

# (RE)OPEN

A FRAMEWORK FOR POST-CRISIS RE-ENTRY

04.28.2020

# LRW GROUP



1,200+

PEOPLE | 12 OFFICES



DATA ANALYTICS  
CONSUMER INSIGHTS  
MARKETING SERVICES  
DIGITAL DESIGN + INNOVATION

LRW GROUP



Kelton



lrw GREENBERG

lrw TONIC

lrw MOTIVE QUEST

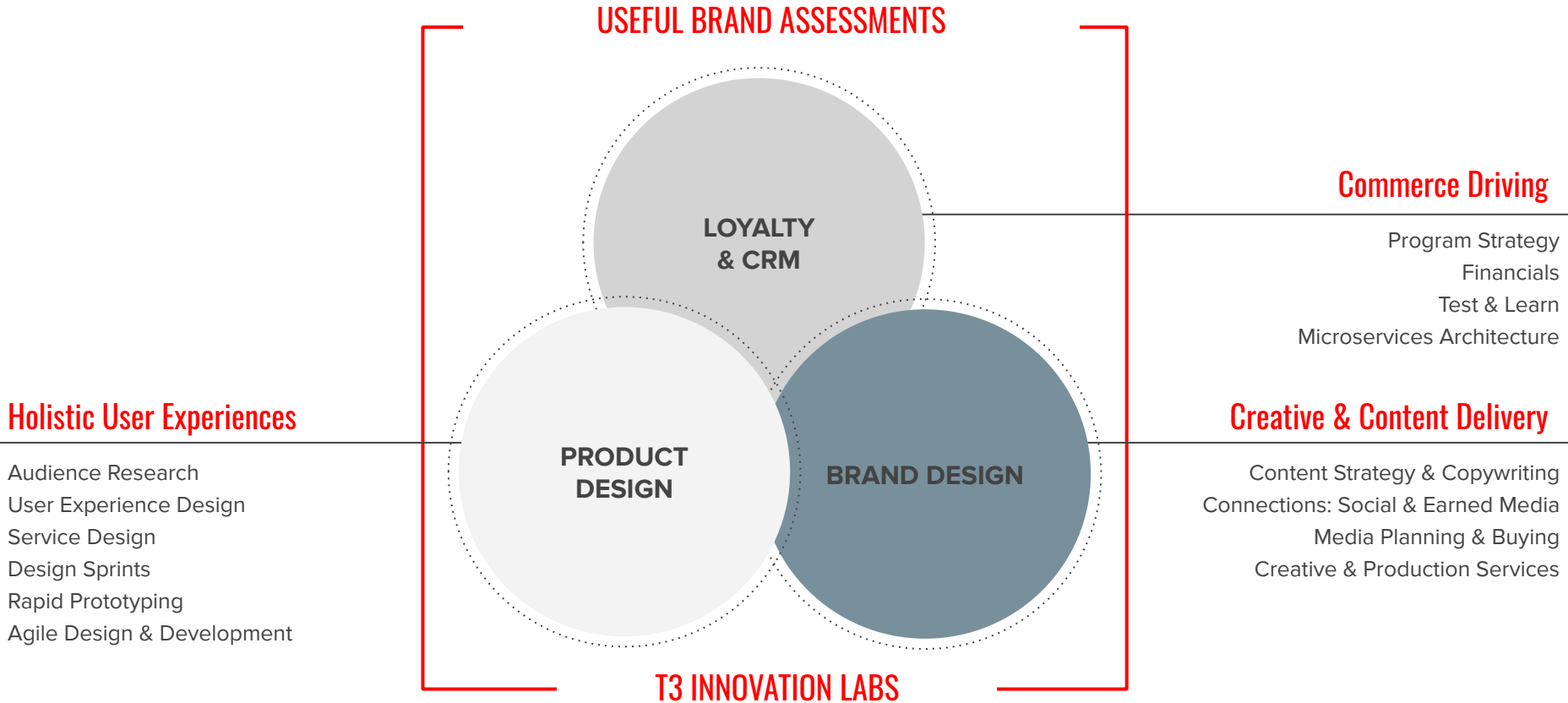
93 Karma Agency

STRATIVITY  
an LRW company

KILLER  
VISUAL STRATEGIES

T3

# WE INTEGRATE PRODUCT DESIGN AND BRAND DESIGN



A blue wooden sign with white text, hanging from a chain. The sign has a distressed, painted appearance. The text is arranged in three lines: 'Come In' in a cursive font, 'WE'RE' in a simple sans-serif font, and 'OPEN' in a large, bold, blocky sans-serif font.

*Come In*  
WE'RE  
**OPEN**

- **ECONOMY/BUSINESS IS APPROACHING AN INFLECTION POINT**
- **GOVERNMENT FORECASTS AND NEWS COVERAGE ONLY OFFER A PARTIAL INSIGHT**
- **BRANDS AND CONSUMER-FACING BUSINESSES ARE SEARCHING FOR CLUES AS TO HOW TO THINK ABOUT RE-ENTERING DIRECT-TO-CONSUMER SERVICE**
- **PRIOR BUSINESS OR MARKET ENTRY MODELS DO NOT ADEQUATELY INFORM**

# | LEADERS ARE BEGINNING TO PUT TIMELINES ON RESUMING SOME COMMERCE

## **CNN** Where all 50 states stand on reopening



JULIO-CEZAR CHAVEZ/REUTERS

The President has indicated many states can reopen by May 1, but some governors have different plans

cnn.com front page 04.24.20

### CORONAVIRUS IN TEXAS

## Gov. Greg Abbott promises far-reaching announcement on reopening Texas businesses, including restaurants, hair salons

The announcement could come as soon as Friday, Abbott said.

