

# The Marketing Pivot

HOW TO PROMOTE YOUR  
BUSINESS DURING A DOWNTURN

HENRY ADASO

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## ABOUT THE AUTHOR

**Henry Adaso** is a digital marketing strategist with 15 years of experience. His experience includes a good blend of B2B and B2C marketing and branding, complemented by marketing agency experience. Henry was a journalist for the likes of VIBE Magazine, The Houston Press, MTV, LA Weekly and Dotdash. His journalism career translated to a successful marketing track, where he helped produce remarkable results for over 100 companies, yielding millions of dollars in incremental revenue, plus over a dozen marketing and advertising awards. Henry has worked for the likes of Rocawear, Apple Music and Equipment Depot. He currently heads up digital marketing for CEMEX USA, a leading global building materials company.



# HENRY ADASO

”

***“Start where you are,  
use what you have,  
and do what you can.”***

**Arthur Ashe**





# Henry Adaso





# INTRODUCTION

So, here we are: a world stuck in neutral. How did we get here?

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The health crisis created a seismic shift that challenged us in many ways. As the spread intensified throughout the globe, some of us soon found ourselves working from home with little in the way of certainty, normalcy or toilet paper.

The pandemic caught everyone off guard. Who could have predicted a world with no school, no graduation parties, no weddings, no religious gatherings and no live sports? Many of those activities were now happening exclusively in a virtual environment.

Everything felt different.

The pandemic reshaped just about every aspect of modern life.

It changed everything and everyone.

Whole businesses turned on their heads.


Millions of people barreled into financial turmoil.

Millions of workers suddenly displaced from the job market.

Millions of people infected with the deadly disease.

And worst of all, hundreds of thousands of people have lost their lives in the United States alone, as of this writing.





The COVID-19 pandemic experience will be tattooed on our memory. Our families will remember it as a time that both brought us closer together and tested our patience. Our young children will remember it as one of the defining moments of their formative years. Marketers and businessowners will remember it for the many questions it posed.

How do you even think about marketing during such a difficult period? How do you prioritize your efforts during a downturn? How do you spot the right opportunities?

Mostly, I've tried to answer one question with this book: "How do you think about marketing in a way that is both thoughtful and effective in the middle of a crisis?" I believe that there is no discipline better positioned to help businesses bounce back from a crisis than marketing. This is a call-to-action to be the one that makes a difference.

## WHY PIVOT?

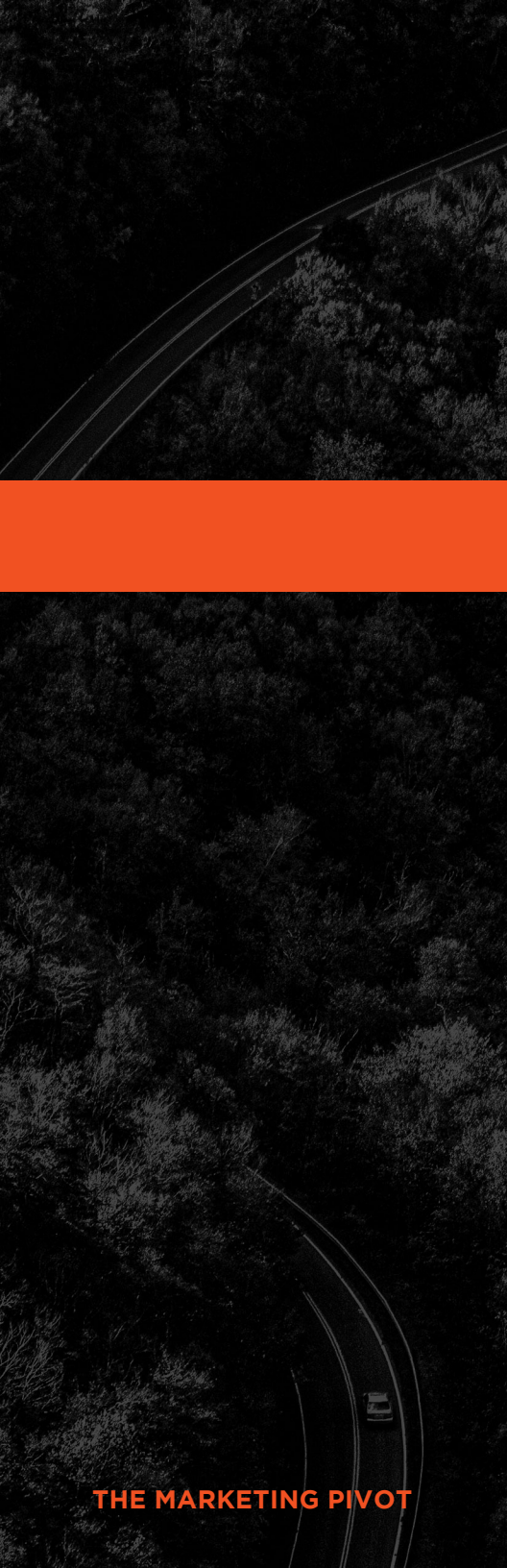
You may have had a marketing plan prior to the pandemic. It was probably a sound plan, complete with the right mix of strategies related to products, price, promotions, etcetera. That plan is now largely outdated.

