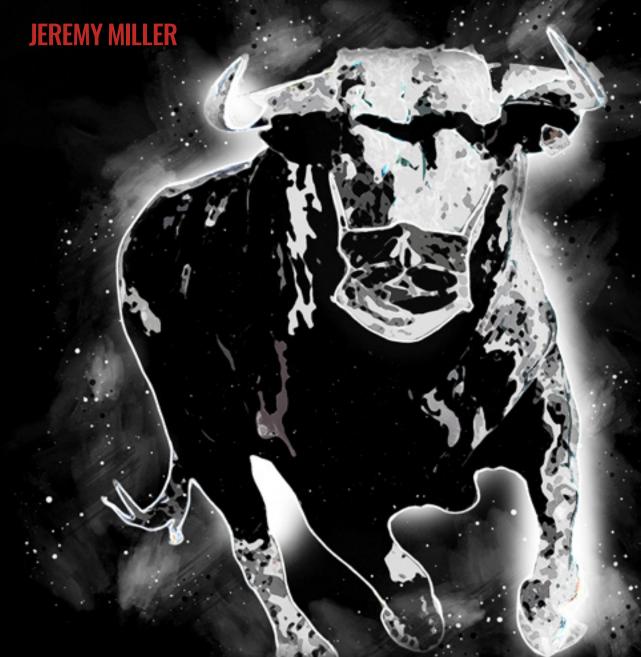
CRSS MARKETING

HOW TO RECOVER THE CUSTOMERS & REVENUE TAKEN BY COVID-19



Your brand won't survive if it's perceived as opportunistic or icky, but it will thrive if it's perceived as helpful!



CRISIS MARKETING

Your brand won't survive the coronavirus crisis if it's perceived as opportunistic or icky, but it will thrive if it's perceived as helpful!

In *Crisis Marketing* you will learn how to gain control of your business by being fast, proactive, and helpful. This guide shows you how to reframe your value proposition to find new customers and sources of revenue taken by Covid-19.

As you read this guide, keep these three questions front and center in your mind:

- 1. Who needs my company and its expertise the most right now?
- 2. What products or services can we deliver to solve real problems that are valued?
- 3. How can we proactively sell and deliver our services to the people who need them most?

When you look for ways to be generous and helpful, you will start to see opportunities that didn't exist before the coronavirus. More importantly, these questions give you freedom to innovate and promote your brand.

Your customers need you and your company more than ever! By being truly helpful, you will not only discover opportunities to generate revenue and cash; you will discover this pandemic has created one of the greatest entrepreneurial opportunities of our lifetime. My philosophy is you can't sit on the sidelines in a crisis. You've gotta get out there to sell, deliver, and be helpful. The companies that act first and adapt fastest have the advantage in this very challenging economy.

Winston Churchill said it best, "Never waste a good crisis." What will your business look like at the end of this crisis?



B.C. / A.C. BEFORE CORONAVIRUS / AFTER CORONAVIRUS

B.C. / A.C.

We will look back at business 2020 B.C. (before coronavirus) and after. In the blink of an eye, everything changed.

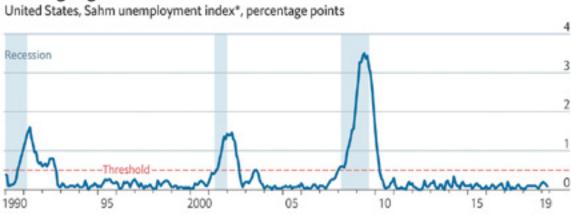
The Covid-19 pandemic created one of the most shocking and challenging business crises any of us have ever faced. Whole sections of the economy were closed. Most, if not all, discretionary spending was curtailed. Millions of workers were laid off or furloughed.

The first four months of the crisis, since March 2020, have been some of the most intense moments of my career. My clients and I all had to wrestle with a very difficult question, "How does my business survive Covid-19?"

For me, the coronavirus crisis triggered a whole range of emotions and memories.

I grew up in a family business in the recruiting sector, and our business went up and down with the economy. I can tell you in vivid detail what each and every recession was like starting with the market crash of 1989.





