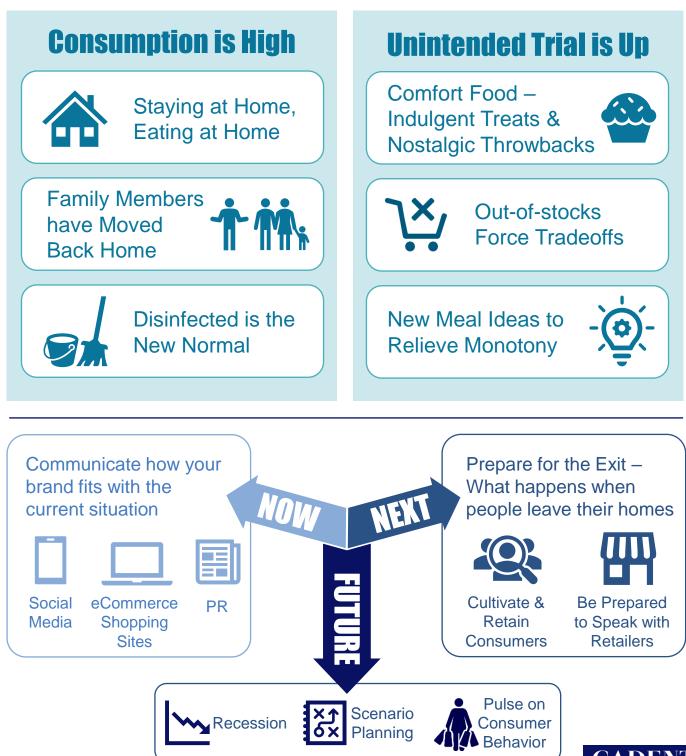
Shoppers your Product in a Pandemic **Now What?!**

PRODUCT IS FLYING OFF OF SHELVES – BUT WILL SHOPPERS COME BACK?



Shoppers love your product in a pandemic. Now what?!

Consumers continue to stock up on all kinds of groceries, and what they are buying is dramatically different from what they were purchasing just a few weeks ago. The initial surge was explainable, but why are store shelves still getting wiped out? There are several reasons people continue to stock up on all kinds of grocery products:

- Stocking up so they don't need to go out as often
- Eating more meals/snacks at home
- Buying comfort foods
- Seeing empty shelves makes people nervous so they buy more

But as manufacturers see their products flying off the shelves, many express the age-old concern: what goes up must come down. So, the question many are grappling with is how to forecast consumption going forward. Will people continue to buy much more than usual? When will volumes start to decline? When will there be a trough, and will we get stuck with way too much extra inventory? While there is much uncertainty in today's environment, there are ways to be prepared for the future. Here is what to think about:

- Consumption is High
 - The demand for more food, home care and personal products is real and even the most substantial stock-up purchases will likely be consumed.
 - Whether it is because people are home all day, eating out less frequently, or because more family members have moved back home, most households are likely consuming significantly more food at home.
 - Disinfected is the new normal.
 Personal and home cleaning products of all types are being used to stay safe.

• Unintended Trial is Up

- As shoppers encounter out-of-stocks they are making brand or product trade-offs and trying alternatives they may not have chosen in the past.
- A recent New York Times article documented the transition to comfort food—either indulgent treats or nostalgic throwbacks—and shelf-stable processed food, reversing recent trends toward natural/healthy foods.¹
- After weeks of eating at home, shoppers are looking for new ideas to prevent monotony.

How do you plan for needs going forward and what should your marketing investment look like to keep new and traditionally loyal consumers coming back?

NOW:

- Communication: Exploit how your brand fits with consumers' current situation
 - WHAT:
 - 80% of consumers think brands should not exploit the coronavirus to promote their brand²
 - 71% feel that you should use a reassuring tone²
 - Comfort Food
 - Reminders of less complicated, safer times
 - Give permission to indulge
 - Quick & Easy Meals
 - Provide solutions to feed the family day after day
 - Pantry Staples
 - Help shoppers use all of the pantry staples they bought but may not know how to use.
 - o Minestrone to use up dried beans, canned tomatoes and pasta?
 - Peanut butter cookies to use up peanut butter and flour?

- HOW:
 - Social Media—now is the perfect time to connect with your consumers and let them know how your brand will help them through this uncertain time
 - E-commerce shopping sites—remind shoppers how your brand can provide solutions for this new lifestyle
 - PR—demonstrate your brand's values

NEXT:

- Prepare for the exit—What happens when people leave their homes?
 - Plan actions to cultivate and retain consumers
 - Continuity programs
 - Promotions
 - Reminders
 - $\circ~$ Be prepared to speak with retailers about the new environment and new behaviors
 - Right product in the right place, especially considering e-commerce vs. B&M
 - Price Pack Architecture

FUTURE:

- RECESSION!
 - How does your brand fit with austere times?
 - Promotions to reflect the financial situation
- SCENARIO PLANNING:
 - Tremendous uncertainty means that planning should include a robust set of scenarios:
 - How long will the stay at home orders last?
 - Will the virus return? When? How many times?
 - How quickly will consumers return to old habits of eating out or going to events?
 - How quickly will the economy rebound?

• PULSE ON CONUMER BEHAVIOR:

- o Comfort food hangover? Return to fresh, natural, diet?
- Sustainability-Now that skies are clear, desire to NOT return to 'normal'?

It has been interesting to speak with manufacturers who seem more concerned with the potential downside of their recent business success. Have you been asking '*when will the inevitable downturn come*'? Instead, focus on embracing both your new and loyal consumers during this time of uncertainty, and give them reasons to use your brand now and in the future!

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- ^{*i.*} Julie Creswell. "'I Just Need the Comfort': Processed Foods Make a Pandemic Comeback". The New York Times, April 7, 2020.
- ² Kantar "COVID-19 Barometer", Wave 1, March 15-18, 2020.