

LEADTALKS

LEADING YOUR BRAND THROUGH CRISIS AND BEYOND

On Friday, May 8th, the Lead hosted a group of 9 CEOs from digital-native brands for a virtual roundtable to discuss shared challenges brought on by the current crisis. Executives from [MuteSix](#) provided subject matter expertise. Here are some key discussion points and benchmarks from the conversation.

Marketing Spend

- Most of the speakers pulled back on marketing spend during the early days of the crisis. But as conversion rates increased and CPMs dropped (40% in March and now 10% below pre-COVID rates), the majority have stepped up spending.
- Some brands dropped spending significantly from radio and podcasts, as those media are utilized most by commuters, and decided to focus on free channels such as email.
- Others are buying into media, especially podcasts and TV, as rates for July and August are being offered at a discount due to the pressure on the market.

Refocused Messaging

- At the onset of the crisis, several brands panicked and immediately took a percentage of websites on promotion. But soon after the initial shock, they shifted their focus from short-term to long term.
- Messaging for the long-term is unique to each brand. Some focused on the authenticity of their products and the creativity behind their brands. Others focused on product innovation and technology.
- Some brands have found themselves embracing messaging they used when they initially launched, that went to the wayside over the years but is now allowing them to re-introduce themselves to existing and new customers.
- Brands that have embraced new messaging are seeing increased conversion rates and site traffic as a result.

Resets and Pivots

- Service changes around delivery were critical for brands to adopt early on.

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Contactless delivery was launched, even for large products, i.e. furniture.

- Brands that were able also pivoted their product offerings, quickly adapting to the work from home lifestyle to ensure customer engagement.
- Brands that offer products that customers like to try in a retail setting before purchasing (like cosmetics and skincare) decided to bundle samples with orders. Additionally, some utilized staff for virtual consultations, so customers could connect with a brand representative, helping them make the decisions they would usually make in-person, online.

New Customers

- With the overwhelming shift to e-commerce spending brought on by the pandemic, brands have been able to reach new demographics, including older customers that would not normally shop online. There is optimism that now that those customers have experienced the ease of buying things online, they will continue to do so in the future, even in a post-pandemic world.
- Newly acquired customers may affect the long-term planning for some brands, specifically around customer service and fulfillment, especially if they choose to shop online for traditionally in-store occasions, i.e. Black Friday and holiday shopping.

Influencers

- Some brands pushed influencer campaigns back as those contracts are more flexible. Others embraced testing at the onset of the crisis.
- “We’ve just started seeing TikTok really working from an influencer standpoint... what we found is the organic style is working. We’ve got brands who are working with influencers by giving them free products on TikTok and they’re actually getting a return and driving sales. The content that’s being made because of the nature of TikTok is very direct to the point. We are finding that the content can be used as ads on Facebook and Instagram. It’s really early days, but it’s becoming a part of our creative strategy.” - Moody Nashawaty, Chief Strategy Officer, MuteSix

Partnerships

- Many brands went into the year with a focus on wholesale partnerships. However, the crisis has led to the majority of those being put on hold.

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- Partnerships with publishers looking to extend their e-commerce arms have provided some brands with the opportunity to reach new customers.

Demand Variables

- With a reduced capacity of up to 60% in shipping facilities due to social distancing, some brands are barely keeping up with demand. There are also concerns around holiday fulfillment if there is a resurgence in the fall.
- As benefit programs are ending in July, some are concerned online spending will decrease. However, as lifestyle changes are inevitable for the near future, there is still optimism that strong e-commerce sales will continue.
- Brands that rely heavily on seasonal business (i.e. summer and back to school) are gathering as much data as possible for multiple scenarios.
- Some subscription businesses are seeing historically high skips and cancellations. Conversely, they are seeing an increase in “keep-all” rates, with returns down significantly.

Leadership

- With layoffs and bankruptcies consistently in the news, some CEOs have found that providing their teams with clarity and candor has had a calming effect, creating a feeling of togetherness.
- With the future being so uncertain, helping teams to focus on the now and achieving short-term goals has also been helpful from a leadership perspective.

ABOUT MUTESIX

[MuteSix](#) is an award-winning, full-funnel digital and creative agency providing intelligent ad solutions that grow disruptor brands into enterprise market leaders. They help their clients design for the future while evolving their existing businesses with their agency’s winning combination of expert media buying, creative and talent.

