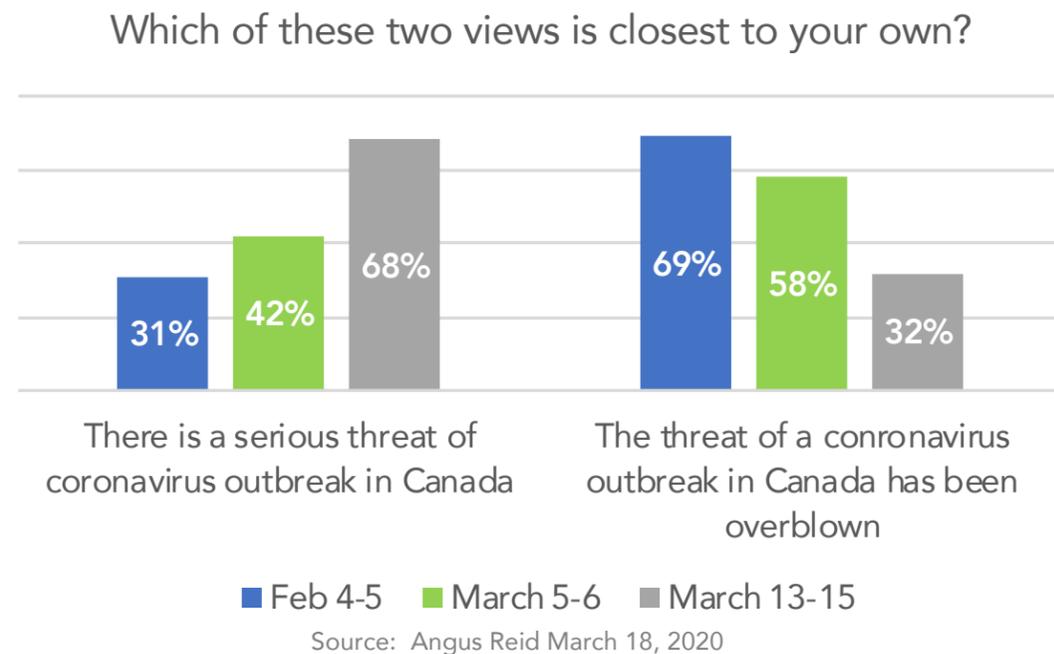


THINKING AHEAD
FROM PANDEMIC
TO PATH FORWARD:
UNDERSTANDING
THE HUMAN
BEHAVIOUR AT PLAY.

CANADA IN THE MOMENT

As the world continues to evolve their behaviours and responses to the virus, Canadian opinion continues to evolve as well. With a significant increase in closer-to-home, real time media coverage, Canadians have come to believe that the current situation is a very real concern.



The domino effect from the virus—questions about healthcare availability, healthcare system stability, healthcare capacity and a rising level of layoffs—have created a pervasive concern shared amongst all Canadians.