Because.

Everything has changed.

The world has gone full digital. Shopping preferences are rapidly evolving to prioritize online channels. Safety is now top of mind. Entire industries, such





as automotive and hospitality, have undergone massive shifts, following the coronavirus pandemic.

Unless your pre-pandemic marketing plan was grounded in a great deal of clairvoyance, it's unlikely that it will be effective in a post-pandemic world.

So, your marketing plan needs to evolve to keep pace.

## THE S.E.N.S.E. FRAMEWORK


Your mind is playing pingpong with several meaningful questions. Your questions might be related to the following:

1. Customer Behavior: What's going on in the world of my customers? How are they spending money these days? What's important to them?
2. Customer Engagement: How should I communicate with my customers? How often? What do they need from me right now?
3. Business Support: What initiatives can I implement to support sales, leads and overall business growth?

Like you, I have been pondering these and many other questions as we battle a public health crisis further compounded by an economic downturn. I was searching for a strategic marketing approach that was also low-cost, pragmatic and highly effective.

So, I created the S.E.N.S.E. framework to help light the way in dark times.





The idea was born out of a desire to read the room, plan effectively and respond accordingly.

S.E.N.S.E. stands for: Sense, Empathize, Negotiate, Shape, and Envision. Think of it as a guiding principle that, if applied correctly, can help you increase customer trust and engagement.

Here's a synopsis of the S.E.N.S.E framework:

1. **Sense:** See the world around you. Take stock of the new trends that are impacting your marketing program. Don't worry about solutions at this stage of the process. The goal is simply to understand.
2. **Empathize:** Embrace the opportunity to show empathy and compassion. Unlock your brand personality in a thoughtful manner.
3. **Negotiate:** Notice the new opportunities that abound. Be open to negotiating new arrangements with your team, customers and vendors.
4. **Shape:** Reposition your marketing mix to reflect current realities. Think of it as an opportunity to refresh your product offerings, pricing strategies, tactical promotions and distribution systems.
5. **Envision:** Finally, look ahead and plan for tomorrow today. The key here is to think through how the crisis might end and prepare for success.

We will now explore each concept in detail, along with some examples and action items. Dig in.

## **PART I. SENSE**

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***“You must not let your need to be right be more important than your need to find out what’s true.”***

**- Ray Dalio**



# CHAPTER 1.

## MAKING SENSE OF IT ALL

The first step in any journey is to evaluate your starting point. Likewise, it's important to assess your baseline during a crisis in order to define the logical next steps. You may not like the outcome of the exercise, especially if the assessment reveals some bad news. But, the goal is to not let today's bad news deter you from tomorrow's good news.

### The Marketing Impact Analysis

To understand the new realities, start with what I like to call the marketing impact analysis. This is a thorough review of how a crisis has impacted your marketing program. This is critical because it can quickly help you identify what's important and where to direct your attention.

Begin by reviewing your pre-crisis performance. In the case of the coronavirus, March 2020 is a good baseline. The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. Many parts of the world enacted stay-home orders throughout March and the months that followed. So, March is a good place to start when assessing the damage.

Evaluate your marketing activities across all channels and tactics: social media, email, website, digital advertising, print, etc. Then, consult external sources to validate the trends.





## **Internal Analysis**

Create a list of your marketing channels and record your performance across them before and after COVID-19. Be honest. There's no wrong way to do this.

To better quantify the impact, ask the following questions:

- How are my marketing channels performing?
- How is my website performing? Did we see a spike in traffic? How did the crisis affect my lead volume?
- What's the impact on marketing-generated revenue?


## **External Analysis**

As you go through the exercise, consider obtaining external data through a research firm or the associations within your industry.

External sources can help you understand the following:

- How much did the downturn impact my industry at large?
- Which marketing channels were most affected?
- What new customer behaviors are emerging? Why?
- In practical terms, how do I compare with the industry?





A marketing impact analysis will prepare your business, giving you clarity on where you need to adapt. Note your observations as you analyze the data (for example, take note of any seasonal drivers that preceded the crisis). Armed with the data and knowledge of the impact, you are now better positioned to focus on the right marketing activities.

This can help you implement quick-hit campaigns (that is, low effort, high-value initiatives to generate momentum). You want to track your progress, so you can compare the results with what you've measured prior to the crisis.

