



EMPOWER

The New Normal Field Guide

How To Navigate Marketing Post COVID-19



Retail Center of Excellence

Navigating marketing in THE NEW NORMAL



At Empower, we have been working tirelessly to learn fast and stake a position regarding the best way to get your marketing up and running again post COVID-19. If you are familiar with our agency, you'll know this is one of our core values—"Plant the Flag"—in action. We take a position backed by strong conviction. In this case, our Retail Center of Excellence team has created a "Field Guide" on how to navigate your marketing through the first 90 days post COVID-19. While we don't pretend to have all the answers, we are confident it represents the major strategic steps necessary to get your business up and running again in the "New Normal." - *Jim Price, CEO Empower*



Crawl



Walk



Run

When Stay at Home/Shelter in Place orders are initially lifted, we are recommending a Crawl, Walk and Run marketing strategy. In this document, Empower's Retail Center of Excellence team will focus the Field Guide on the *Crawl* strategies to deploy during the first 90 days post COVID-19.

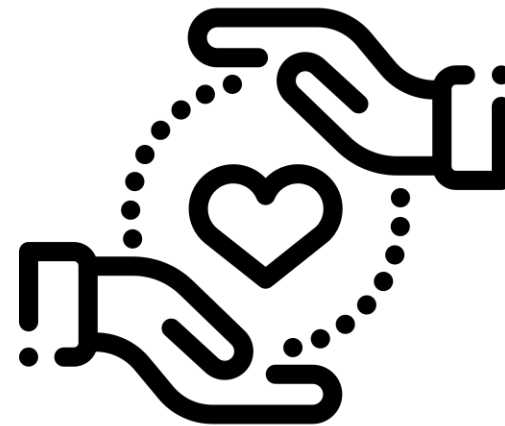
Consumer behavior is changing, so should your marketing



While consumer behavior is changing, focusing on current and projected trends is necessary to ensure the shifts are both known and prepared for:



Digital Media Consumption



Health and Safety



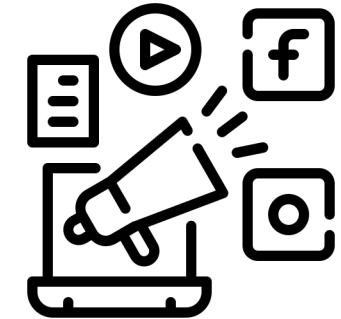
E-Commerce

Focus on current and projected trends to inform your marketing



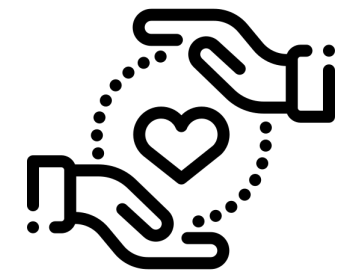
1. Digital consumption is accelerated: media consumption is increasing and will continue to increase through channels such as social media, online video, and streaming services

- 55% of consumers have increased their streaming from subscription services
- 64% of consumers have increased their social media usage



2. Health and safety will be a priority: consumers will look to retailers to make conscious decisions regarding ethical responsibility and building trust

- Very important to leverage when targeting millennial consumers



3. Consumers want to be met where they are: there is demand to be made familiar with a brand's online commerce

- 14% of those who had online ship-to-home orders in the last month indicated it was their first time participating in such an offering
- 24% of adults said they wouldn't feel comfortable shopping in a mall for 6+ months



Source: Numerator, Update Impact on COVID-19 Consumer Behavior

Source: Retail Dive, What Retail Could Look Like When Stores Re-Open

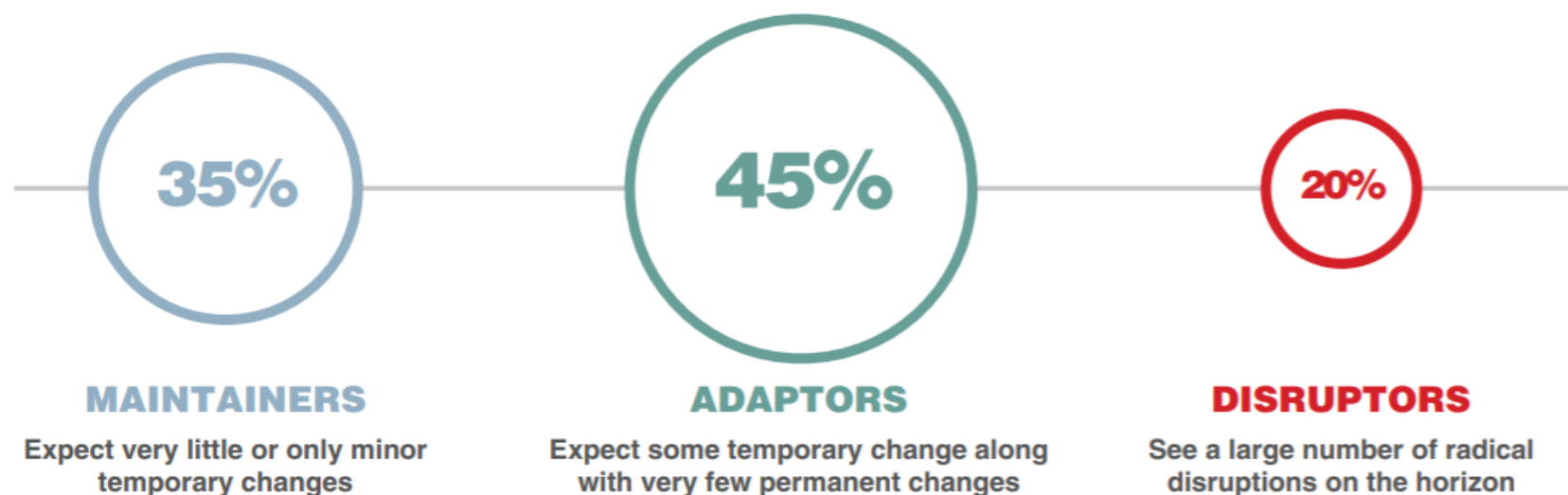
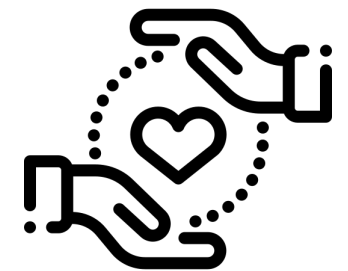
Lifestyles will be permanently adjusted



Moving into post-COVID life, three distinct groups can be formed based on their lifestyle choices. These groups are each composed of Americans age 18+.

