**READING: Brand Marketing Through the Coronavirus Crisis**

***Directions:*** *Read the article and answer the questions at the end of the article. Assignment is worth* ***100 points.***

e $41 billion dollar firm Uber Technology, Inc., is unsettling

the traditional taxi business. In over 40 countries and 240 mar-

kets around the world, Uber and similar companies are chal-

lenging the existing taxi business model. Uber and its growing

list of competitors, Lyft, Sidecar, and Flywheel in America, and

fledging rivals in Europe, Asia, and India, think their smart

phone apps can provide a new and improved way to call a taxi.

This disruptive business model uses an app to arrange rides

between riders and cars, theoretically a nearby car, which is

tracked by the app. The Uber system also provides a history of

rides, routes, and fees as well as automatic billing. In addition,

driver and rider are also allowed to evaluate each other. The

services are increasingly popular, worrying established taxi ser-

vices in cities from New York to Berlin, and from Rio de Janeiro

to Bangkok. In many markets, Uber has proven to be the best,

fastest, and most reliable way to find a ride. Consumers world-

wide are endorsing the system as a replacement for the usual

taxi ride. As the most established competitor in the field, Uber

is putting more cars on the road, meaning faster pickup times,

which should attract even more riders, which in turn attracts

even more drivers, and so on. This growth cycle may speed the

demise of the existing taxi businesses as well as provide sub-

stantial competition for firms with a technology-oriented model

similar to Uber’s.

The Uber business model initially attempts to bypass a

number of regulations and at the same time offer better service

and lower fees than traditional taxis. However, the traditional

taxi industry is fighting back, and regulations are mounting.

The regulations vary by country and city, but increasingly spe-

cial licensing, testing, and inspections are being imposed. Part

of the fee charged to riders does not go to the driver, but to

Uber, as there are real overhead costs. Uber’s costs, depending

on the locale, may include insurance, background checks for

drivers, vetting of vehicles, software development and mainte-

nance, and centralized billing. How these overhead costs com-

pare to traditional taxi costs is yet to be determined. Therefore,

improved efficiency may not be immediately obvious, and

contract provisions are significant (see

www.uber.com/legal/

usa/terms

).

In addition to growing regulations, a complicating factor in

the model is finding volunteer drivers at inopportune times. A

sober driver and a clean car at 1:00 a.m. New Year’s Eve does

cost more. Consequently, Uber has introduced “surge” pricing.

Surge pricing means a higher price, sometimes much higher, than

normal. Surge pricing has proven necessary to ensure that cars

and drivers are available at unusual times. These higher surge

prices can be a shock to riders, making the “surge price” a conten-

tious issue.

Discussion Questions

1. The market has decided that Uber and its immediate competi-

tors are adding efficiency to our society. How is Uber providing

that added efficiency?

2. Do you think the Uber model will work in the trucking

industry?

3. In what other areas/industries might the Uber model be used?

Sources: Wall Street Journal (January 2, 2015), B3, and (Dec. 18, 2014), D1;

and www.bloombergview.com/articles/2014-12-11/can-uber-rule-the-world .

***Executive Summary: The coronavirus crisis has led to new consumer behaviors and sentiments. The author recommends five ways for brands to serve and grow their customers, mitigate risk, and take care of their people during this difficult time: 1) Present with empathy and transparency; 2) Use media in more agile ways; 3) Associate your brand with good; 4) Track trends and build scenarios; 5) Adapt to new ways of working to keep delivering.***

In times of crisis, it may be hard for marketers to know where to begin. In just a few short weeks, people have shifted into protection mode, focused on themselves, their families, their employees, their customers, and their communities. Social media reflects this, with pleas for fellow citizens to follow government safety guidelines. People have crossed partisan lines to build bridges within their neighborhoods and communities and unify against an invisible force.

With social distancing keeping many people at home, we are also seeing major shifts in behavioral trends. Consumers have returned to broadcast and cable television and other premium media sources for credible information. They are also seeking more in the way of escapism and entertainment — downloading gaming apps, spending even more time on social media, and streaming more movies and scripted programming. And between remote working arrangements and live-streamed workout classes, college lectures, and social engagements, we are testing the bandwidth of our homes in a largely pre-5G world.

Meanwhile, the need for physical goods is placing pressure on new channels, with demand for e-commerce rising to new levels. For those who do venture out, grocery and convenience stores are the source for essentials, but supply is inconsistent. Health and safety concerns are driving more customers toward frictionless payment systems, such as using mobile phones to pay at check-out without touching a surface or stylus. Some of these behavior changes may be temporary, but many may be more permanent. As people move beyond the current mode of survival, the momentum behind digital experience adoption is unlikely to reverse as people are forced by circumstances to try new things.

With so much changing so fast during this difficult time, what actions can brands take to serve and grow their customer base, mitigate risk, and take care of their people?