Here are some metrics to consider for your benchmarking:

- Website metrics
- Social media performance (e.g. audience size, engagement rates)
- Email marketing engagement (e.g. click-thru rates, conversion rates)
- Lead volume
- Conversion rates
- Revenue from marketing activities



Here is what your COVID-19 benchmarking sheet might look like:

## **Marketing Impact Analysis Template**

<b>CHANNEL</b>	<b>KPI</b>	<b>METRICS</b>	<b>DATE</b>	<b>MOM %</b>	<b>YOY %</b>	<b>NOTES</b>
<b>Website</b>	Visits/Sessions	1000 PVs	3/1-3/30	+10%	+8%	
<b>Email</b>	Opens (Avg.)					
<b>Social Media</b>	Audience Size					
<b>Google Ads</b>	CTR (Avg.)					
<b>Google Ads</b>	Conversions					
<b>Leads</b>	Volume					



## Set Recovery Targets

Where do you want to be in 3 months? Six months? A year from now? After benchmarking the impact, the next step is to define your short-term and intermediate-term targets, while maintaining a view on your long-term business strategy.

The focus will vary from business to business. The short-term impact is important as you try to better understand how long the crisis will linger.

Track the same metrics from your benchmark on a rolling 30-day basis, noting the activities that help move you closer to your recovery targets.

Recovery targets will help your business crawl, walk and run.

Flying is optional.



### Action Items

1. Conduct a marketing impact analysis, including internal channels and external sources
2. Analyze the impact, noting any patterns and emerging opportunities
3. Set recovery targets based on short-term and intermediate-term goals. Maintain a view on your long-term vision.



## CHAPTER 2.

# THE (UN)LUCKY ONES


One Friday morning, I was going for a jog when I noticed a 24 x 36 poster on the window of a neighborhood convenience store. The sign simply read: “Masks Sold Here.” Like many businesses, the store recognized an opportunity to sell masks during a public health crisis and quickly pivoted to capitalize on it.

When I stopped by to buy a pack of masks, the store clerk mentioned that a doctor had purchased \$500 worth of masks the previous day. Mask business was booming.

According to the US Chamber of Commerce, the business categories thriving during the pandemic include:

- Groceries stores
- Sanitization services
- Liquor stores and wine stores
- Meal prep delivery services
- Canned and jarred goods companies
- Delivery services
- Drive-in movie theaters
- Game manufacturers and sellers
- Fitness equipment companies
- Landscaping and yard care companies



- 
- Baking companies
  - Coffee subscription companies
  - Gardening suppliers
  - Mask makers
  - Telehealth services

**In addition to the Chamber's list, I would add:**

- Streaming platforms
- Paper goods
- Collaboration software
- Office supplies

**Conversely, some business categories were decimated by the coronavirus pandemic. Struggling businesses include:**

- Airlines
- Hotels
- Spas
- Tattoo shops
- Pet sitters
- Ridesharing services
- Car rental companies
- Bars and clubs
- Gyms
- Matchmakers
- Auto mechanics



- Gas stations
- Small businesses (especially those owned by women and minorities)

Then, there are the Steady Eddies--businesses with low to moderate activity but ones poised to withstand a long drought. These include:

- Clothing
- Real estate
- Automotive

## Consider Category Migration

Did you spot your business category on the Chamber's list? See any opportunities to adapt? If you typically sell non-essentials, consider ways to integrate essentials into your product portfolio. Category migration is possible, with a little creativity.

During the coronavirus pandemic, the Seattle-based gift wrap company Tokki redirected its clothing inventory to 100% mask production, effectively moving out of the Steady Eddie category into the essential category.



### Action Items

1. Review the list of industries thriving in the new economy versus those struggling
2. Note the categories that apply to your business
3. Brainstorm ideas on how to reposition to meet the new demands



## CHAPTER 3.

# ASSESS THE IMPACT ON CUSTOMERS

Not all customers are created equal. That's why marketers use segmentation to group customers based on shared experiences and behaviors. When you hear the word segmentation, you probably think of classic segments like geography, lifecycle stage, or recency-frequency. Classic segmentation is useful at all times.

In the context of a downturn, it's especially important to understand how your customers have been impacted. So, your segmentation exercise should go a step further: it needs to distinguish your customers based on their economic situation. The level of impact will, of course, vary from customer to customer.

According to [Forrester](#), businesses affected by the COVID-19 pandemic can be classified into three response categories: survivors (nonessentials, like hospitality and travel), adapters (mostly financial services) and pioneers (essential services, such as healthcare and grocery stores).

This categorization could also be instructive to customer segmentation. (Note that I have replaced the third group, pioneers, with thrivers.)



## 1. SURVIVORS

Survivors are merely trying to keep the lights on. There's nothing left in the budget to spend on your product. The best product you can offer to a survivor is free: empathy. Seize the downturn as an opportunity to demonstrate your brand intelligence.