Source: The Federal Reserve Bank of St. Louis

*The difference between the three-month average unemployment rate and the minimum from the last year I was a teenager in the 90's, but I distinctly remember that recession because of the sacrifices my parents made. They made deep cuts and hard choices — from layoffs to closing offices to limiting household expenses. It seems silly to say now, but what I remember most from that time was missing out on a school trip, because my parents couldn't afford to send me. For five days I sat alone in a classroom while my schoolmates explored Chicago.

When I joined the company in 2004, we timed it. I joined in a period of recovery and growth following the recession of the early 2000s. But from the moment I started, we were thinking and planning for the next recession. We didn't know when it would happen. We didn't know how it would be triggered. But from past experiences my parents and I knew there would be one, and we were committed to not reliving the pain of the past.

In the Great Recession of 2008 to 2009, LEAPJob (my family's business) had no slippage in sales. We actually grew! We acquired a new customer a week on average. The momentum and strength we gained during that period positioned us to be able to sell the company in 2013. (I used the commission from that sale to write my first book, *Sticky Branding*.)

I hadn't given that period much thought, but all of those memories came flooding back on March 11th. Both Canada and the United States announced travel bans to curb the spread of Covid-19, and I saw that we were being thrown into another recession.

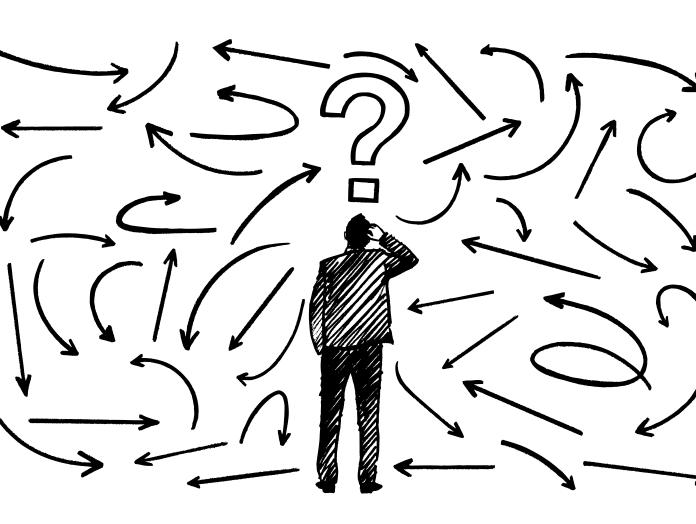
By Monday, March 16th I was working with my clients to prepare for what was ahead for us. I warned them that we could see declines in revenue by 30% to 50% this year, and we needed to move fast to prevent that from happening (or getting worse).

In this guide, I will share with you lessons from the first four months of the pandemic. You will discover real, practical advice with case studies from companies that have already bounced back. In *Crisis Marketing*, I will show you how to replace the customers and revenue taken by Covid-19, and

how to come out of the pandemic

stronger than ever.

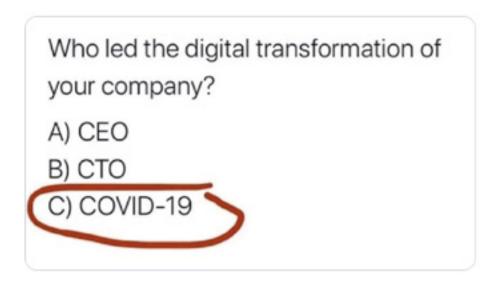
What will your business look like at the end of the crisis?



MOVE FAST

COVID-19 IS AN ACCELERANT, NOT A CHANGE AGENT

At the start of the crisis I saw this brilliant meme:



The image captures a truth about what's happening in the pandemic. Days feel like weeks. Everything is happening faster. Projects that used to take months or even years to complete are being implemented in weeks.

For example, companies flipped the switch on e-commerce projects in a matter of days. Central Smith transformed their retail business in less than two weeks.

If you have had dessert in a Canadian restaurant, chances are you've eaten Central Smith's ice cream. They are one of Canada's largest food services ice cream manufacturers. As you can imagine, the coronavirus impacted their business.