Between the Adaptors and Disruptors groups, 65% of consumers will adjust their lifestyles permanently following the moderation of COVID-19 in some way.

20% of this combined grouping, the Disruptors, will make "radical" changes in their social and spending habits.

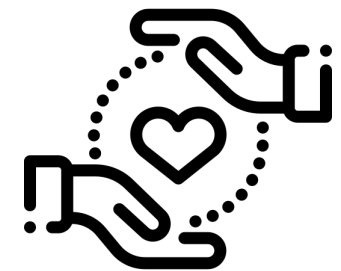


Lifestyles will be permanently adjusted



WHO ARE THE DISRUPTORS?

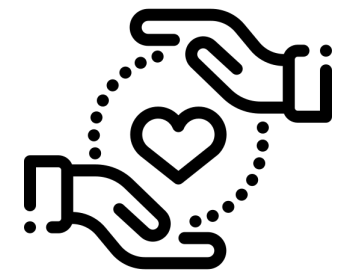
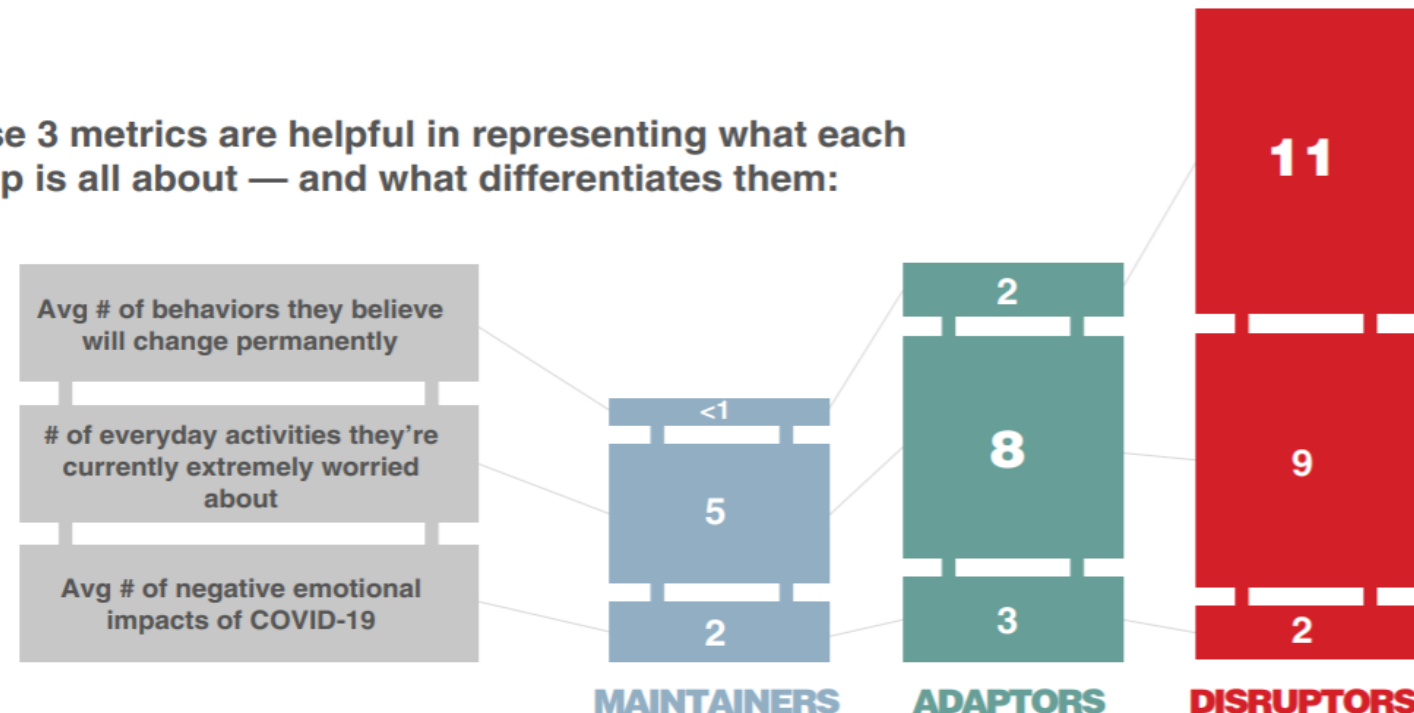
- **Ages 35-54**
- **They are more likely...**
- **To live in a large city**
- **To be married**
- **To have kids under 18 in their homes**
- **To try new brands or services**
- **To be on a strict financial budget**
- **To buy items on sale and use coupons**
- **To be doing extreme social distancing**



Some behaviors will change permanently

- While all groups are concerned about the current state of things, the **Adaptors** and **Disruptors** are the two groups looking to change habitual actions.
- They will be looking to change anywhere from 2-11+ habits in the post-COVID society.
- This majority will drive the three current trends referenced to remain on the same course.