**Hot Tip:** Be flexible. Accommodate the requests of your Survivors within reason. For example, if Survivors are in dire straits and need more time making payments, work out a payment plan with them. When the good times return, they'll remember your kind gesture.

## 2. ADAPTERS

Adapters are doing slightly better than Survivors. They have had to pivot to stay afloat. Perhaps, the Adapter's purchasing frequency has declined because of budget cuts. Adapters are seeking more affordable alternatives.



**Hot Tip:** If you discover that some of your customers are in this category, consider offering value packages to keep them engaged since they may be looking to conserve cash. A good example of a product ripe for Adapters is Apple's iPhone SE, which was offered at \$399--the lowest price for an iPhone. Adapters care about value offerings that are reasonable and justifiable at a time when every penny counts.



### **3. THRIVERS**

A downturn is not bad news for everyone. In fact, it can be quite the opposite for Thrivers. During the first two months of the global pandemic, America's billionaires saw their wealth increase by \$434 billion, according to a report by Americans for Tax Fairness and the Institute for Policy Studies. That takes the net worth of America's 600-plus billionaires from \$2.9 trillion to \$3.2 trillion. If the wealthiest people in the US had their own island, it would be the 5th largest economy in the world. If you could set up shop on that island, wouldn't you?




**Hot Tip:** If you have Thrivers among your tribe, you are in great luck. This customer has the cachet to continue buying from you and might even increase spending to take advantage of market opportunities. Thrivers care about speed of delivery. Take good care of your Thrivers.

### **Survey Your Customers**

So, how do you assess your customers' realities? A quick and easy way to find out how your customers are faring in a downturn is to simply ask them.

If you're promoting events in the middle of a pandemic, reach out to customers and try to determine how they feel about attending events in the future. If you're in the restaurant business, survey customers to understand their comfort level with dine-out experience during a pandemic, as well as their spending preferences? If you're promoting luxury services, your survey might slant towards understanding customers' relationship with discretionary income during a recession.





A survey is a valuable source of primary data. It will help you make informed decisions during critical times.

Below, I have provided a template you can adapt for your own survey. Simply fill in the relevant details for your company.

***Hello {Customer's First Name},***

***We hope you and your family are doing great during these unprecedented times.***

***As a {Insert Your Business Category} business, we are gathering feedback from valued customers like you to better understand our current environment.***

***Would you help us by answering a few questions in our short survey. We would love to hear from you by {Insert Date}.***

***As a small token of gratitude, your brief survey response automatically qualifies you for a chance to win a \$100 Amazon gift card.***

**[Show Me the Survey](#)**

***Thank you for your valuable time and feedback.***

***Your Favorite {Insert Business Category}***

To create a winning plan, start by segmenting your customers. Pay close attention to your customers' pattern of engagement. You may find that some customers are still able to pay full price for your products and services, while others are scaling back a bit. Use this insight to prioritize marketing activities.



## Stay Ahead of the Competition

Your business doesn't operate in a void. Part of assessing the impact is paying attention to how your competitors are faring during a disruption. Identify your strengths and market opportunities relative to your competitors and capitalize on them.

Perhaps, you have a digital platform that is a cut above the rest of the industry. Now might be a great time to strut your stuff, differentiate your brand and delight your customers.

- To properly assess your competitors, you can answer questions such as:
- How are they doing across their marketing platforms?
- What marketing channels are they using?
- What campaign concepts are they prioritizing? (e.g. branding vs lead generation)
- Are they dialing back or doubling down on advertising?

If competitors are scaling back their marketing and advertising and you are well-positioned, it could be an opportunity to buy ads at cheaper rates.

While this landscaping effort is just an initial step, it will help you and your team design a marketing plan around your organizational strengths. The goal is to take action on opportunities while the competition is asleep.



## Key Takeaway

*In any downturn, it's important to have a strong sense of reality.*

*Take stock of the external and internal events, analyze the shift, and respond accordingly.*



## Action Items

1. Survey your customers to assess their economic situation
2. Segment your customers based on the survey results
3. Analyze the competitive landscape and note how competitors are adapting to the new environment



## **PART II. EMPATHIZE**

***“At its core, great marketing is an exercise in empathy.”***



**Henry Adaso**



## CHAPTER 4.

# BRAND POSTURE MATTERS

During the early days of Quarantine 2020, I ran into a colleague at the grocery store. After working remotely for about a month, it was my first time seeing a coworker face to face. We briefly exchanged pleasantries, while maintaining six feet of separation as recommended by the CDC. Then, we went our separate ways.

As I walked away, something struck me about that brief encounter. I noticed that we immediately recognized each other, even though we were both masked. The eyes gave it away. They always do.

We can't escape our true nature, even when we're masked.