With the closure of restaurants across the country, Central Smith had an overstock of product. Meghan and Jillian, two employees, suggested putting up a Shopify site and offering curbside pickup. The duo launched the site within a week, and then reached out to the local Chamber of Commerce and a few food bloggers to help get the word out.

lan Scates, CEO of Central Smith said, "We were blown away by the community's response." Demand exceeded every expectation. Ian continued, "The first week the site was live, online sales exceeded a normal month in the retail store."

The team kept innovating. Each week they tried something new. They expanded the online inventory from overstocked items to include all of their flavors, and sales grew. They offered 11.4 liter tubs, and customers bought them too. People would drive up and leave with two or three of these giant tubs of ice cream in their trunks.

(The nineteen in Covid may mean something very different at the end of this crisis — like the Freshman Fifteen.)



Jillian and Meghan continued to push the envelope and proposed selling one liter hand-packed tubs. They figured it would be a novelty item, so they prepared 200 tubs. Ian said, "We sold 1,700 hand-packed tubs in a week and had to hire another person to pack more tubs."

E-commerce wasn't a new idea for Central Smith, but it was what they needed to quickly respond to the crisis. A major segment of their market was closed, and they needed to act. E-commerce with curbside pickup was a natural step.

This type of response has been common during the pandemic, especially from the companies who are thriving. They are acting on plans that they were too busy to implement before coronavirus.

According to a study by Tech Pro Research, 70% of companies already had a digital transformation strategy in place or were working on one. Covid-19 didn't cause the transformation, it accelerated it.

With stay-at-home orders and forced closures, companies had to move — fast! This ranged from implementing e-commerce to new IT systems for remote workers, and everything in between.

Across the board, the coronavirus pandemic has accelerated change — both positive and negative.

On the negative: Hertz, JCPenney, J. Crew, Neiman Marcus, and Gold's Gym have all filed for bankruptcy. They didn't even make it eight weeks into the crisis! Described as "zombie companies" (the living dead), they were gorging on debt well before the crisis. These were once strong brands, but all of their futures were

consumed. Covid-19 accelerated their demise.

On the positive: For the strong and the entrepreneurial, the pandemic may have triggered the greatest entrepreneurial gift of our lifetime. You have absolute authority and ability to innovate and push forward your ideas. Your customers want you to succeed; your staff are motivated to move fast and change; and there is government funding and support.

More importantly, coronavirus is a shared experience. Every person and every company from around the world is going through the exact same thing at the exact same time. You don't need to explain why your company is changing or trying new things. You can reference "Covid" and everyone gets it.

Today is the moment.

Accelerate your change.

REFRAME YOUR VALUE PROPOSITION

BUSINESS OWNERS HAVE THREE CHOICES

The coronavirus crisis has not impacted companies equally. There is a spectrum from Leading to Bleeding.



For example, if your company sells personal protective equipment like hand sanitizer and masks, you hit the lottery. If you're in hospitality or retail, you could be bleeding. The majority of companies are somewhere in the middle — from Stable to Slipping.

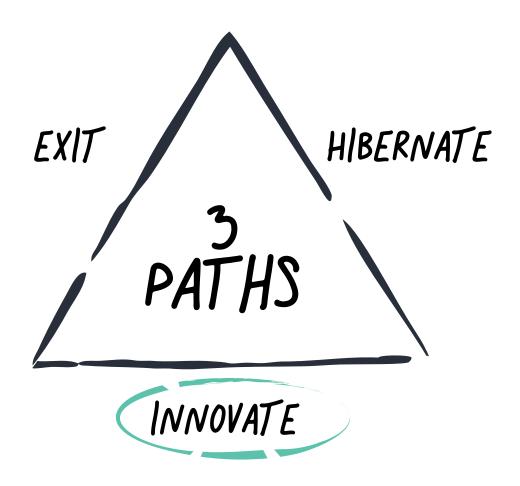
The spectrum of impact has left business owners with one of three choices:

- Exit
- Hibernate
- Innovate

Before coronavirus I never imagined advising business owners to "take their chips off the table" and sell or close. Today, that's a very real choice. If the prospects of recovery are long and bleak, exiting may be the best option. No one should be a martyr with their business.