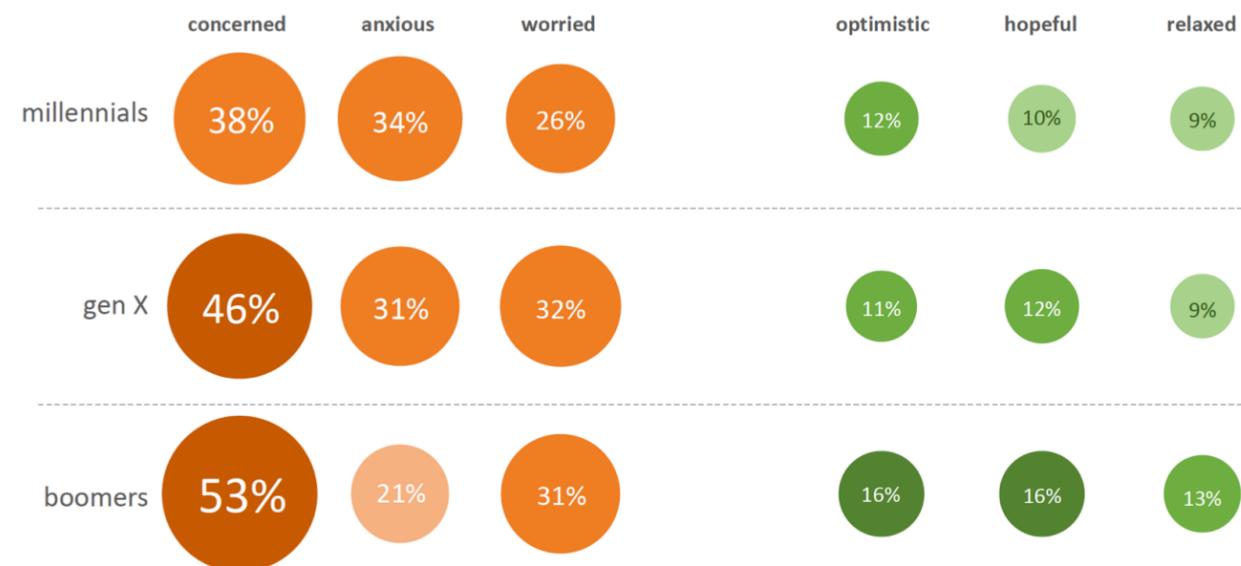
Where once climate change ruled the media and political and economic conversation, COVID-19 coverage is all but impossible to escape. Constant and unavoidable stories—the effects of the virus—have come to dominate the concerns of all Canadians.



Source: MARU March 20th, 2020 Omnibus n=1,500

CANADA IN THE MOMENT

The causality between coverage, concern and emotional state of the nation cannot be ignored. On the whole, optimism, certainty and confidence have been replaced with a pervasive dire mood.



Source: MARU March 20th, 2020 Omnibus n=1,500

With recent mandatory closures of restaurants, bars, sports—entertainment—business events, and retail etc., the impact on people’s personal finances and purchasing power cannot be underestimated for the balance of 2020.



When will life be back to normal? Not anytime soon, experts say
Public health experts say the closures and other disruptions to Canadian life aimed at fighting the COVID-19 pandemic will likely be extended and expanded.

Air Canada lays off thousands of flight attendants



A union official says Air Canada is laying off more than 5,000 flight attendants as it grapples with the fallout from the COVID-19 pandemic.

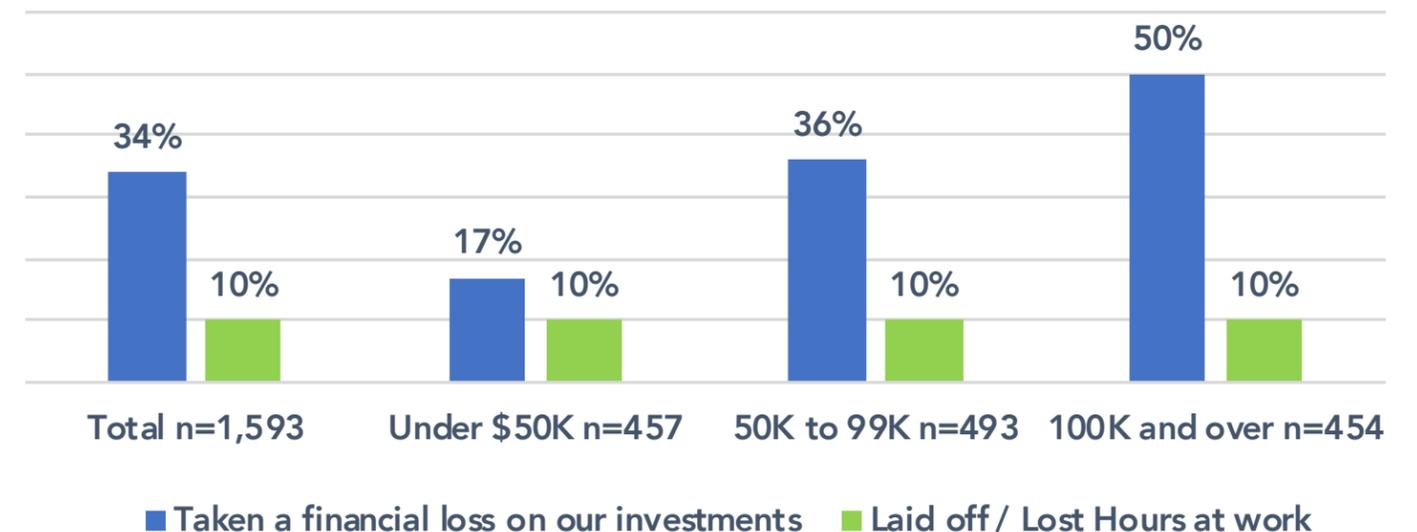
CTV National News: An economic survival plan