These 3 metrics are helpful in representing what each group is all about — and what differentiates them:



Digital consumption will drive higher media engagement

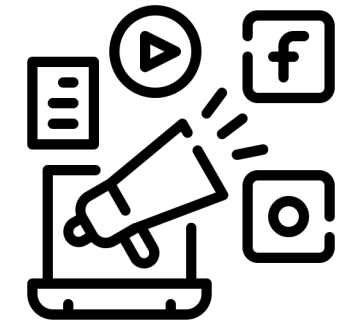


- **The loss of large Cable TV Advertising events (March Madness, Olympics, Kentucky Derby, etc.) will ultimately lead to up to a 25% decline in traditional TV viewership. This will accelerate the already prominent decline of traditional pay TV subscribers seen in the past year.**
- **Advertisers will heavily consider a shift from linear TV to other inventory such as streaming and other forms of online video as growth rates of up to 60% (based on past disasters) could be seen.**

Olympics postponement alone throws more than

\$1 billion

in advertising into limbo



Cord-cutting households make up

20%

of the total US population



Live streaming across Online Video grew

66%

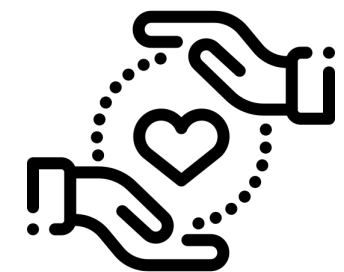
which is driving overall Video growth, not Linear TV



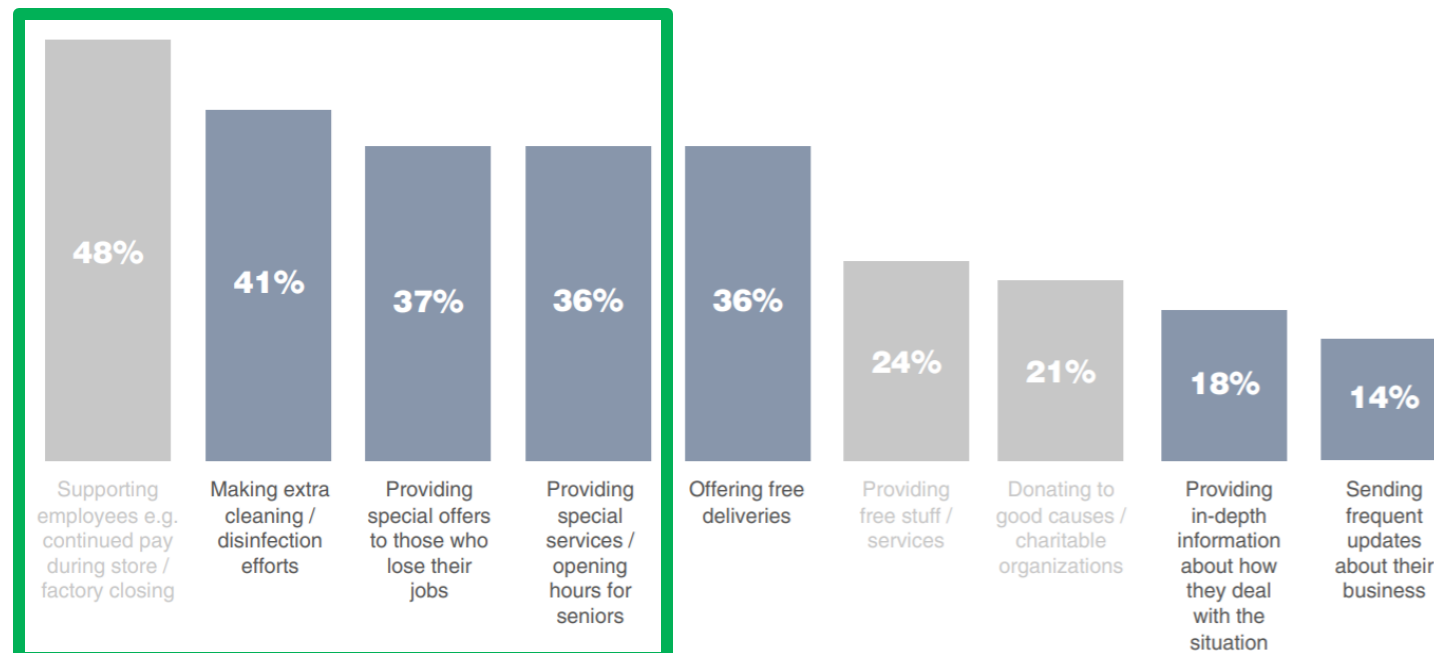
Consumers will want public health and ethical responsibility



- **American consumers aged 18+ are currently forming judgements on companies for actions that prioritize safety and health.**
- **Alongside looking to what companies do to take care of people throughout the outbreak, the top 4 drivers for consumer sentiment include maintaining health and responsibility within their stores and workforce after the virus subsides.**