The same is true for brands and marketers. Brands can't hide behind sleek ads or vague platitudes. Marketers can't hide behind the mask of crisis.

Because, here's the thing about crises: they don't hide us. They reveal us. Difficult times have a way of effectively unlocking our innermost qualities and priorities.

Seize the crisis as an opportunity to show a more thoughtful and compassionate side of your brand. It's exactly the type of marketing people are hungry for during a downturn.

Here are some ideas on how to approach marketing with empathy:





## 1. Put People First

Nothing happens without your people (that is, your team). Charity, as they say, starts at home. As a business owner or a marketing leader, now is a great time to put your proverbial arm around your team and make sure they know you are on their side. How leaders show up in time of crisis matters a great deal.

Extend the same courtesy to your customers. Remember: customers are people with real challenges and needs. The golden rule applies.

By engaging in acts of compassion, you increase your trust capital. People will remember your humanity long after the crisis has ended.

When Paul O'Neill took over the struggling industrial giant Alcoa in 1987, he didn't prioritize commercial gains or shareholder profits. O'Neill put people first. He made safety the hallmark of his leadership because it meant that more people would be able to return safely to their families after a day's work. By putting people first, Alcoa became a profitable company. Yes, you can put people first and still build a profitable business.

Years from now, business leaders will look back at how they responded to the pandemic and one of two things will occur: they will either be proud they showed up and stepped up for their people or wonder if they could have done more to help.





## 2. Use Thoughtful Communication

It's tempting to over-communicate during a crisis. There's a strong desire to make your presence known—to shout over the noise. The rationale is that through increased marketing, webinars, emails, and social media that customers can be beaten into submission.

This calls to mind the adage, "If all you have is a hammer, everything looks like a nail." With everyone mostly confined to digital platforms during the coronavirus pandemic, every email list starts to resemble a giant nail that must be conquered.


The temptation to join the chorus of marketers singing loudly to customers is understandable. In reality, all it does is create noise and annoyance. And when noise goes up, consumers raise their noise filters. If the noise continues, they'll eventually kick you out of their inbox.

Here are the 3 biggest mistakes to avoid:

**Overcommunication:** Overcommunication runs the risk of appearing desperate. Your customers are now experiencing email fatigue, so avoid adding to the noise. Only communicate when absolutely necessary (More on the communication litmus test later).

**Virtue Signaling:** I see so many brands sending messages about how great they are, with hopes of scoring brownie points. Avoid falling into the virtue signaling trap. Keep the focus on your customers and what they need, and they'll do the bragging for you.





**Tunnel Vision:** Tunnel vision is a form of bias that can impede accuracy. Just because you have a great idea doesn't mean it's likely to resonate with customers. Remove your brand-tinted lens and look at your campaigns through the eyes of your customers.

What your customers need more than anything is thoughtful, relevant and contextual messaging. So, what does that look like?

**Here's a quick set of rules to determine if your customer communication is worth sending:**

1. It demonstrates real, tangible and measurable value
2. It respects their time
3. It considers their context
4. It helps educate them on new offerings (e.g. relevant products or value packages)
5. It seeks to congratulate and celebrate customers

### **3. Practice Ethical Marketing**

Trust is critically important during a downturn. Avoid decisions that could erode the trust customers have placed in you. People want to know that the company they give their hard-earned money to is ethical and trustworthy. Recognizing opportunities is one thing, but be careful not to prey on customers dealing with difficult times. It's always worth asking, "Is this the right way to create the culture we want?"



## Key Takeaway

*Your customers are dealing with a breadth of health and safety issues, in addition to business concerns. Show them that you care--even in small ways.*

*Compassion is a welcome reprieve in a time of great uncertainty.*



## Action Items

1. Routinely check in with your team and find out what they need and how you can help them be more successful
2. Use the 5-point checklist to ensure thoughtful and relevant customer communications





# **PART III. NEGOTIATE**



# FINDING THE GIFT

**I.**

**EVERY CHALLENGE PRESENTS A GIFT. SOMETIMES, IT'S DIFFICULT TO SEE THE GIFT BECAUSE IT'S WRAPPED IN AN UNPLEASANT COAT OF STRESS. LOOK PAST THE SURFACE, THOUGH, AND BURIED UNDERNEATH IS A GIFT THAT COULD CHANGE THE COURSE OF YOUR COMPANY FOR THE BETTER.**

**II.**

**TEMPORARY PERIODS OF HARDSHIP HELP WEED OUT WEAK COMPETITION FROM YOUR INDUSTRY.**

**THIS IS A GIFT.**

**YOUR RESILIENCE WILL HELP YOU SURVIVE THE CULLING.**

**LEAN ALL THE WAY INTO IT.**



## CHAPTER 5.

# A WHOLE NEW WORLD

Your customers have been busy learning new skills. They have become online shopping experts overnight. They've discovered all the remarkable ways digital technology can help ease their buying journey.