Thousands of people are out of work as businesses continue to shut down. Glen McGregor reports on the government’s economic survival plan.

Beyond health concerns, almost two-thirds (65%) of Canadians feel worried about their personal finances: for today and tomorrow. With many business sectors closed for business or reducing service—as of March 13-16—10% of Canadians say they or someone in their household has lost hours or been laid off due to the economic downturn. Compounding this financial stress, those fortunate enough to have invested assets are experiencing the viral effects of COVID-19 on their personal investments.

Impact of COVID-19 on Personal Finances



Source: Angus Reid, March 13-16, 2020. n=1,593

CANADA IN THE MOMENT

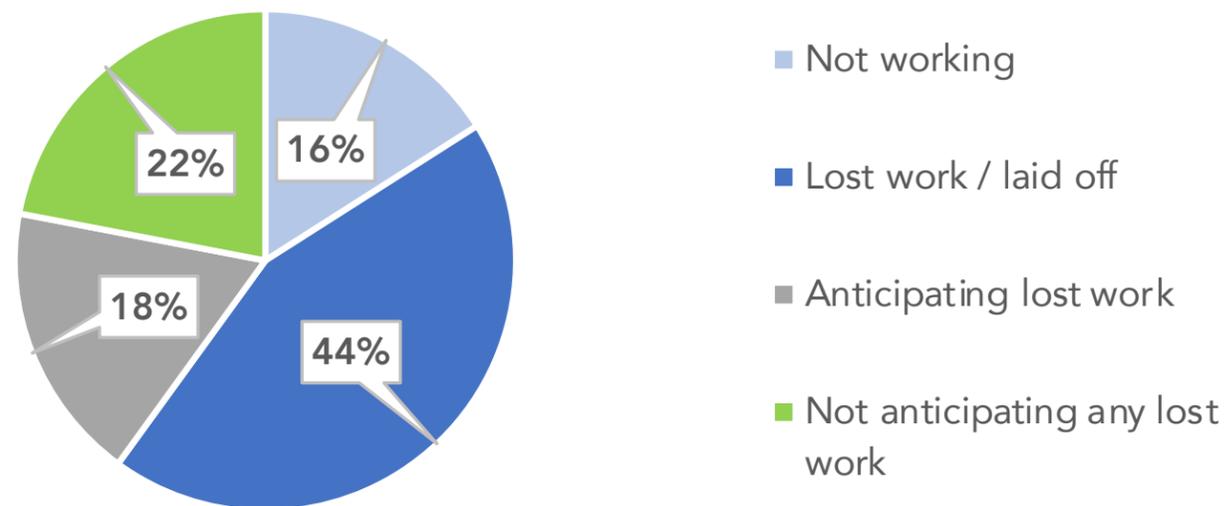
As time goes on, the impact of the virus on Canadians' economic wellbeing is only worsening.

44%
of Canadians say that they or someone in their household has lost hours due to the economic downturn.
Source: Angus Reid, March 20-23,, 2020 n=1,664

The majority of Canadians feel the impact of the virus on the economy will affect their households over the coming weeks and months. If accurate, this will clearly impact the ability of consumers to actively and robustly participate in the economy.