Consumers want to see tangible actions that put people first



Ecommerce engagement with consumers will grow



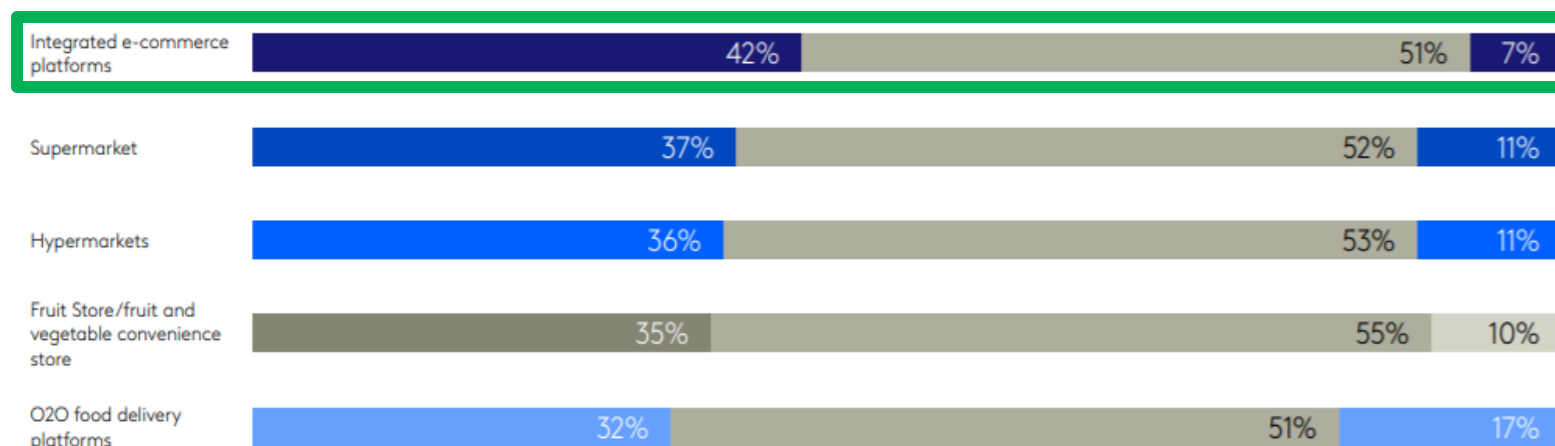
THE TREND TOWARDS E-COMMERCE WILL PERSIST

- The penetration rate of online channels is forecasted to grow more strongly post COVID-19.
- 42% of consumers tend to purchase more through integrated e-commerce platforms, compared with only 8% who would buy less from such channels.
- Opens the substantial opportunity to engage with consumers through BOPIS, ship-to-home, and other e-commerce options considering their current interest.



Possibilities of change in various channels after the epidemic

(N=1093) ■ The frequency of use gradually increases ■ Unchanged ■ The frequency of use gradually decreases



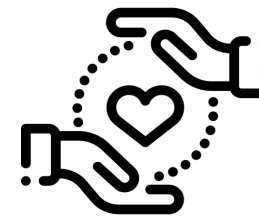
Source: Kantar, Assessing the impact: A cross industry view on the impact of COVID in China

Summary of trends in THE "NEW NORMAL"



Digital Consumption will continue to rise

- **TV Advertising opportunities will fall with the loss of major events**
- **Up to a 25% decline in Linear TV viewership as cord cutting will persist in American Households**
- **Advertisers will look to shift dollars out of Linear TV**



Health and Safety will drive consumer sentiment

- **Consumer sentiment will continue to revolve around sanitary environments**
- **Ease-of-service and safety will drive consumers to search for safer ways to engage with companies**
- **Companies can leverage the first 90 days to put out effective and timely media**



E-Commerce opportunities will continue to be abundant

- **Shoppers will not be eager to return to normalcy in buying habits**
- **Consumers will look to engage through offerings such as BOPIS, ship-to-home and other e-commerce channels**
- **E-commerce will both help with mitigating losses of foot traffic, but also connecting consumers to the brick and mortar stores post COVID-19**



“Re-Opening” Strategy

Re-opening your stores (and website): Strategy



When initial restrictions begin to be lifted, we recommend you think of this as an opportunity to tell your customers you have “Re-opened” your locations in their area and you are now open for business. Your ecommerce/website should be in concert with this strategy as more customers will be willing to start spending.

RE-OPENING STRATEGY: Work with Empower and your key partners/associates to build a customized marketing plan for each store location

- Social responsibility best practices
- Strategic media planning
- Assess competitive landscape
- Exclusive “in-store only” giveaways/raffles
- Develop strong promotional offers
- Well thought out store communication



GOAL: Increase sales by quickly building awareness that your stores are now open for business. A strong promotion is recommended but must be conscious of your audiences' current financial situation. Safety and health measures should be included in your messaging.

CAVEAT: Empower and your marketing teams will have to work within the restraints of your budgets *and* the restrictions government bodies place on the store locations in your footprint. It will be imperative to balance your marketing spend with the potential number of customers who could come into your locations or web.

We have created a re-opening field guide for post C-19 navigation



Within the new normal of business operations, Empower's Re-Opening Field Guide is within the proven 5 P's framework.

The brand's audience is in the middle of the framework and is what every step should be built against.



Store Re-opening Process | Audience



Empower recommends an audience-first approach to kicking off the “Re-opening” marketing of Brick and mortar stores (and website) by reviewing your segmentation first and working with Empower to revise how your key audience groups are changing media habits due to C-19.

Here are some examples of how consumer behavior is shifting in the current landscape:



**GEN Z/
MILLENNIALS**

Saddened about missed milestones and worried about delays in education and career. They are acutely bored and miss social interaction

- Online Video +51% - +44%
- OTT/CTV +38% - 41%
- Video Gaming +31%

They are eager to return to the normalcy of retail experiences. They care about how retail employees are treated and expect a consistent experience between store and web



**MILLENNIALS
/GEN X**

Overwhelmed by responsibility. Stressed by work dynamics, homeschooling, etc. Worried about income security and health for their extended families

- Online Video +44 – +35%
- OTT/CTV +41 - +38%
- Broadcast TV + 35% - 45%

Shift in retail mindset from fulfilling desires to finding solutions.² They will continue to prioritize “instant gratification” in shopping post C-19, whether that is store experience or an expectation of fast, low-cost delivery



**BABY
BOOMERS**

Maintaining vs. Adapting mindset is most apparent. Some are resentful about “being told what to do.” For others, the risk to their age group has prompted significant lifestyle changes

- Broadcast TV +42%
- OTT/CTV +21%
- No change +24%

Boomers have been motivated to try online shopping, grocery/meal delivery and digital entertainment. Many will continue using these services after C-19. They will continue to prioritize customer service support both in brick and click interactions with retailers

STORE RE-OPENING 5 P's | PEOPLE

Identify tangible ways to benefit employees and the community

Focus on People to Strengthen Customer Experience and Brand Health

- Customer appreciation for retail workers is on the rise. Gen Z and Millennial customers are loyal to brands that put people first.
- Employees are your primary ambassadors and can also be your biggest detractors. Give them motivation to stay loyal and be brand advocates.