BY PATRICK SVITEK APRIL 22, 2020 17 HOURS AGO



## North Carolina expected to announce phased re-opening plan: Real-time updates Thursday, April 23

# I GOVERNMENT FORECASTS ONLY OFFER A PARTIAL ANSWER

## CDC director says 19-20 U.S. states may be ready to reopen May 1

Doina Chiacu, Susan Heavey

3 MIN READ



WASHINGTON (Reuters) - The director of the federal Centers for Disease Control and Prevention said on Wednesday he believes 19 or 20 U.S. states have had limited impact from the new coronavirus and their governors believe they may be ready to reopen by President Donald Trump's May 1 target date.



CORONAVIRUS CALIFORNIA

## Gov. Newsom announces steps toward reopening, declines to give specific date



By Lyanne Melendez and Alix Martichoux

Wednesday, April 22, 2020 6:21PM

## White House Guidelines For States Reopening Seem Short On Specifics

April 17, 2020 · 7:24 AM ET

## Starbucks has a plan to reopen. Here's how it will work



By [Jordan Valinsky](#), CNN Business

Updated 10:55 AM ET, Thu April 16, 2020



*Starbucks is adopting a ‘monitor and adapt’ strategy to reopen some cafes in the US following their closures in mid-March.*

*CEO Kevin Johnson told employees in an open letter that the initiative means ‘every community will continue to monitor the Covid-19 situation and decide when to fully reopen their cafes depending on local conditions.’*



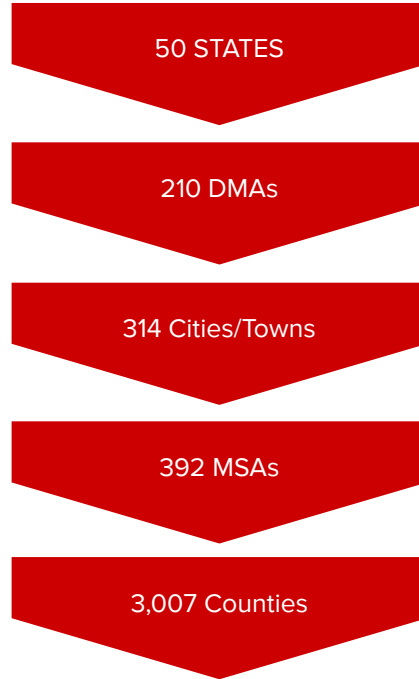
# RE-OPENING CALCULUS IS PROBLEMATIC DUE TO MARKET COMPLEXITY/OVERLAPPING AUTHORITY