1. Present with empathy and transparency--People feel vulnerable right now. Empathy is critical. Many banks, for example, have moved to waive overdraft fees, recognizing the hardship on their customers. SAP has made its Qualtrics Remote Work Pulse platform free to companies who might be rapidly transitioning to new ways of working. Such instances show humility in the face of a force larger than all of us. The nuances of brand voice are more delicate than ever. Brands that use this time to be commercially exploitative will not fare well. Better to do as Guinness did in the period surrounding St. Patrick’s Day, when the company shifted its focus away from celebrations and pub gatherings and instead leaned into a message of longevity and wellbeing. In these moments, we do not have all the answers, and we need to acknowledge that. If you make pledges, even during uncertain times, you have to be able to deliver on what you say.

2. Use media in more agile ways--To quickly pivot creative messages as circumstances change, marketers will want to build more rapid-response operating models internally and with agencies. Access to remote production and creative capacity will become particularly important as the crisis evolves. Nike, for example, immediately moved to adopt a new message: “Play inside, play for the world.” And in order to promote social distancing and show a commitment to public safety, Chiquita Brands removed Miss Chiquita from their logo. “I’m already home. Please do the same and protect yourself,” its Instagram caption read. Beyond creative, as the mix of actual media platforms used by consumers changes quickly, marketers should consider modifying their media mix. For example, with digital entertainment spiking, marketers may want to amplify their use of ad-supported premium 3/5 video streaming and mobile gaming. Similarly, as news consumption peaks while consumers jostle to stay informed, brands should not fear that adjacency, given the level of engagement and relevance. News may simply be an environment that requires more careful monitoring of how frequently ads appear to avoid creative being over-exposed, which can damage brand equity.

3. Associate your brand with good--People will remember brands for their acts of good in a time of crisis, particularly if done with true heart and generosity. This could take the form of donating to food banks, providing free products for medical personnel, or continuing to pay employees while the company’s doors are closed. Adobe, for example, immediately made Creative Cloud available to K-12 institutions, knowing this was a moment to give rather than be purely commercial. Consumers will likely remember how Ford, GE, and 3M partnered to repurpose manufacturing capacity and put people back to work to make respirators and ventilators to fight coronavirus. And people appreciate that many adult beverage companies, from Diageo to AB InBev, repurposed their alcohol-manufacturing capabilities to make hand sanitizer, alleviating short supplies with their “It’s in our hands to make a difference” message. Feel-good content that alleviates anxiety and promotes positive messaging will go a long way to enhancing the brand. However, companies need to show that their contributions are material and not solely for commercial benefit. Consumers recognize authenticity and true purpose.

4. Track trends and build scenarios--Frequent tracking of human behavioral trends will help marketers gain better insights in real time. Marketers will want to measure sentiment and consumption trends on a regular basis to better adapt messaging, closely observing the conversation across social-media platforms, community sites, and e-commerce product pages to look for opportunities and identify looming crises more quickly. Companies should consider quickly building dashboards with this kind of data to fuel the right decisions. Marketers will also want to consider building deeper connections with their C-suite colleagues to provide insights to executives who, increasingly, will be involved with marketing choices. The marketing team should work closely with finance and operations to forecast different scenarios and potential outcomes, depending on how long the crisis lasts.

5. Adapt to new ways of working to keep delivering--It is encouraging how quickly many companies were able to transition to remote working arrangements. Deploying collaboration technologies can seamlessly provide chat, file sharing, meeting, and call capabilities, enabling teams to stay connected and remain productive. Already, virtual happy hours are emerging as the new normal to build team morale. Partners are “pitching” remotely, recognizing that an in-face sales call is unlikely to transpire for weeks to come. Leaders have to do their best to transition each element of the operating model—from marketing, to sales, to service—to this new normal. New sources of innovation and even margin improvement will emerge out of our current discomfort. How we can plan for the next and the beyond We are in the acknowledge-and-adapt phase of the Covid-19 pandemic. But we also have to plan for life beyond the crisis.

As we navigate what we know, marketing leaders must work externally to keep their brands and customer journeys as whole as possible, while working internally to do three things: 1. Understand the impact of business interruption and continue to triage the unexpected. 2. Lean into digital ways of working and connecting with customers, knowing that this will likely have lasting effects. 3. Mitigate risks to the customer experience by thinking realistically from the outside in. Unquestionably, there is a forced acceleration of the digital transformation agenda as we recognize how quickly customers and employees have embraced digitally enabled journeys and experiences. Brands are all having to think, operate, and lead in new ways during these uncertain and unprecedented circumstances, and we will all have to learn together with both confidence and humility.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Source:* Balis, J. (2020, June 19). Brand Marketing Through the Coronavirus Crisis. Retrieved June 26, 2020, from https://hbr.org/2020/04/brand-marketing-through-the-coronavirus-crisis

**Discussion Questions (Please answer in complete sentences)**

1. What shifts in behavioral trends have we seen as people continue to work from home?
2. Why is e-commerce rising to new levels? Where do you see e-commerce businesses a year from now if Covid-19 continues?
3. What are the 5 actions that business can take to keep their branding relevant and fresh?
4. What must managers do “internally” to continue to lead in these uncertain times?
5. In your opinion, what business changes do you think will remain once Covid-19 has settled down?