Impact of COVID-19 on Canadian Households

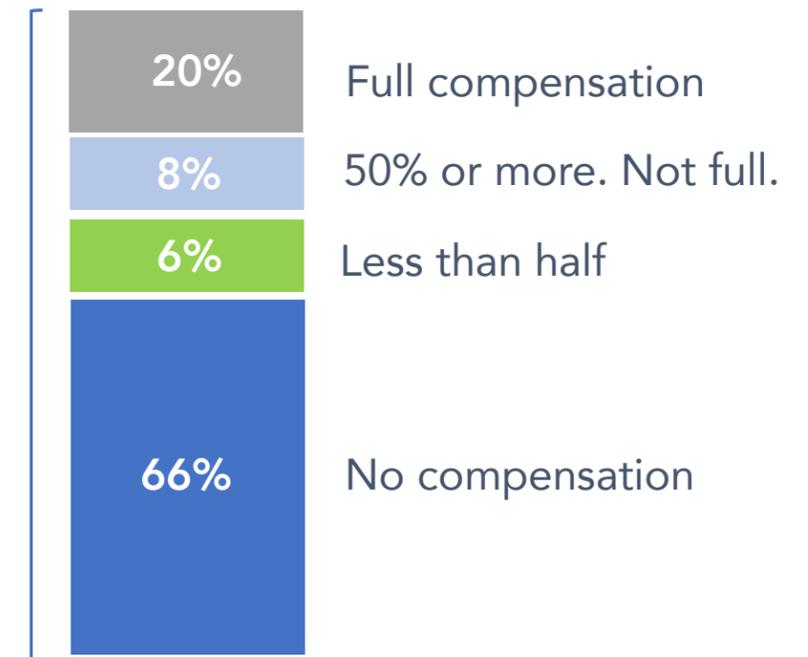
Source: Angus Reid, March 20-23,, 2020 n=1,664



Amongst the 44% of people who have lost work or been laid off, financial concerns are likely to increase. According to the most recent analysis from Organization for Economic Cooperation, "Canadians are forecast to save just 3.21 per cent of their disposable income in 2020, or about \$1,277 on average per household."

44%

Lost work/laid off



Source: Angus Reid, March 20-23,, 2020 n=1,664

BEHAVIOURS AT PLAY

One truth rises above all: as human beings we react and adapt to stimulus...in this case a virus. Emotions lie at the heart of those reactions. So recognizing, understanding and responding to the behavioural bias at play will help ensure your brand is more relevant now...and better positioned when the new normal establishes itself.

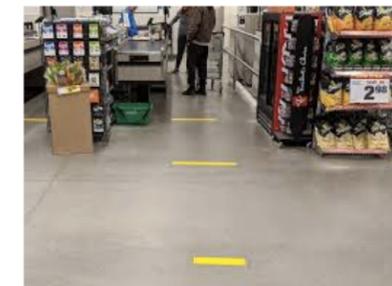
Three key behavioural biases are very much in play:

1. **Availability Bias**—With people quarantined at home, deprived of rituals, routines, exposed to a now constant barrage of fear-ridden media, the minds of consumers are not focused on what they were. People's minds will be focused on information—brands, products and services—that are most relevant to managing the situation at hand: health, wellbeing and stability.
2. **Habit Loops**—Consumption is driven by very strong motivations: emotion, identity, belonging and status. Despite declines in consumption across some categories, these human motivations aren't going to disappear. As people adapt new behaviours to the current situation, those behaviours have the potential to become entrenched habits.

3. **Reciprocity Bias**—As human beings we tend to reciprocate the actions of others, and by doing so create cycle indebtedness (the good kind). In short, we tend to behave towards others as they behave towards us.

