

Ray Poynter, 14 April 2020

It is all about the Pandemic Crisis (and the recession)

The virus has already killed more than 100,000 people, and this number is set to more than double over the next month or two. More than a third of the world is in lockdown, [only 5% of insight and market research professionals are working in an office](#), the rest are working from home or not working at all. [According to the ILO](#) (International Labour Organization – a United Nations agency) 81% of the global workforce have had their workplace fully or partly closed). The general opinion seems to be that the world is heading into a deeper recession than the 2008 recession.

Key impacts on the insights and research industry include:

- Face-to-face qual has moved from the main method of doing qual to almost vanishing. This has hit recruiters, viewing facilitators, and freelance researchers who specialize in face-to-face very hard. Many projects are being converted to online, using online focus groups, online communities, mobile ethnography etc. We are also hearing of increases in the use of social media listening.
- Most insight and research professionals are now working from home, but most are reporting that their productivity is reduced.
- End-clients who are no longer trading (for example many airlines, restaurant chains, and cinemas) have paused or dramatically reduced their marketing and their insights programmes.
- Companies are postponing their plans for new product and campaign launches, which tends to postpone the associated research.
- However, there is still research being conducted, including: research about the impact of the virus on communities and on consumer groups, product and communication testing for products and campaigns that are still taking place, brand and reputation research to help organisations navigate these unprecedented times.

Resources and Initiatives

Many of the trade associations have created resource pages to help individuals and organisations deal with the crisis, for example:

- [ESOMAR](#)
- [AMSRS](#), Australia
- [MRS](#), UK
- [Insights Association](#), USA
- [RANZ](#), New Zealand

Similarly, many providers of research services have created initiatives to help research organisations and users of research. Some of these initiatives are listed on the NewMR [Supporting Insights & Research](#) page. If you have things that are free, let us know and we will list them.

Four business models to handle the Crisis

In my presentation What Now ([see the recording and slides by clicking here](#)), I discussed four models for how to handle the current crisis. This relates to the majority of companies who are not being boosted by the crisis, if you are like the grocery retailers, working flat out to meet demand, then you have a different set of demands – but for the rest of the world the question is how best to handle the Crisis. The four models are:

Hibernate – close the business, wait until you can trade again e.g. event locations, restaurants, cruise companies. This usually requires some expenditure to keep things ticking over, e.g. filing accounts, maintaining buildings etc.

Hunker Down – assume the recession will unwind in a few weeks or months, slash costs, keep ticking over, grab chances when available, prepare for after the crisis.

Pivot – stop doing X and start doing Y – for example delivery options, ventilators, online games etc.

Operate – assume this is how things are going to be for a while, cut costs, be agile, find out where there are needs and meet them. Help your client keep their job.

I have set out some thoughts about the insights and research implications of all four of these models below. But, before we start, I want to highlight a key point. Insight and Research activity is largely a function of marketing and of customer touchpoints. Brands that do more marketing need and do more research, brands that are focused on the brand experience (e.g. auto sales, hotels, restaurants) need and do more customer experience related research. As the volume of marketing goes up and down, and the volume of customer experience situations goes up and down, so the demand for insights and research goes up and down.

Hibernate

In most cases, brands do not choose to hibernate, they have been obliged to stop operating. Examples from around the world include airlines, restaurants, cinema chains, department stores and many more. These brands are either not receiving any revenue, or they are receiving it from other sources (e.g. investments in other counties, government subsidies, rents etc). The people who would normally commission research and the people who would normally read it have, in many cases, been laid off or stood down. My advice to these brands is to maintain some PR, be seen to be talking to the market and advocating on behalf of your staff and customers. I would also advise some research, but with a minimal spend, focusing on brand salience (particularly in terms of the PR) and focusing on how to spot the end of the crisis and what will happen after the crisis. This research is probably going to focus on a) secondary research, b) social media, and c) DIY research if you have access to suitable lists and suitable skills (there are people offering tools for free or very little).

