of beset practices to be shared with all pods

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Conclusions

A quick re-cap

“This is the greatest amount of uncertainty I’ve ever seen in my career”

Peter Schwartz, SVP Strategic Planning Salesforce

Agility Is Your Best Asset To Battle Change

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In China, McKinsey found a 3-6% stickiness for new behaviors exhibited during the pandemic

The New Normal Consumer

In general, current predictions suggest that consumers will retain 3-6% of their new behaviors. —
McKinsey & Company, derived from trends seen now in China

Digitally Developed

The majority of consumers will now be digital first. They will find products digitally, evaluate them, order, and even embrace new concepts of the digital world, like eSports.

Brand Fluid

Consumers are price sensitive and trading down when finding products out of stock. They have put their brand loyalty up for grabs because they have to.



Cautiously Optimistic

From their concerns about in-store safety to their heightened awareness of personal wellness, consumers are more mindful of their surroundings and actions, while hoping for brighter days. They want recovery, but realize it's going to be a while.

Comfort Seeking

Consumers will seek products that provide them comfort, will spend more time at home, and will seek stability in new routines.

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Thank You

Slides available at [Mathewsweezey.com](https://mathewsweezey.com)