Hibernate is the worst path forward. Sure, you can hunker down, conserve cash and try to ride this out. But for how long? The path forward is too uncertain, and there is no going back to business like it was before coronavirus.

The path I am focused on with *Crisis Marketing* is to innovate: What do you want your business to look like at the end of this crisis? This requires looking ahead and reframing your value proposition and business.



LOOK AHEAD AND REFRAME YOUR VALUE PROPOSITION

Alex Cibiri, founder of Element Fitness, pivoted on a dime at the start of the crisis, and the results have been nothing short of remarkable:

- 92% member retention rate
- 9.8 Net Promoter Score (out of 10) for member satisfaction

Element is one of Canada's largest CrossFit gyms. Owning a gym during the coronavirus quarantine is not ideal. By its very nature, Element is a place you go to get sweaty. By March 13th, Element was forced to close its doors.

The Element team shifted into action even before the lockdowns had been fully implemented. Alex said, "We don't know when the crisis will end, but we have to keep operating." Looking ahead, Alex and the Element team reframed their business strategy with two strategic observations:

- "How do we recreate the class experience virtually?"
- "We're not in the equipment rental business. We are in the coaching business."

Alex explained, "Most gyms operate on a rental model. You buy a membership and that gives you access to their equipment. At Element, we are in the coaching and community business. We deliver classes, instruction, and community. The equipment is just a tool, not the value proposition." This view freed the team to innovate quickly. By March 12th, just one day after the travel ban was announced, Alex and his team were recording instructional videos and classes with television production quality. This wasn't a new idea. It was something the Element team had wanted to do for a while. Covid-19 gave them a reason to act on it immediately.

By Friday, March 13, Element was posting pre-recorded classes online and hosting live virtual classes via Zoom. By reframing their value proposition, they continued to expand how to serve members. To maintain a quality and connection, each member was assigned a "HomeCoach." Every day the coaches are reaching out to the members for accountability, connection, modifying workouts, and support.



To foster community, Element created nightly events like dance classes, wine tasting classes, and game nights. Alex said, "We structured it like prime time TV. Every night at 7:30 we have an event hosted by a member for the community."

The results have been loyal members, no slippage in sales, as well as a platform to grow and sell new memberships to people stuck at home and looking for better quality fitness experiences.

DISCUSS THE QUESTIONS

With your leadership, or on your own, discuss the three questions of Crisis Marketing:

- 1. Who needs my company and its expertise the most right now?
- 2. What products or services can we deliver to solve real problems that are valued?
- 3. How can we proactively sell and deliver our services to the people who need them most?

Looking ahead and reframing your value proposition opens you up to a whole new world of opportunities. I like to describe them as Green Shoots. Discovering new customer needs are Green Shoots of opportunity.

LOCK FOR THE GREEN SHOOTS

NEW NEEDS ARE CREATING TOMORROW'S MARKETS

We are emerging from the crisis. Social distancing and stay-athome orders are being eased, and companies are starting to reopen. This is creating a sense of hope. It is also creating new opportunities.

A crisis triggers new needs and habits. For instance, the 2002-2003 SARS pandemic in China was a huge factor for the rise of e-commerce giants like Alibaba. Duncan Clark, author of *Alibaba: The House That Jack Ma Built*, writes, "[SARS] came to represent the turning point when the Internet emerged as a truly mass medium in China.... Crucially for Alibaba, SARS convinced millions of people, afraid to go outside, to try shopping online instead."

We are seeing a similar situation following the Covid-19 pandemic. Video conferencing, like Zoom and Microsoft Teams, is now the new normal. Apptopia reports that Zoom's daily active user numbers increased by 378% year-over-year as of March 22. Satya Nadella, CEO of Microsoft, said Teams added 31 million daily active users in March 2020 — a 70% jump in one month.