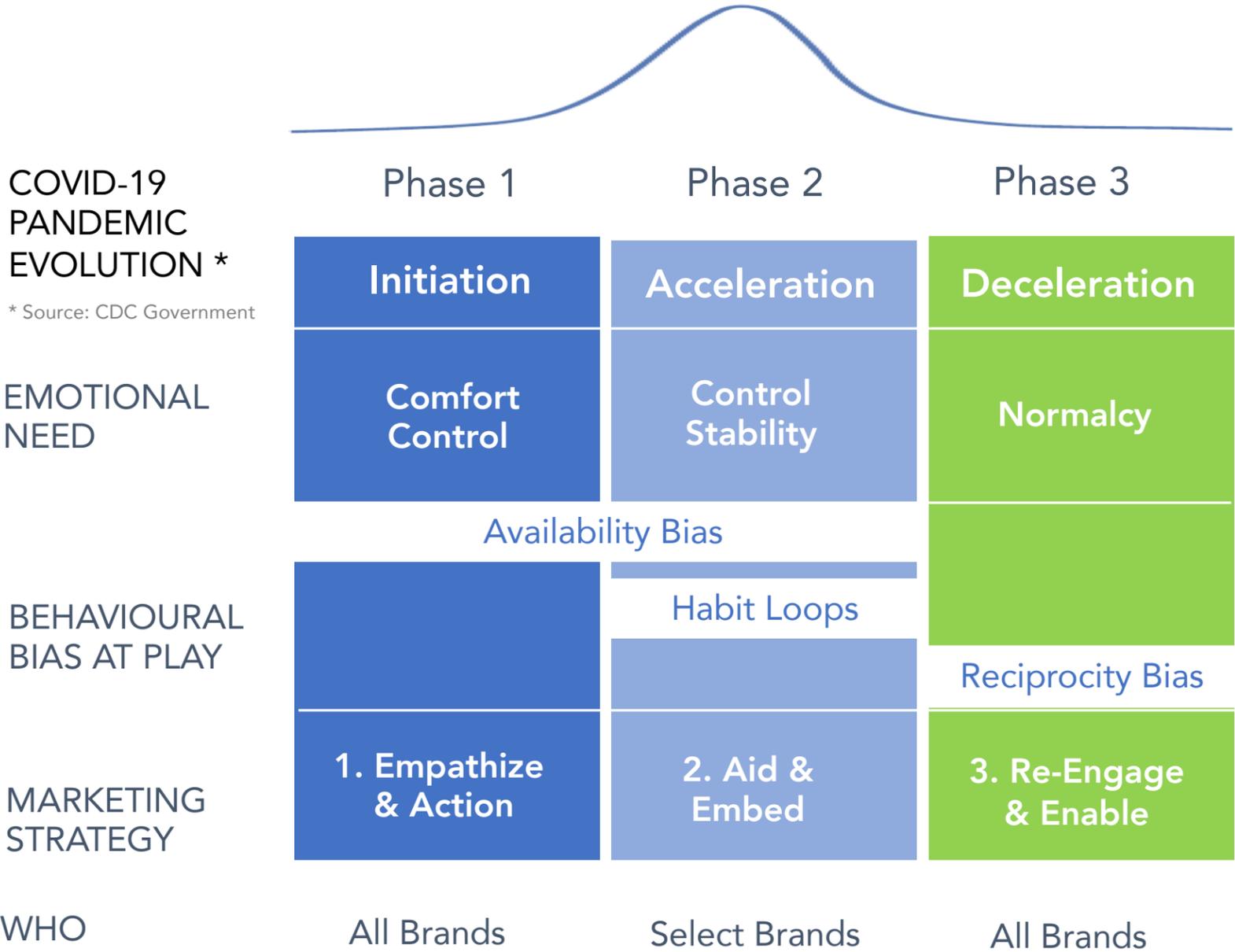
Responding with Relevance

The immediate response for many brands is easier to see, understand, plan for and execute. Marketing with understanding and relevance beyond the immediate term is more difficult. Difficult but not impossible.