AT&T 12:23 PM 95%

The New York Times AA

## Reopening Plans Across U.S. Are Creating Confusing Patchwork

Several states, including Texas and Florida, have stay-at-home orders expiring this week. "That executive order has done its job to slow the growth of Covid-19," Gov. Greg Abbott of Texas said.



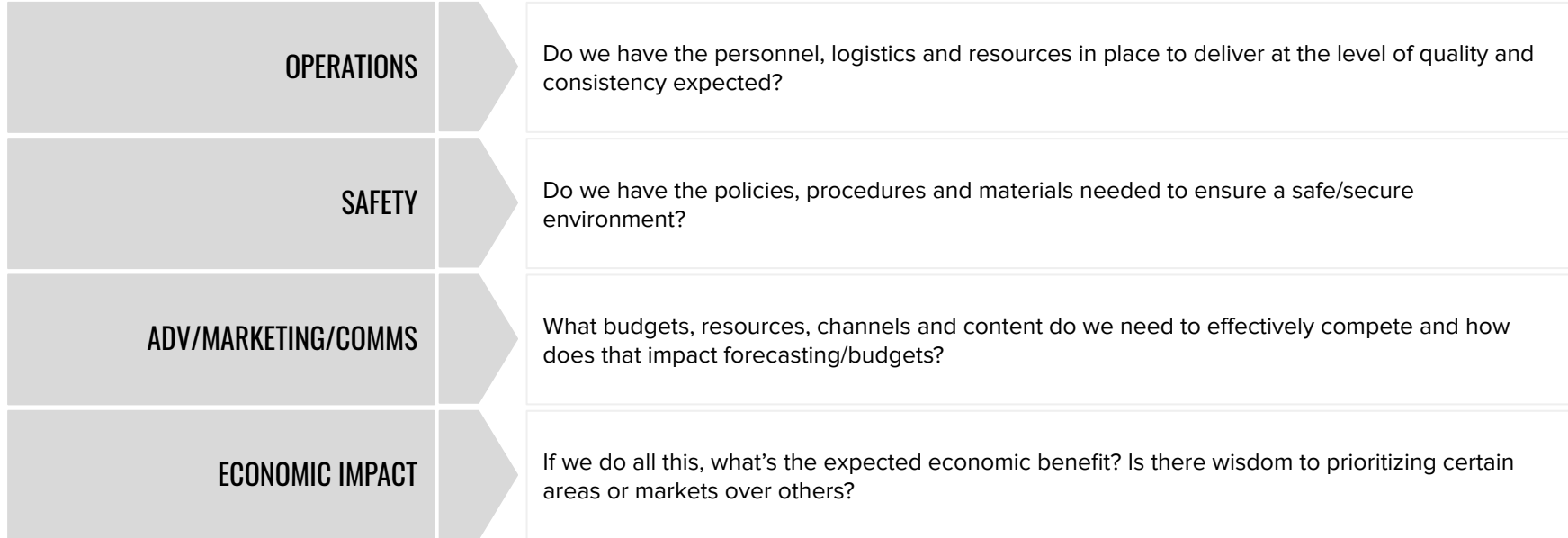
*Atlanta Mayor Keisha Lance Bottoms on Wednesday expressed her disagreement with Georgia Governor Brian Kemp's decision to re-open the state...*