Similar trends are happening with the digital transformation of retail. According to CNBC, curbside pickup surged 208% in April in the United States, compared with a year ago. By the end of 2020, it is projected that 25% of consumers will have tried curbside pickup.

Our needs have changed. Many of us had not experienced things like curbside pickup six months ago, but now that you've tried it can you imagine having it taken away? That's a Green Shoot!

Today's needs can become tomorrow's markets.



Green Shoots go well beyond curbside pickup, e-commerce, and virtual meetings. They exist in every sector. For example, construction workers have been walking off job sites since the start of the crisis. The reason: they perceive the facilities as unhygienic.



Even at the best of times, porta-potties aren't a place to hang out. They're gross! But after coronavirus, they can be dangerous. The CDC declared that Covid-19 can be transmitted via human waste. So construction workers, rightfully so, have a reason to be concerned.

As a result, construction firms have increased the volume of cleanings to three to five times a day. Before coronavirus, the facilities might have been cleaned once or twice a week.

Just imagine the ripple effect created by one shift in demand.

Porta-potty service companies must keep their trucks on the road longer and hire more drivers. They are wearing out the equipment faster. That means they need to order more parts like hoses, tires, brakes, and pumps. Distributors are ramping up for the surge in demand and placing more orders with manufacturers — from parts to trucks.

One new need is activating an entire supply chain.

This is your opportunity! There are Green Shoots in every industry, but to find them requires creativity and discovery.

WHERE TO FIND GREEN SHOOTS

You don't have to look far to discover Green Shoots of opportunity. Sometimes all it takes is reframing how you deliver your products and services. Foresight Sports Canada, for instance, turned the pandemic into a growth opportunity by rethinking how it sold and delivered its products.

Foresight Sports is the category leader of golf simulators and launch monitors. The products are amazing. They show you exactly how the clubhead gets to the ball; the positions of the face at impact; and what happens to the ball as it leaves the clubface and makes its way downrange.

If you're an avid golfer, this is the gear you need to own.

Sticky Branding has worked with Foresight Sports Canada to triple its revenue in two years. Since Covid-19, the growth rate has accelerated.



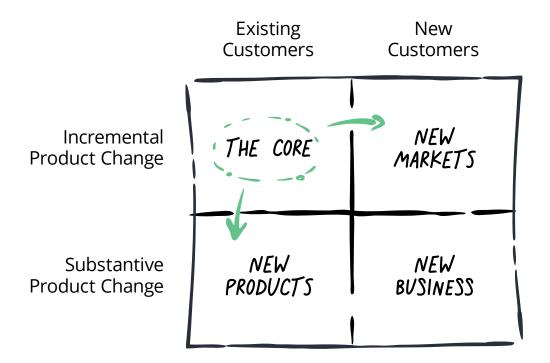
The lockdowns could have been a major problem. Before coronavirus, Foresight Sports Canada installed golf simulator bays for residential and commercial projects. But the lockdown prevented that work from continuing. That didn't slow the team down. They shifted gears and began promoting a "SIM-In-A-Box" — short for simulator in a box. It's a DIY kit that provides everything you need to set up a Foresight simulator in your home.

This was an evolutionary move. Foresight continued to sell the same product to the same customers, but they adjusted their go-to-market strategy. In the span of two weeks, Foresight developed the offers, built a landing page, and activated the sales team.

To get the word out, Foresight Sports Canada partnered with Golf Canada to run an email blast to its members. The timing was perfect: it was the right message for the moment. The campaign generated 204 sales inquiries at the height of the crisis. While the world was cratering, Foresight Sports Canada had its best April on record.

What Foresight did brilliantly was ask and answer the question, how can we proactively sell and deliver our services to the people who need them most? This is an important question for everyone working to recover customers and revenue taken by Covid-19. You need creative solutions to get your products to market.

THE FOUR ZONES OF GREEN SHOOTS



You will find Green Shoots in four zones:

- **The Core:** Start with your current business. How can you adapt your products, services, or delivery methods to better serve your current customers?
- New Markets: Take your current products and services to new customers and new markets. Look for new places to sell what you already have.
- New Products: Create new revenue streams by offering new or additional products and services to your existing customers.
- New Business: Develop new products for new markets.
 This is basically like starting a new division or business within your business.