Put Safety Measures in Place for Employee and Customer Peace of Mind

- Be aware that your employees may have mixed emotions about returning to work. Retail employee fears about going to work increased from 29% to 41% by late March.

Focus on Retaining and Recruiting Top Employees

- Identify quick wins for team building and boosting morale.
 - Younger workers, in particular, value feedback. Team building huddles and recognition go a long way.
- If you are in a position to create jobs, it can pay dividends operationally and be a positive marketing halo for the brand.
 - Domino's created a zoom-produced, uplifting recruitment ad.
- Strong recruitment and employment branding strategies can help you attract new, desirable entrants to the retail industry - students on breaks from school, qualified displaced workers from other sectors.

PEOPLE

- Employees
- Managers
- Customer Service
- The Community



STORE RE-OPENING 5 P's | PLACE

Update your retail and website to convey safety and relevancy

Instill Store Re-Opening Safety Procedures/Protocols

- Gloves and hand sanitizer stations in-store
- Safe distancing b/w sales associate and customer
- Include details of your policies on your website and link to credible CDC sources to validate vs. developing custom health-related content

Reconsider Hours of Operation

- Special Hours / Private Appointments for vulnerable guests
- Allow time for restocking and cleaning. Make sure new hours are clear to customers

Communicate Effectively While Crisis is Top of Mind

- Positioning special purchases available due to back stock of inventory from store closures
- Recognize some shoppers may want to interact while others may still be in social distance mode

Create an Appealing Omni-Channel Distribution Experience

- Customers will be engaging with your brand in store AND online.
- Provide an experience that suits their preferred way to shop
 - Curbside pick-up, free or discounted delivery
 - Revisit both online and phone customer service

Develop Community/Charitable Tie Ins

- Identify a focus to support members of the community or C-19 related causes (hunger and humanity)
 - Starbucks is giving free coffee to healthcare workers
 - Kendra Scott is donating 50% of "Shop for Good" jewelry proceeds to Feeding America

PLACE

- Retail
- Website
- Omni-channel Distribution
- Community



STORE RE-OPENING 5 P's | PRODUCT

Revisit marketing plans to emphasize products that meet current needs

Consumers Have Shifted to Problem Solving Mode

- Purchasing priorities have moved from discretionary to necessity. Consumers are still likely to gravitate toward useful and DIY-style purchases as they continue to prioritize finding solutions vs. fulfilling desires.
 - Categories with sales spikes in March included Home Office Supplies, Toys, and Small Appliances

Past Behavior Predicts Future Priorities

- Shoppers will likely continue to gravitate toward home-centric purchases in the event of future outbreaks. Top categories have included home fitness, arts and crafts, home beauty and games. Athleisure (fancy sweatpants) are up 50% in March.

Plan Ahead for Inventory Fluctuations

- Avoid customer frustration with out-of-stock items with suggestive selling and clear communication regarding delays, restocking, etc.
- Be creative and opportunistic with excess inventory. Create excitement with "door buster" markdowns, closeouts, etc.

PRODUCT

- Design
- Technology
- Functionality
- Quality
- Packaging
- Inventory



STORE RE-OPENING 5 P's | PRICE

Continue to identify compelling offers to motivate customers to reengage

Most Consumers Will Be Price Sensitive and Looking for Deals

- Given economic uncertainty and rising unemployment, shoppers will shift toward more price-conscious consumerism.
- 83% of shoppers say they're looking for low prices and deals, including 27% who say they're doing that more often now
- Identify your brands right to win value-conscious purchases for both brick and mortar and e-comm shoppers.

Some Consumers Will Have Extra Disposable Income

- With no travel, live events or date nights, some consumers may be ready to splurge on big purchases in certain industries.
- Don't shy away from featuring premium price, top-of-the-line products, but be sensitive to how you are targeting the message.