According to McKinsey, consumers are now using more curbside pickup, home entertainment and online shopping in the era of social distancing.

Customers are now more comfortable with online shopping these days. Don't bet on them eagerly turning back to traditional shopping methods. Those days are gone.

What you can expect is for online dependency to continue. McKinsey tracks consumer sentiment across 40+ countries, and its survey respondents indicated that they will keep using online shopping in the future.

So, you're left with two options:

1. Hunker down and wait for the old delivery model to return

Or...

2. Meet your customers exactly where they are right now.

Choose wisely.





## Go Full Digital

The greatest opportunity that exists in the aftermath of the pandemic and economic downturn is digital marketing. There has never been a better time to prioritize digital tools and online marketing channels.

Here are just a few reasons why you should go digital now:

**One:** Your customers are already using online platforms. So, you will be much more effective by meeting them where they are.

**Two:** Digital marketing helps you contain costs during difficult times. It is cheaper and more measurable than traditional methods. As demand goes up, however, it will grow more competitive and more expensive.


**Three:** Digital channels make it easier for you to reach your customers on a granular level. In other words, you can target your online advertising based on any number of criteria, including location, keywords, interests, industries, and the customer's current stage in her buying journey.

**Four:** With digital marketing, you enjoy the benefits of efficiency and speed of response. This can help differentiate your brand, giving you the edge you need to succeed.

**Five:** Digital marketing scales easily. Billboards don't scale well. Email marketing does.

If your company is still behind the curve, now is a great time to educate leadership on the benefits of digital marketing tools.





In a downturn, successful businesses focus and prioritize. As old delivery models disappear, new and emerging technologies take centerstage. So, pay close attention to the opportunities being created by this huge shift.

If you haven't already done so, consider digital distribution channels to insulate your business from disruption.

## **Take Advantage of Digital Technology**


There's no getting around it: digital technology is essential in today's world. We shop on our mobile devices, FaceTime and Zoom with friends and family, and rely on a variety of smart devices for daily activities.

As a marketer, digital technology is your friend in many ways.

Here are just a few examples:

- Customer education
- Team alignment (Sales, marketing, customer care, etc.)
- Business forecasting
- Opportunity identification
- Collaboration





Invest in the right digital tools to help increase efficiency and performance, so you can build a resilient business.

**You will need three types of tools:**

1. Communication and Collaboration (e.g. Slack, Zoom, Skype, Webex)
2. Project Management Tools (e.g. Asana, Wrike, Trello)
3. Customer Engagement (e.g. Zoom Webinar, Google Meet, HubSpot, CRM)

Digital tools don't necessarily have to break the bank. Many of the platforms listed above offer free versions. Start with the freemium set, then move your way up as needed.

In a downturn, the investments you make can come at considerably lower rates. Bargain with your software vendors to see what free tools, value packages or flexible payment terms might be available.

Like you, vendors are also looking to boost sales. You'd be surprised to find that many of them are willing to make concessions that weren't possible under normal circumstances.



## Key Takeaway

*In the midst of a crisis, things can seem chaotic. The good news is that all storms eventually end.*

*Look for the opportunities that position you for the aftermath.*

*Negotiate with vendors, collaborators and customers, as you plant long-term business seeds.*



## Action Items

1. Migrate your marketing channels to the digital environment, if you haven't already done so. Think of this as a long-term investment that will continue to pay dividends long after the crisis.
2. Invest in digital tools and technology—Start with free tools and upgrade as your needs evolve.



## IV: SHAPE

**“Confronted with a challenge or problem, one could respond with the question, 'Oh my God, what are we going to do?' Faced with the same situation, one might ask, 'What if this change represents an opportunity for us?'”**

**Warren Berger**



## CHAPTER 6.

# SHAKE UP YOUR MARKETING MIX

***“We’ll need to adjust our innovation programs, our marketing plans and our brand portfolio to reflect the realities around us.”***

***- Alan Jope, CEO, Unilever***

Customer behavior changes dramatically during a downturn. Budget tightens. Lower-priced alternatives become more attractive.

Shifting buyer preferences is also an opportunity to rethink your value proposition. If you were particularly impacted by a downturn, your business needs to be flexible and adaptable.

Start by repositioning your...





## I. Products & Services

Take the opportunity to reassess your product mix and respond to changing trends.

Here are some prompts to help you reposition your products:

1. Economic Segmentation: Who are my customers and what do they have in common?
2. Spending Patterns: What is the spending pattern of my primary persona?
3. Product Mix: What opportunities exist for a new mix of products?


For example, you might discover through segmentation and spending patterns that your most valuable customers are still purchasing your product but at a lower frequency. Would an incentive program or loyalty club help stimulate repeat business?