The first place to look for growth is in The Core. This was Foresight's strategy. The Core provides the fastest opportunity to drive sales during the pandemic.

Once you've maximized The Core, then look to the "corners": New Products and New Markets. Developing New Products and New Markets may be the greatest opportunity to slingshot out of the pandemic. If your company can move fast and take a leadership position on an emerging need, you can gain an immense competitive advantage as the economy returns to growth.

Element Fitness focused on both corners. Their first step was to develop virtual programming. This was substantive product development for its existing members. By April, Element was looking to the other corner and asking, "How can we market our virtual programming to a larger audience?" Before coronavirus, Element was a brick-and-mortar business serving a defined geographic market. After coronavirus, Element can deliver its virtual programming to almost anyone, anywhere.

Alex Cibiri, founder of Element said, "I can't wait for our facilities to reopen, but we will be a different business when that happens. After coronavirus we will offer both live and virtual programming."

As we emerge from the crisis keep looking at all four zones. There are opportunities to be had in each.

EXPLOIT COMPETITORS' WEAKNESSES

EXPLOIT COMPETITORS' WEAKNESSES

One of the fastest ways to capture revenue and market share during the pandemic is to identify where your competitors are falling down. Supply chain disruptions and product shortages can all be opportunities for you to gain some quick wins.

In China, we have seen a variety of fast moving companies take advantage of supply chain disruptions. Master Kong, for instance, anticipated consumer hoarding at big box retailers at the start of the crisis and shifted to online sales.

Master Kong is one of China's leading instant noodle and beverage producers. Martin Reeves wrote in the Harvard Business Review, "[Master Kong] tilted its focus away from offline, large retail channels to O2O (online-to-offline), e-commerce, and smaller stores.... As a result, its supply chain had recovered by more than 50% just a few weeks after the outbreak, and it was able to supply 60% of the stores that were reopened during this period — three times as many as some competitors."

In every sector, I am seeing fast moving companies exploit competitor weaknesses. For instance, manufacturers in hard hit regions like Italy or Spain, or companies that outsource manufacturing to China, may not be able to service the North American market right now. As inventories dwindle, customers look elsewhere to find alternative products.

Fruitland Manufacturing is the global leader of mobile vacuum pumps. Due to supply chain issues, several of its competitors have been unable to supply the market. Chris White, CEO of Fruitland Manufacturing said, "All of our products — from pumps

to components to parts — are made in North America. This is one of our core advantages."

Fruitland Manufacturing can boldly advertise their products are in stock and available now. They are serving a clear need.

If there is a supply chain issue in your industry, look how your customers may search for alternative products. Use Google AdWords and social media promotions to make it very easy for customers to find your products, and let them know they are in stock and you can deliver right away.

Competitor weaknesses may be just the opportunity you need to generate cash flow and capture market share. If you can position your products as ready alternatives to the competitors' products, your brand can be perceived as extremely helpful and present at a critical time.



ADOPT A WARRING RINDS ET

ADOPT THE WARRIOR MINDSET

When the lockdowns were announced in mid-March, I got fired up. In multiple meetings I proclaimed, "F this virus! This will be our best year ever!" (And it will.)

Sure, I was saying that with some bravado. And if I'm humble and transparent, I was afraid. But the sentiment was real: we were going to move fast; work harder than we ever had before; innovate and rise up; and be the partner our clients needed right now.

The same is true of every leadership team that is thriving during this crisis — regardless of where they sit on the spectrum from Leading to Bleeding. A Warrior Mindset may be the biggest factor in determining who is thriving versus surviving during the pandemic.

The leaders who are waiting, being overly cautious, or hoping things will go back to normal are at a disadvantage. The world isn't going back to the pre-coronavirus way. We are charting a new path forward, and you've gotta fight for it.

The leaders who act first and adapt fastest have the

advantage.



A Warrior Mindset is all about attitude and action. They are the leaders who are thriving are punching back. They're fighting. They're innovating. They're conquering obstacles, and finding a path forward. And at the end of this crisis, their businesses will be stronger than ever.