04.22.20

CBS NEWS

# | RE-ENTRY ISN'T AS SIMPLE AS FLIPPING ON A LIGHT SWITCH

Gaining clarity influences:



**KEY INSIGHT:**

**MARKET REOPENING WILL BE ORGANICALLY SHAPED & JAGGED;  
NOT UNIFORM, ANALOG, LEFT-TO-RIGHT OR PREDICTABLE.**

**BRANDS NEED TO CREATE THEIR OWN DECISION FRAMEWORK**

**HERE'S HOW WE RECOMMEND YOU BUILD IT**

**FOUR CONSIDERATIONS**

**LEADING TO PRIORITIZATION**

## | FOUR CONSIDERATIONS

FACTOR	KEY QUESTION	DETERMINATION
Market Footprint	<i>What percent of the system does a market represent?</i>	Quantify location or store density at a market level.
Revenue Baseline (market level vs. system)	<i>How do the locations perform relative to other markets?</i>	Understand sales or revenue performance pre-COVID.
Consumer Sentiment (market level)	<i>How willing are customers to come back out?</i>	Gauge consumer interest in coming back into the market.
Permission (market level)	<i>Do we have permission to resume? And at what level?</i>	Confirm market level policies; further inform with CDC data.

## I CONSIDERATION ONE: MARKET FOOTPRINT

Out of all the markets we serve, which represent the greatest total gain in terms of number of locations?

- Answers: “If a market comes back online, what impact does that make to the system?”
- Requires definition of a “market”: How to categorize a market (MSA, DMA, City, County, etc.)
- Requires: itemization of number of locations per defined market put into a spreadsheet
- Allows for accurate tracking and data aggregation

### MARKET FOOTPRINT ACTION ITEMS:

**Reach consensus on what constitutes a market**

**Itemize locations by market**

**Break out system percentages by market**

**Create top-down itemization**

## I CONSIDERATION TWO: REVENUE BASELINE

What was the revenue trend in a market before COVID-19?

- Answers: “Can we envision a smaller market having a greater system impact? Can we create a tiered set of assumptions?”
- Requires: Revenue by location 12 months prior to market shut down
- Requires: 12-month prior revenue per location crafted into a market-level average
- Allows for greater prioritization and more granular decision making

### REVENUE BASELINE ACTION ITEMS:

**Create 12-month revenue averages per market**

**Append to markets inside spreadsheet**

**Revisit top-down itemization**



**CONSUMER SENTIMENT IS A COMPLEX TOPIC**

**AND WILL BE A KEY DRIVER IN AN ECONOMIC REBOUND**

Despite a continued stream of alarming economic news, Americans aren't feeling nearly the same levels of despair around the economy as they were during the last recession.

Please only come inside if it's absolutely necessary

We need to keep our members and colleagues as safe as possible.

Please manage your money on our Internet Bank or Banking app wherever you can, and only visit us in person if it's urgent.

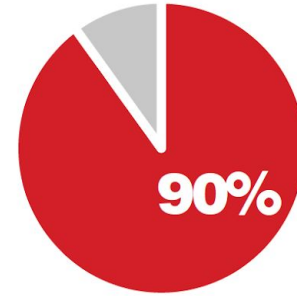
We might ask you to come back another time if it's not.

Visit [nationwide.co.uk/coronavirus](https://nationwide.co.uk/coronavirus) for more information and help to set up online banking.