Your Best Bets Are Your Current Customers

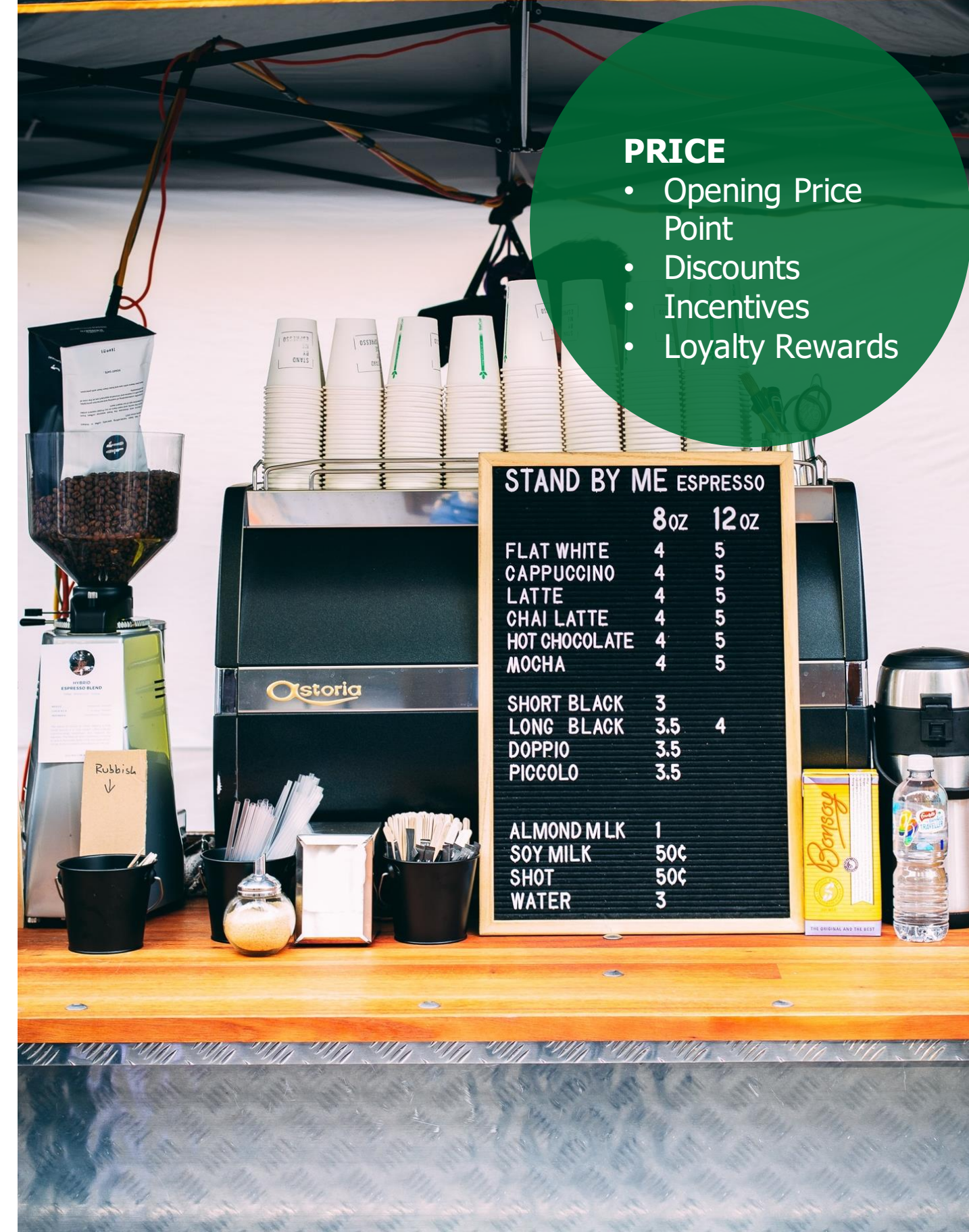
- This environment is the perfect time to leverage CRM with compelling offers to loyal customers or target lapsed customers.
- Trigger purchase among current customers with targeted incentives and/or compelling loyalty perks.

Personalize Acquisition Campaigns to Avoid "White Noise" Effect

- So many retailers will be running huge sales that customers will tune them out.
- In order to attract new or lapsed customers, target promotions in a relevant way based on seasonality or segmentation.

PRICE

- Opening Price Point
- Discounts
- Incentives
- Loyalty Rewards



STAND BY ME ESPRESSO

| | 8oz | 12oz |
|---------------|-----|------|
| FLAT WHITE | 4 | 5 |
| CAPPUCCINO | 4 | 5 |
| LATTE | 4 | 5 |
| CHAI LATTE | 4 | 5 |
| HOT CHOCOLATE | 4 | 5 |
| MOCHA | 4 | 5 |
| SHORT BLACK | 3 | |
| LONG BLACK | 3.5 | 4 |
| DOPPIO | 3.5 | |
| PICCOLO | 3.5 | |
| ALMOND MLK | 1 | |
| SOY MILK | 50¢ | |
| SHOT | 50¢ | |
| WATER | 3 | |

STORE RE-OPENING 5 P's | PROMOTION

Amplify the most compelling aspects of your reopening strategy

Messaging Should Be Sensitive & Relevant to the Times

- Find a balance between brand equity and customer engagement:
 - Tie brand purpose authentically to community and cause support
 - Discounts in support of loyal customers and affected groups are effective and uplifting
 - New news and seasonally relevant promotions will continue to appeal to consumers over time as they seek a return to their routines and rituals

Support Your Re-Opening With Paid Media

- Local marketing tools and social media can be activated quickly and cost effectively.
 - Work with Empower to build an activation plan that matches your goals, audiences and budgets.

Plan for Earned and Shared Media Opportunities

- Build a hook into your re-opening that will make the media and brand fans want to share the news.
 - Consider tying a fundraiser, sweepstakes, etc. to the grand re-opening.
- Create a photo op-worthy backdrop or event hashtag to encourage sharing.

Evaluate the Competition

- Audit what your competition is doing in the category and what other brands you aspire to are doing overall.