## II. Distribution Channels

Old school delivery systems were already struggling to stay alive, and the coronavirus quickened their demise. In contrast, digital platforms have flourished.

Live events found a new home on video conferencing platforms. Traditional retail quickly jumped aboard the ecommerce train. Dance instructors set up shop on Zoom.





The good news for your business is that the ground is ripe for digital channels. The foundation has already been laid. Your customers are likely bought in on the benefits of virtual platforms, be they grocery shoppers or students.

So, look at your business to see how you can optimize your delivery system—how you can ship things better or differently.

PepsiCo is a great example of a company that shook up its mode of distribution to reflect changing realities. As the coronavirus pandemic was wreaking havoc on brick and mortar due to fear of personal interaction, the company quickly pivoted to direct-to-consumer digital platforms. In April, PepsiCo launched two websites, PantryShop.com and Snacks.com where consumers can buy snacks and beverages and have them delivered directly to their door.

“We’ve seen incredibly strong demand for our snacks during this time, and Snacks.com offers consumers another way to purchase the products they love, delivered right to their door,” said Michael Lindsey, Chief Transformation & Strategy Officer for Frito-Lay North America in the company’s press release.

Both sites went from concept to launch in less than 30 days. As the old saying goes, where there is a will there’s a way.





### III. Pricing Strategy

The procurement budget is one of the notable casualties of a recession. As businesses retrench, spending takes a back seat. Every penny must be accounted for, with so much uncertainty looming.

Go under the hood. Take a thorough look at your market data to understand where this is happening in your business. Then, ask critical questions about your pricing model.

Here are some examples of alternate pricing strategies to consider:

#### 1. Results-Based Pricing

The customer receives a bill after the result has been delivered. During a downturn, every dollar has to be justified, so customers will be less likely to spend if they are unsure of the results. Results-based pricing can help erase this doubt.

#### 2. Rental vs. Purchasing

The customer is able to rent your product at a lower rate, as opposed to purchasing at full price.

#### 3. Bundling

Your customer is able to purchase a value pack of products, services or a mix of both bundled to maximize value.

#### 4. Unbundling

Perhaps, your products are typically bundled. Unbundling can lower cost and stimulate business transactions.



## **5. Value Pricing**

Explore opportunities to offer low-cost alternatives to your flagship products. For example, Apple released a budget version of the iPhone during the pandemic. The iPhone SE resembles the iPhone 8 with the internals of the iPhone 11, but you would not know it from the record-low price of \$399. (The 8 and the 11 sold for around \$699 and \$849 respectively.)

## **6. Financing packages**

Your customer has an opportunity to secure business on credit, finance the transaction and ensure business continuity.

## **7. Deferred payments**

By offering customers the option to defer payments, your brand shows that it truly cares. Your customers will appreciate the breathing space and remember the gesture for a long time.

## **8. Flexible returns**


Consider giving customers the option to return their purchase in the event of a drastic change in their financial situation, such as a job loss.

# **IV. Marketing Budget**

It's not unusual to see some companies cut their marketing budget during a downturn. This is usually a mistake that proves costlier later.

One reason not to dump your budget is that resilient competitors will be looking for ways to acquire customers on the cheap. Downturns present





an opportunity to gain market share without compromising on price. When competitors pull back, it's an opportunity to move in and dominate.

Instead of suspending marketing, look for ways to reallocate marketing budget towards. Depending on the lifecycle of your business, you might choose to focus on short-term and intermediate-term efforts.

Here are six examples of where to allocate your marketing budget:

- Lead generation campaigns to boost revenue
- Promotional offers to increase business value
- Promotion of value packages to stimulate new business
- Positioning of essential items to accelerate sales
- Safety education and information to increase customer confidence
- Customer retention campaigns to maximize value of existing relationships

Now that the early shock has dissipated, focus on more creative avenues to market and advertise. Evaluate your customer spending patterns, taking stock of activities since the beginning of the crisis.

Pay special attention to how the economic outlook is shaping these spending patterns. Then, move your budget around to align with market demand.



## Key Takeaway

*A disruption is an opportunity to rethink and reposition your brand for success.*



## Action Items

1. Review your product portfolio and brainstorm opportunities to create value packages
2. Review your pricing strategies and consider which of the 8 alternatives would resonate with your customers—use the results of your economic segmentation to empower your decision-making
3. Evaluate your current distribution methods and the trends impacting consumer preferences
4. Re-allocate your marketing budget to capitalize on emerging opportunities



## PART V: ENVISION

**“Change is the law of life. And those who look only to the past or the present are certain to miss the future.”**

**John F. Kennedy**



## CHAPTER 7.

### WHAT COMES NEXT?

So, how do you see the crisis ending? When you look ahead 3–5 years from now, what type of future do you see? Do you see more doom, a gradual recovery or a sharp bounce-back?