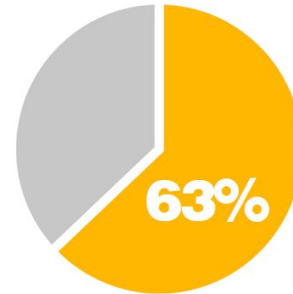
Nationwide

Build Society

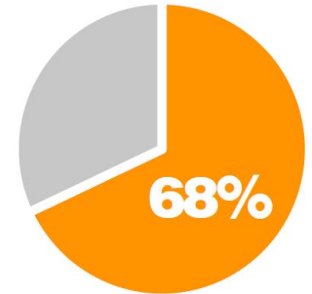
US economy is on the *wrong* track



JANUARY 2009



MARCH 2020



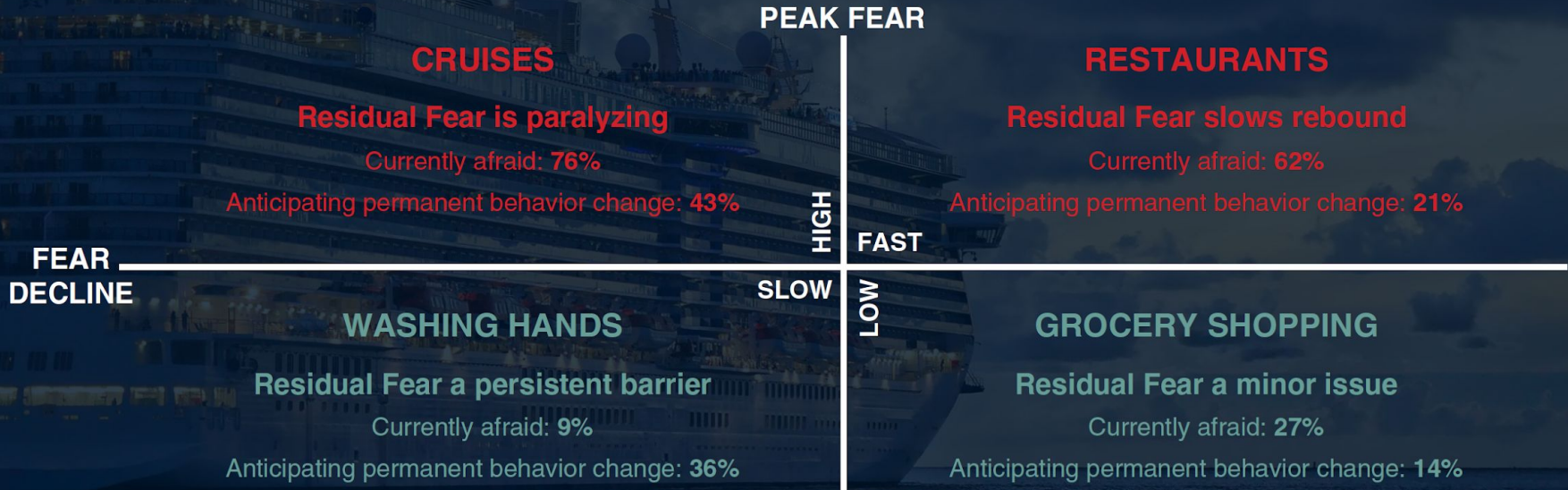
APRIL 2020

# On a personal level, the story continues; Americans' concerns regarding their personal financial futures remain stable.

	2020 — Wave 1	2020 — Wave 2
Personal financial situation is on the <b>wrong</b> track	<b>43%</b>	<b>45%</b>
I'm experiencing financial difficulties	<b>19%</b>	<b>19%</b>
% who think their budget will become stricter	<b>49%</b>	<b>49%</b>

# RESIDUAL FEAR AS A REBOUND DETERMINANT

Residual fear is what lingers after a pandemic-related worry reaches its peak — an important concept as we navigate from “Transient Normal” to the “New Normal.” We created the **Residual Fear framework to help brands anticipate rebound dynamics across categories and guide strategy development.** Check out the examples below.



Want to see the full list of fears to identify what might affect your business? [Let's chat.](#)

## | CONSIDERATION THREE: CONSUMER SENTIMENT

How eager are our customers to re-engage?