PROMOTION

- Message
- Public Relations
- Sponsorships
- WOMM/
Endorsements
- Media

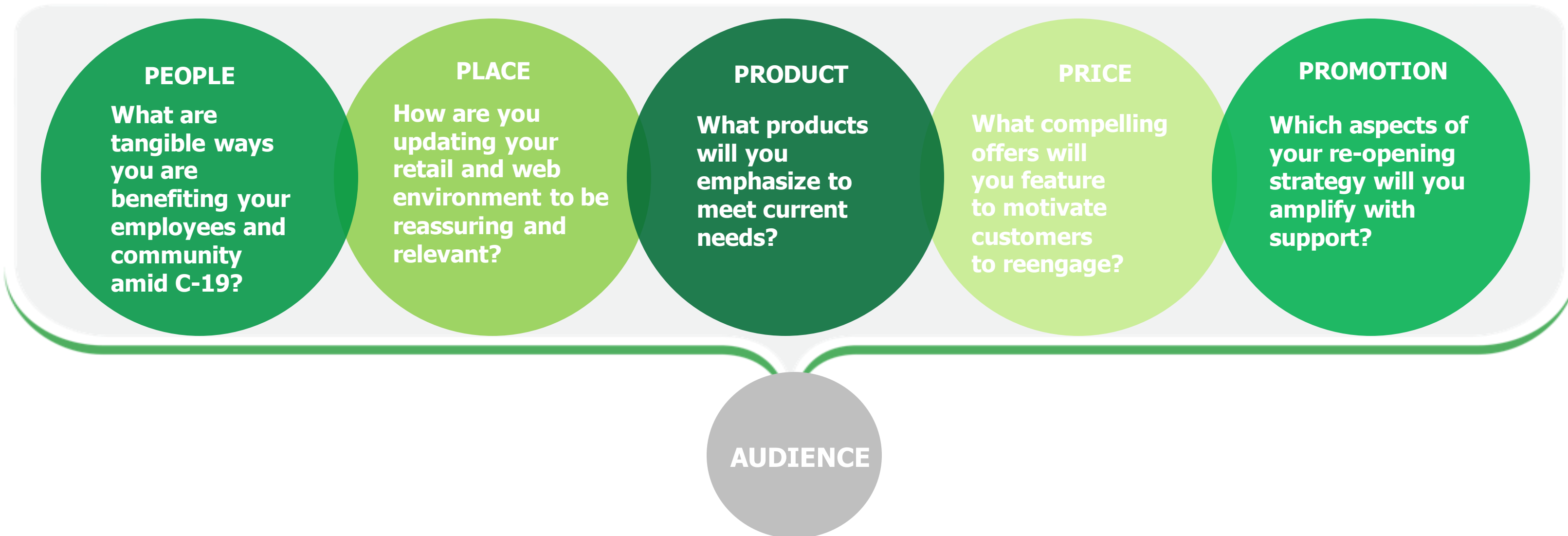


Re-opening activation summary



Empower recommends you “plant your flag” and identify clear points of difference for your brand in the C-19 “new normal.” This exercise will inform your integrated marketing strategy as you Re-open for business.

Evaluate your position through the lens of your audience. Are you taking a stand that will increase affinity, relevancy and urgency among current and prospective target audiences?





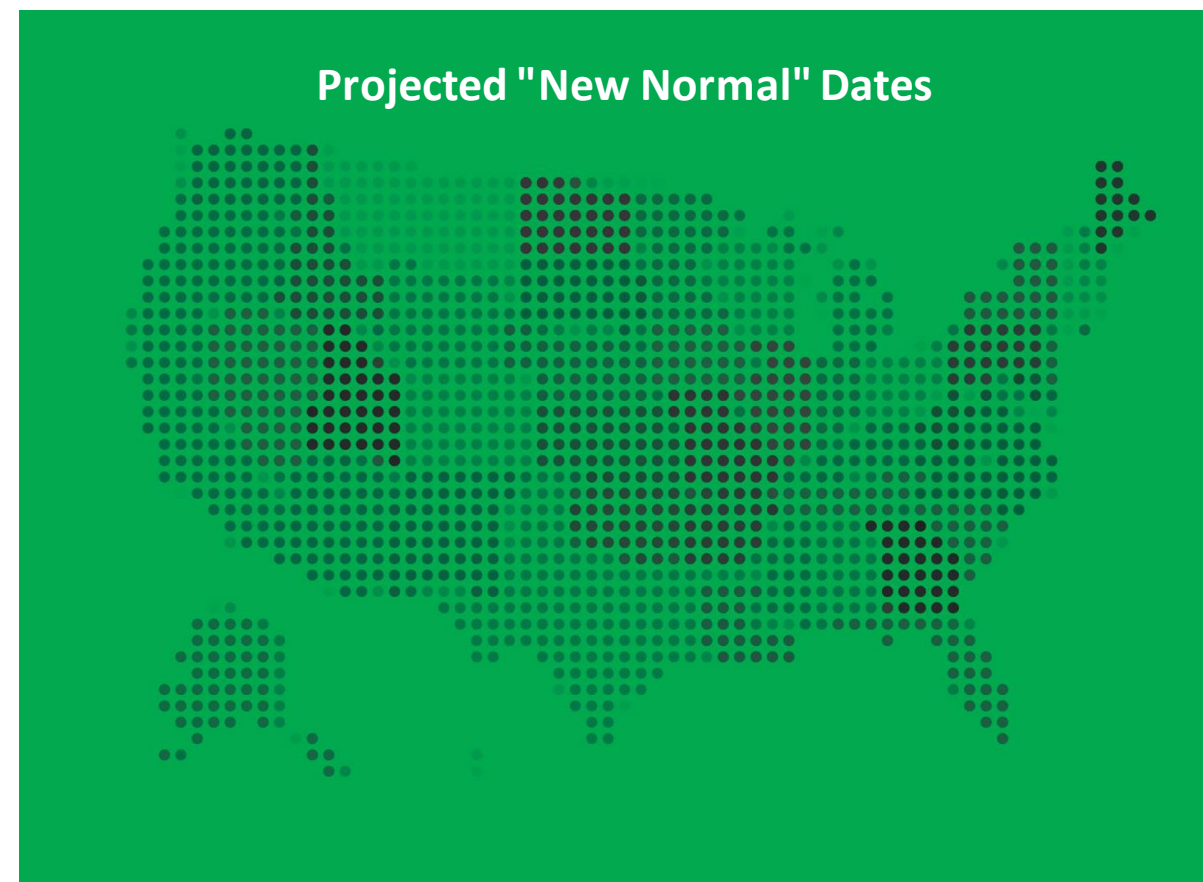
“Re-Opening” Activation Examples

Data science predicts a “return to normal” for each state



Through rigorous analysis of data, Empower has put together projections of when different states could be back to normal or some form of a “new normal.” We’re calling these milestone dates the “Projected Business as Usual Date.” This will be a projection we model and update weekly based on the latest data coming in from individual U.S. states and calibrated against what we are seeing in the rest of the world.