Hunker Down

This strategy is most appealing to organisations who believe the worst will be over in two-three months or less and with better financial reserves than their competitors, or ones with specific advantages (e.g. a brewer that has contracts in place or the only cinema in a town). One thing that this group of companies may be looking at is the pent-up demand caused by the people who are still working but who can't spend money at the moment. When the

crisis subsides, and depending on how the lockdowns are released, this group of organisations may be optimistic about ramping revenue up quite quickly. From an insights point of view, these brands are likely to maintain their marketing and experience programmes, but at a reduced level, and the same is likely to be true for their research. A Zappi ad test might be purchased instead of the all-singing version, allowing the brand to avoid pitfalls and reduce costs. Companies with insight communities or panel-like databases will probably shift projects to those – particularly qual projects that are also moving from F2F to online.

One example of a brand operating in hunker down mode is Anheuser-Busch InBev, the world's largest brewer by volume. As customers have been forced to stay at home sales have plummeted, share prices have tumbled, and the company has drawn down a \$9Billion loan facility, [see FT reference](#). One of the changes that AB InBev has made is to [redirect its \\$5million spend on sports and entertainment marketing to the American Red Cross](#). Sports and entertainment are largely closed down, and this change wins AB InBev great (and deserved) praise, and allows them to simplify a range of actions and facilitates them streamlining their plans and actions. The insights and research implications of this switch of spending are profound, the \$5 million on sports could have required a wide range of insights, the donation to the American Red Cross requires much less research.

Pivot

At the smaller level the number of brands pivoting is immense, pubs and restaurants shifting to a delivery business, fitness clubs and instructors moving online, and freelance market researchers taking jobs in retail. At the larger end of the spectrum we have seen companies like [Universal become the first studio to make new movies available for streamers](#) as a business model. Some companies are pivoting as a temporary strategy, either to do good (such as the many companies, e.g. LMVH, that have started making hand sanitiser or even ventilators) or to bring money in while the crisis persists (such as many of the online gyms). However, many of these temporary pivots may become permanent.

Companies that pivot need insights and research because they are moving outside their circle of knowledge. Most of the research they will need initially is going to be ad hoc, for example design related, UX, concept testing, message testing and short-term segmentations and market mapping.

Operate

Companies that choose this route are making no assumptions about when the crisis will end, but they suspect it might not be soon, so they need to operate in this new normal until things change. Cost cutting, becoming agile, and adopting a strategy of making tactical gains whenever possible are prerequisites of this mode – some have described it as being scrappy, fighting for a good share of a reduced pool of revenue.

A good example of this Operate mode is highlighted by a [recent ad campaign from Toyota](#) in the USA. Campaigns and launches for cars are planned months, sometimes years ahead. So, with large parts of the USA in lockdown Toyota needed to decide whether to a) run inappropriate scheduled advertising, b) ditch the marketing, or c) create something new to fill the space. They went for c), working with their agency Saatchi and Saatchi remotely to create a new campaign, recognising that in many parts of the country Toyota dealers were

still open, and that people like first responders still needed to get their vehicles serviced. They created two ads, which you can see [here \(ad 1\)](#) and [here \(ad 2\)](#).

Companies in Operate mode are still marketing, they are still creating customer experiences, so they need insights and research. However, they need to make two adjustments to their insights and research; 1) they need to be cheaper/faster and 2) they need to tailor their key measurements to what matters now, in the crisis. In the past a supermarket study might have focused on how quickly people were able to shop, now they may need to focus on how safely people can shop. In the past they may have focused on 'Gives me what I need', but now a scale such as 'Looks after the vulnerable' may be key. In the past the study might have focused on 'Wide range of products', but now 'Has the key things I need' might be more relevant. We are seeing insight communities being used to optimise offerings, CX programmes being tweaked to match the current situation, and trackers being modified to measure what matters right now.