Now more than ever, brand trust, credibility and relevance will need to account for the human behaviours at hand. As with any crisis, people will go through phases and so should your brand marketing communications.

THREE PHASES TO COMMUNICATING THROUGH COVID-19



THREE PHASES TO COMMUNICATING THROUGH COVID-19—PHASE 1

COVID-19
PANDEMIC
EVOLUTION *

* Source: CDC Government

EMOTIONAL
NEED

BEHAVIOURAL
BIAS AT PLAY

MARKETING
RESPONSE

WHO

Initiation

Comfort
Control

Availability Bias

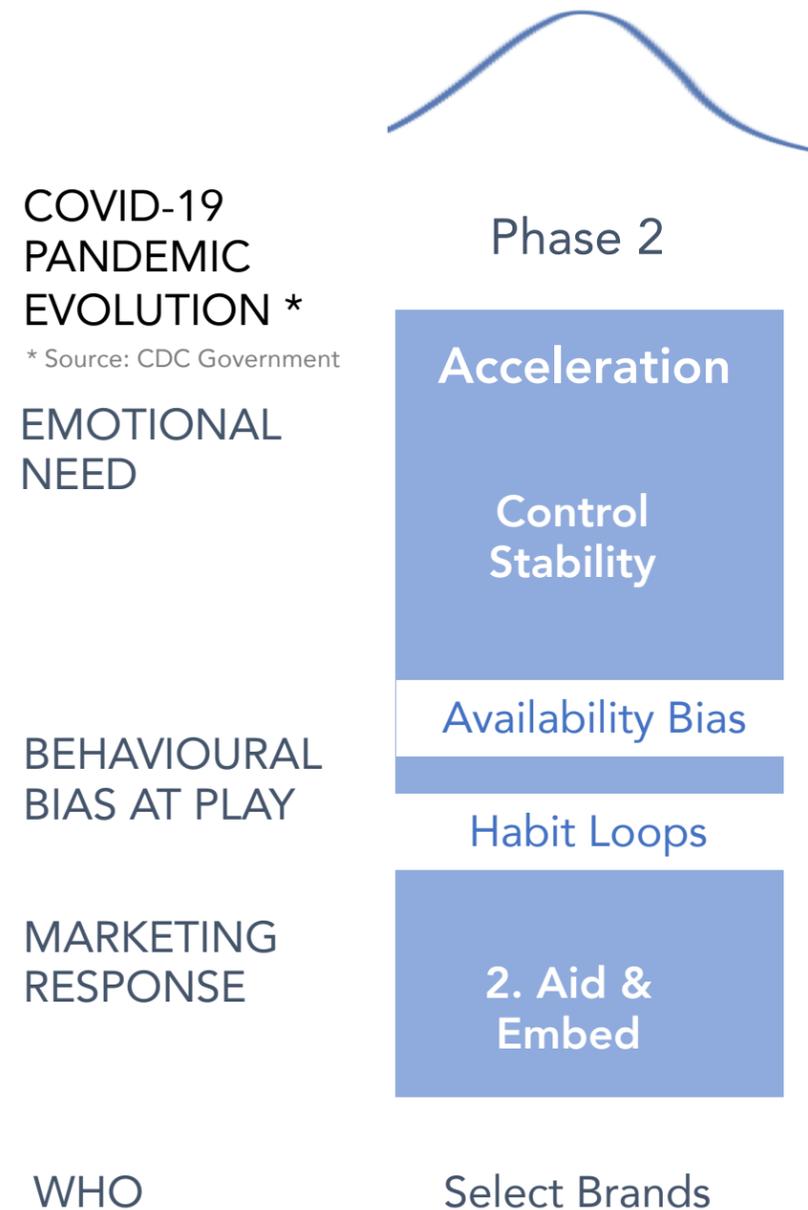
1. Empathize
& Action

All Brands

PHASE 1 – IMPLICATIONS

- Communications should recognize and react to the very bias that inform and direct people's behaviour. **Focus on supporting customers by showing empathy and understanding and action.** Tell people what you're doing on an on-going basis to make them feel safe.
- **Use the emotional needs as strategic filters** for what you should/shouldn't do. It's not a time to sell, talk at or make fun of...engage with people as you would want to be engaged with.
- **Get messaging strategy right:** focus on providing information about what you're doing to help maintain people's safety and day-to-day normalcy. In times of crisis, research shows people engage in control and comfort seeking behaviour. Some things matter at this stage, not all things.