[Visit our website](#) to see our weekly updated projections.



Store re-opening marketing plan – client crawl example



Here is an example of a one-sheet on a typical re-opening marketing plan for a client that had to close during C-19

Owned/Organic Media:

- Social Posts
- Email
- CLIENT.COM geo-targeted banners/store locator page assets
- PR
 - Media alert – we're open
 - Press Release – we're open in a safe way, detail all precautionary measures taken in store
 - PR best practices – follow up with phone calls, ensure sales teams know that it's distributed, target local reporters/news directors, etc.

Media Buying Best Practices:

- Work with your Empower Data Science team to identify the "Return to Normal" date by State
- Negotiate stronger cancellation terms with vendors to provide greater media flexibility
- Revise media buys based on the growth/decline of media channel consumption during pandemic
- Continue to push for added value and/or free media
- Geo-fence/conquest competitor's offers in and around their stores
- Recommended media spend of 20-40% normal budget

In-Store Activation:

- Event POP
 - We are open banners and/or window clings
 - Activation Posters
 - Safety reassurance in store
 - Safety reassurance on delivery
 - In-store video loop
- In-Store Activities
 - Raffle for free TBD
 - Local giveaways in place of swag (restaurant gift certificates, etc.)

Local Paid Media:

- Lower funnel tactics should be prioritized given limited spending during the crawl phase
- Paid Search
- Paid Social/Digital
 - FB Live Event, invite Social Influencers to promote/attend remotely
 - FB/IG Store Visits
- Cross-Device Display
- Highly targeted video/audio



“Re-Opening” Strategy

Executive Summary: Crawl Space



Key Assumptions

- The marketing will start once social distancing measures have been lifted to the point where it makes financial sense to start creating awareness around your location(s) being reopened for business. It should coincide with when local communities can return to work and public spaces.
- This will likely be a first phase of social distancing easement and therefore your "Crawl" strategy. Marketing spend will need to be balanced with potential number of customers ready to spend money.
- Potential second round of infections should always be in the back of the team's minds along with how to adjust and be nimble with marketing plans.

Consumer Landscape

- As people slowly come together after weeks of social distancing, they may be facing new realities, including less disposable income, a newfound caution of germs and varying levels of willingness to be out in public with a certain number of people.
- Marketers will need to be sensitive to potential new shopping behaviors while also welcoming them back to the community.
- Overall, we are seeing the change in consumer landscape:
 - a. Media consumption is increasing and will continue to increase through channels such as social media, online video and streaming services
 - b. Health and safety will be a priority: consumers will look to retailers to make conscious decisions regarding ethical responsibility and building trust
 - c. Consumers want to be met where they are: the demand to be made familiar with a brand's online commerce
- Empower and client should insert specific brand segment landscape changes here.

Recommended Approach: Empower and client will work to build out

- This is a topline client example for demonstration purposes:
 - PEOPLE: Deploy company plan to show empathy and build trust among employees now to maximize engagement and build long term operational and brand health.
 - PLACE: Instill store re-opening safety procedures and work with store managers on new hours of operation. Create an appealing omni-channel distribution experience. And include local charitable tie-ins
 - PRICE: Most consumers will be price sensitive and looking for deals, so be very competitive in your offering. Focus your best sales on your current customers. And, in order to attract new or lapsed customers, target promotions in a relevant way based on historical.
 - PRODUCT: Consumers have shifted to problem solving mode (for example Home Office). Past behavior predicts future priorities, so shoppers will likely continue to gravitate toward home-centric purchases. Be sure to be creative and opportunistic with excess inventory as well.
- PROMOTION: 50% off, BOGO, strong financing terms, hands-free pickup and/or delivery, "We're safe with best value money can buy"
 - Top of funnel media channels focused on "We've Re-opened," Safe, Value, and Financing message
 - Video/Streaming
 - Bottom of funnel media channels to communicate strong promotional messaging (50% off, BOGO, No Min Purchase financing)
 - Search, Social, Digital
 - Budget: Up to 40% of usual promotional budget to be spent during Crawl phase
 - Timing: Look to Empower and their "Return to Normal" data science analysis on state-by-state basis to help with reopening timing. Be sure to follow local government guidelines.

CONTACT US:

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Store re-opening marketing plan – client example



Here is an example of a one-sheet on a typical reopening marketing plan

| Phase | Phase Definition | Difference from Previous Phase | Timing | Recommended Media Channels | Recommended Media Spend | Recommended Messaging |
|--------------|--|---|--|---|-------------------------|---|
| CRAWL | Small groups of 10 people, partial return to work, all vulnerable stay sheltered | Smaller gatherings allowed; gyms open | Initial restrictions lift date by state (2 weeks prior to "new normal" date on map") | Lower funnel tactics prioritized: search, social, display, potentially highly targeted video/audio | 20%-40% | E-comm promo/heartfelt/branding message |
| WALK | Daycares, Schools open, 50 or less people gathering, non-essential travel resume | Larger gatherings resume; daycare and schools open | "New normal" date via EMM projected map | In addition to the lower funnel tactics, bring in reach drivers like TV/OTT and audio channels to spread message that stores are open and safe. Additionally, for local markets, prioritize using local voices to make customers feel comfortable to come in store and to know what to expect (DJ endorsements/radio remotes/social channels) | 40%-70% | Promo/helpful/informational (consider longer-form spots where efficient, like :30s) |
| RUN | Close to previous normal, all operations and groups can congregate with sanitation protocols | Gatherings of all kinds back to normal, sanitation protocols continue | 2-4 weeks post "new normal date" | All recommended channels -- and re-evaluate how consumption may have changed during stay-at-home to make any strategic tweaks to allocations | 70%-100% | Promo/helpful/celebratory |