You have the same opportunity too!

The pandemic has created one of the greatest entrepreneurial opportunities of our lifetime. The playing field has been leveled. It doesn't matter if your company is big or small, we're all facing the same hurdles brought on by Covid-19. There is plenty of government funding and resources available. You can tap into loans and other programs like never before. Your customers want you to succeed. This may be the most important factor to your success, because your customers are open-minded and sympathetic to the situation. If you can speak directly to their needs, they will listen.

You have total freedom to innovate, serve your customers, and push your ideas forward.

For me, I feel like I have been preparing my whole career for this moment — from my experiences growing up in a family business to everything we've learned and built at Sticky Branding. How about you?

Today is the moment. Even if it's scary, embrace your Warrior Mindset. Do whatever you have to: watch the movie *300*; go for a run; fire yourself up; or simply declare that this virus cannot hold you down. Rise up. Overcome the obstacles. Conquer the situation.

Let's say this right now: We will come out of this crisis stronger than ever!

"Never waste a good crisis."

Winston Churchill



IN A CRISIS, STRATEGY IS EVERYTHING

What will your business look like at the end of this crisis?

Crisis Marketing is all about speed: build an offer, get it to market, and sell like you've never sold before. To learn more, check out our <u>Crisis Marketing services</u>. Sticky Branding works with business owners and their teams to rapidly shift their business strategies, value propositions, and marketing strategies to develop new customers and sources of revenue.

If you'd like to discuss your strategy and how to come out of the crisis stronger than ever, schedule a <u>call with Jeremy Miller</u>.



JEREMY MILLER

Jeremy Miller is a brand strategist, author, thinker, speaker... and he's the founder of Sticky Branding, a brand building agency. (He does a lot of stuff.)

Jeremy's path into branding wasn't traditional. He fell into it out of necessity. After watching his family's business nearly hit rock bottom, he was forced to take a hard look at the way the company was run and at their industry as a whole. Jeremy realized it wasn't his sales people or marketing processes that were failing, it was the brand: their customers couldn't distinguish them from anyone else. This insight

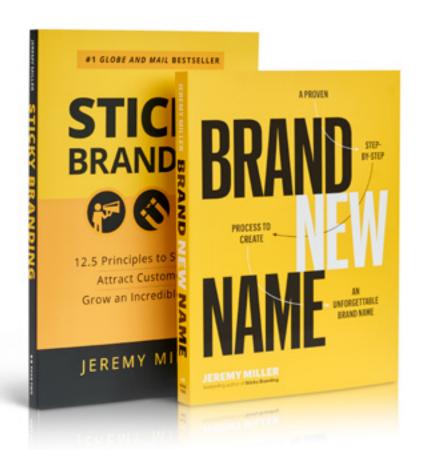
caused him to rethink, reposition, and rebrand the business. The strategy worked, and within a year the company turned the corner and rocketed into growth mode. And in 2013 Jeremy sold his family's business to focus exclusively on what he does today: build

brands.

It was this experience that compelled Jeremy to embark on a decade-long study of how companies grow recognizable, memorable brands. He and the Sticky Branding team have profiled and interviewed hundreds of companies across dozens of industries to uncover how companies grow Sticky Brands.

Jeremy's first book, *Sticky Branding*, is a branding playbook for small- and mid-sized companies. In 12.5 principles, the book shows you how to stand out, attract customers, and grow an incredible brand. The book was a #1 Globe and Mail bestseller, and it even beat Oprah! (Yep, that's something worth bragging about.) Jeremy's latest book, *Brand New Name*, is a graphically-designed branding book that shows you how to name or rename anything.

For the most up-to-date bio, visit <u>StickyBranding.com</u>. And definitely connect with Jeremy on social media. <u>LinkedIn</u> is a great place to start.





The companies that act first and adapt fastest during the coronavirus crisis have the advantage. Sticky Branding helps you identify Green Shoots of opportunity, adjust your value proposition, and slingshot your business out of the crisis.

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