- Recognizes that the urge to spend or “go back out” will vary from market to market
- Answers: “If we reopen, is there economic activity to take advantage of/compete for?”
- Requires: Market-level tracker survey (does not have to be complex or rigorous)
- Requires: Consensus on survey components at an executive or decision-maker
- Allows for a business rule to influence harder market and revenue data

### CONSUMER SENTIMENT ACTION ITEMS:

**Develop or update market tracker**

**Get consensus on how to inform decision**

**Consistently update for monitoring and trends**

## | CONSIDERATION FOUR: MARKET PERMISSION

What's the municipal policy and to what degree does it let us operate?

- Recognizes that policies and “open market” designation can be informed at multiple levels
- Further recognizes how open market designation has variations or versions
- Requires: Crafting a definition of “open for business” market
- Requires: Collecting and monitoring market-level policy updates
- Allows for a business rule creating a green light or “go, no-go” for your markets

### MARKET PERMISSION ACTION ITEMS:

**Develop “open market” definition**



**Designate a market monitor**

































**Collect and update market status**



**BRINGING IT ALL TOGETHER**

**IN A USABLE FRAMEWORK**

## | EXPRESSIBLE AS A DASHBOARD OR A VIEW

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
DMA 1					
DMA 2					
DMA 3					
DMA 4					
DMA 5					
DMA 6					



# I DEFINED AND ITEMIZED MARKETS



















MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
DMA 1	●	●	●	●	●
DMA 2	●	●	●	●	●
DMA 3	●	●	●	●	●
DMA 4	●	●	●	●	●
DMA 5	●	●	●	●	●
DMA 6	●	●	●	●	●

**Markets can be expressed in different forms and should be aligned to how the brand/business manages market-level decision making.**







**DMA, MSA, city or county are most typical but data can be aligned to operational or business market designations (retail trade areas, etc.).**

**NOTE: It's important to understand how markets and policy authorities overlap, so you can aggregate the correct information.**

# I QUANTIFIED ECONOMIC IMPACT ASSESSMENT

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
DMA 1			<b>Footprint (percentage of system) and revenue (baseline average 12 mos prior to COVID) can be expressed relative to the system or regional average.</b>		
DMA 2					
DMA 3			<b>FOOTPRINT</b>  > system avg %	<b>REVENUE</b>  > system avg (per unit)	
DMA 4			 @ system avg %	 @ system avg % (per unit)	
DMA 5			 < system avg %	 < system avg % (per unit)	
DMA 6					

# I CONSUMER SENTIMENT SHOULD BE A KEY CONSIDERATION

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
				<b>BUSINESS RULE:</b>	
					
					
					
					
					
					

**Consumer sentiment is data you will need to create or obtain at a market, or at the very least, a regional level.**

**Tracking components should include:**

- Overall desire to re-enter normal life
- Fear of contracting disease
- Eagerness to re-engage your category
- Level of fear or concern around your category

**Can be gauged as high, medium, low positivity levels.**

## BUSINESS RULE:

Very low or very negative consumer sentiment should be considered a potential “tap the brakes” data point for market re-entry.

If sentiment is red (very negative) decision makers should consider this a potential “no go” or at least moderated re-entry approach.

RED LIGHT for sentiment should trigger consideration for red light at a market level unless re-entry is low cost.

# MARKET PERMISSION COMES AT THREE LEVELS

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
An “open market” definition can be developed internally with specific parameters or crafted using municipal or regional government policies.				●	●
Can be expressed at three levels:				●	●
<b>OPEN:</b> Clear policy statement indicating commercial resumption. <small>DMA 3</small>				●	●
<b>PARTLY OPEN:</b> Partial reopening or unclear guidance.				●	●
<b>CLOSED:</b> Clear policy maintaining closure.				●	●
Can also be informed using CDC infection data.				●	●
<b>BUSINESS RULE:</b> Red light for permission should automatically trigger a red light for market status.				●	●

# GETTING TO A STATUS DESIGNATION

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
DMA 6					

Ultimately, this is what you're looking to get to—a consensus definition of how to think about moving funds, operations and logistics.