THREE PHASES TO COMMUNICATING THROUGH COVID-19—PHASE 2



PHASE 2 - IMPLICATIONS

- **Know your category and brand permissibility.** Communicate if you know your brand will be perceived as explicitly helping the quarantined customer. All brands will not have the equal acceptance, relevance or utility in this phase.
- **Reinforce customer attraction now...for loyalty later through real understanding.** Why guess when you can know? Getting the product, offer and messaging strategy right (targeted or not) is dependent on really understanding what your customer/segment expects from your category, brand and product/service.
- **Focus on communicating triggers that will reinforce people's current behaviours and transform them into habits.** Bolster paid/owned presence to reinforce how buying and using your brand's products/services will enhance or create a greater sense of personal control and life stability.

THREE PHASES TO COMMUNICATING THROUGH COVID-19—PHASE 3



COVID-19 EVOLUTION *

* Source: CDC Government

EMOTIONAL NEED

BEHAVIOURAL BIAS AT PLAY

MARKETING RESPONSE

WHO

Phase 3

Deceleration

Normalcy

Reciprocity Bias

3. Re-engage & Enable

All Brands

PHASE 3 - IMPLICATIONS

Communications should recognize, and where possible, account for people's need for economy. For low cost/DTC model brands, post virus will be an opportune time to heavily reinforce and own that advantage with consumers...to the detriment of competitors.

For others, there's advantage equally at hand:

- a) Consider adding lower-cost brands/products/services that provide the basics without frills.
- b) Based on your CRM data, target limited time offers to the consumers you know would benefit most.

BACK TO NORMAL OR NOT?

The most recent data from CNN Business March 16th suggests “nearly 80 million jobs in the US economy are at high or moderate risk.” In Canada, we’ve seen a spike of 500,000 in unemployment claims filed the week of March 16 alone. As industries such as food & drink, retail, travel, tourism, leisure, support services etc. continue to suffer, the effect on HHI and wage loss in the near- to mid-term cannot be underestimated.

65% say

COVID -19 will have a financial impact on me and my family.

Source: Angus Reid , March 13-17 n=1,451

Headlines of looming recession—increasingly everywhere—are only exacerbating people’s concerns of financial trouble ahead.

Since spending is people’s HHI, the reality of:

- Job loss and/or temporary layoff
- Decreased HHI
- Investment losses
- Negative financial news is likely to manifest itself in atypical and curtailed short- or medium-term consumer spending

COVID-19 Fatigue

Like any topic or message, there will come a time where people will mentally and emotionally experience coronavirus fatigue. Despite the very real necessity of social distancing quarantine and government/health authority messaging, fatigue is likely to set in as it would for any ‘brand message.’

As brands, don’t forget the powerful functional and emotional role you play in people’s lives. That has value, and is valued by people. Now, more than ever, is a good time to determine what people need most from you and deliver it.

Key Considerations:

1. **Create your plan for communicating across the three phases that are best for your business, brand and consumer.**
2. **Pay attention to tone and timing.** People aren’t looking for advertising. They are looking for the things around them that solve for a lack of control, comfort, stability and normalcy. Be one of those things as best you can.
3. **Strengthen and play to the role you already have** in people’s lives but be conscious of not overstepping your permissible bounds and damaging brand trust.
4. **Determine a new and valuable role** your brand can play during the crisis and play that role transparently. You may be asking people to think about and see you in ways they haven’t before.

THANK YOU.