When designing marketing programs, mapping out budgets and prioritizing customer segments in a downturn, it can be difficult to know where to begin. This is largely fueled by uncertainty.

The key is to anticipate the possible scenarios, and develop the appropriate plan of attack. How do you see things playing out?

Here are some possible scenarios to ponder:


#### **A Protracted Downturn**

Are we in for a long-term crisis? Dr. Anthony Fauci, the leading expert on infectious diseases in the U.S., warned that reopening the economy too quickly could likely lead to another wave of the coronavirus pandemic. If this were to happen, we would need to plan for a longer-term recovery.

#### **A Moderate Recovery**

Could we see a slow, gradual return to normalcy? Retail sales increased in May 2020, but it was still down overall year over year. So, the report may not be a sign of a sharp return, after all. Besides, what will happen





to sales activities once unemployment checks run out in July? Would we see a more measured return to normal business transactions? It's worth asking the tough question, so you can prepare accordingly.

### **A Sharp Recovery**

Are we on track for a sharp recovery, like some experts predict? In June 2020, the US Department of Commerce released its "Advance Monthly Sales for Retail and Food Services" report for May 2020. The report showed a 17.7% growth in retail sales for May versus April. This sales increase was the largest month-over-month increase in U.S. retail sales since 1992. Another positive highlight was the U.S. Labor Department's report showing that new unemployment applications fell by 58,000 the week of June 13. Could this be a sign of a positive path forward?

In a scenario where the economy bounces back sharply, your business prospects are much brighter. So, it would pay a dividend to plan for a full-court press marketing program in this context. This enables you to emerge from the crisis in the lead.

The aim of scenario simulation is to figure out how each scenario would impact your industry. How would a prolonged pandemic scenario impact consumer spending? Will consumers be more hesitant to take on debt in a moderate recession? Will weakened markets impact your brand if the downturn lasts a few years? Will the need for essentials prove useful for your long-term outlook? More crucially, what contingency plans might be helpful in any given scenario?





## Planning for Tomorrow Today

The impact of the coronavirus pandemic will be with us for a long time. Don't consider any current investment as a short-term play. Think long-term, because we're in it for the long haul.

Evidence suggests that pandemics and the threat of biological terrorism are sudden realities of our world, so it pays to be prepared for the possibility of an encore. By adopting a digital marketing mindset, you are better positioned to handle future disruptions.

Even the event of a sharp recovery, customer behavior will still favor digital channels. There's been a fundamental shift in how people buy and interact with businesses.

Sure, you want to help boost revenues in the short-term, but this should be balanced with a long-term view of your marketing program.

The objective is to come back from the downturn stronger than ever. And, it starts with a strategic view of your marketing.



## Key Takeaway

*Planning for life after the crisis will bring much-needed clarity to your marketing strategy in confusing times.*



## Action Items

1. Take a moment to reflect on future scenarios and how your brand could respond
2. Identify the learnings from the crisis and note the new opportunities
3. Invest in long-term marketing infrastructure to help future-proof your business





## Tools for the Road (Mostly Free)

- [Survey Monkey](#) - For customer surveys
- [MailChimp](#) - Integrated email marketing platform
- [HubSpot](#) - Marketing and sales platform
- [Canva](#) - Free Design Application
- [Google Analytics](#) - Real-time Data and Analytics





## CONCLUSION

We are living in a unique period in human history. The vulnerability we feel is due to a confluence of health and economic crises, further compounded by our nation's awakening to the realities of systemic oppression. All of these forces are impossible to ignore.

The enormity of this moment is tough to grasp and process in real time. It's difficult to see the full picture when we're in it.

Empathy, however, is always a good default.

Brands thrive when they create human-centric experiences that meet our need to connect. We usually notice when this happens because (sadly) it's not the norm. A downturn is an opportunity to normalize thoughtful marketing.

This is an opportunity to be more human, to work more generously.





## AFTERWORD

You are not alone.

Marketers, businesses, and other people like you are also trying to figure out how to navigate the byzantine path wrought by the pandemic.

People like you are juggling health and safety concerns with economic uncertainty, in a rapidly transforming world.

Others have been through tough times in the past.

And survived it.

It's important to remember this, because it reminds us that breakthrough is possible... that, eventually, the stormy clouds will make way for brighter days.

You are charting an unfamiliar road with no GPS, but...

You are not alone.

People like you have survived health crises and economic downturns in the past.

You, too, will survive.

You might even thrive.



## THANK YOU

Thank you for reading *The Marketing Pivot*.

If you have any questions or comments, I'd love to hear from you.

Simply send a note to me: [henry@henryadaso.com](mailto:henry@henryadaso.com).

Henry Adaso

Houston, Texas

11:46 pm

5.23.20





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