**Footprint + Revenue + Sentiment + Permission = GO**

- Footprint and revenue can help guide market or regional prioritization

- Sentiment and permission act as gateways to authorize a market

- Ideally, all markets would be **ALL GREEN**. In the real world, conditions will be mixed. Clarifying these four key variables will improve chances for success and confidence-building as brands begin to re-enter operations.

## I MOST OF THE DATA IS AT YOUR FINGERTIPS

FACTOR	KEY QUESTION	DETERMINATION	DATA
Market Footprint	<i>What percent of the system does a market represent?</i>	Quantify location or store density at a market level.	<b>Proprietary:</b> Internal
Revenue Baseline (market level vs. system)	<i>How do the locations perform relative to other markets?</i>	Understand sales or revenue performance pre-COVID.	<b>Proprietary:</b> Internal
Consumer Sentiment (market level)	<i>How willing are customers to come back out?</i>	Gauge consumer interest in coming back into the market.	<b>Survey:</b> Generate and input
Permission (market level)	<i>Do we have permission to resume? And at what level?</i>	Confirm market-level policies; further inform with CDC data.	<b>Public:</b> Market- or regional-level policy statements + CDC

**THIS IS NOT ABSOLUTE**

**BRANDS SHOULD ADAPT AND UPDATE**

**BUT THE BUILDING BLOCKS ARE THERE**

ONE LAST THING

WHAT HAPPENS IF...?



# I MARKET PERMISSION DATA SHOULD SOUND ALARM FOR RE-CLOSURE

MARKET	FOOTPRINT	REVENUE	SENTIMENT	PERMISSION	STATUS
<p><b>Consistent monitoring of market permission should act as an early warning signal for potential second wave re-closures.</b></p>					
DMA 1				●	●
<p>- Consistent updating and reporting will create a common set of assumptions about potential reversions or shifts back into market closure.</p>				●	●
<p>- Underscores the importance of having a consensus definition of what an “open market” is and what data informs that. Policy + CDC data can generate trend lines, as well as formal changes in market viability.</p>				●	●
DMA 3				●	●
DMA 5				●	●
DMA 6				●	●

**CHECKLIST**

**PRINT AND GET TO WORK**

**MARKET FOOTPRINT**

- Reach consensus on what constitutes a market .....
- Itemize locations by market .....
- Break out system percentages by market .....
- Create top-down itemization .....

**REVENUE BASELINE**

- Create 12-month revenue averages per market .....
- Append to markets inside spreadsheet .....
- Revisit top-down itemization .....

- Develop or update market tracker .....
- Get consensus on how to inform decision .....
- Consistently update for monitoring and trends .....

**CONSUMER SENTIMENT**

- Develop “open market” definition .....
- Designate a market monitor .....
- Collect and update market status .....

**MARKET PERMISSION**

# GET STARTED.

CONTACT US FOR A ONE-ON-ONE CONSULTATION TO JUMPSTART YOUR CHECKLIST.

Email us to schedule a time: [james.lanyon@t-3.com](mailto:james.lanyon@t-3.com) and [angela.yang@t-3.com](mailto:angela.yang@t-3.com)

## | ADDITIONAL RESOURCES

**Kelton**

[Covid Pulse #2](#)

**LRW**GROUP

[Brand Strategy and Coronavirus: How to Understand Shifts in Consumer Behavior](#)

**T3**

[Maintaining and Growing Brand Loyalty Amidst the Crisis](#)

**T3** STRATIVITY  
an LRW company

[How Your Brand Can Withstand Disruption: Top CX Strategies to Achieve Long-Term Success](#)

**T3** STRATIVITY  
an LRW company

[How Your Brand Can Withstand Disruption Q&A](#)

**LRW**GROUP

[Coronavirus and the Economy: Understanding the New Consumer Mindset](#)

**T3**

QUESTIONS?

# THANK YOU.

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