AdRoll

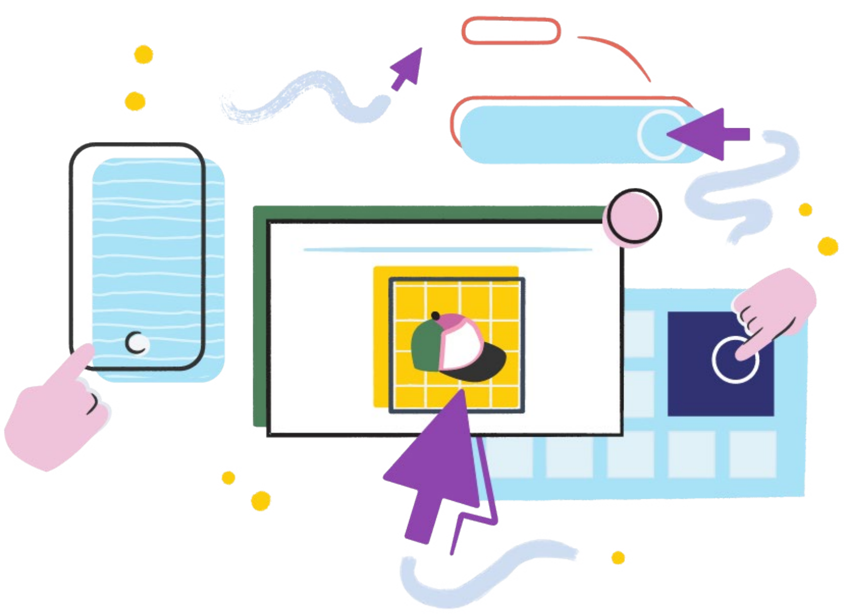
How Brands Blossom in a Time of Change

Introduction

John F. Kennedy is credited with popularizing the quote, "In the Chinese language, the word 'crisis' is composed of two characters, one representing danger and the other, opportunity." That perfectly describes the current confluence of crises — there's danger, and a real human cost to the events going on, but there's also tremendous opportunity.

Case in point: While millions of businesses have been thrown into a tailspin, many brands have seen increased demand from consumers. As it turns out, the nationwide lockdowns have inspired consumers to use their newfound time at home to do everything from improving their environment and finances to investing in their health and pets.

Let's explore the tactics and strategies different brands are using to come out stronger than ever.



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Health and Wellness Brands

“Medicine isn’t a doctor with a black bag...it’s a complex web of systems and processes,” writes physician and Pulitzer Prize-winning author, Siddhartha Mukherjee, from the midst of the coronavirus pandemic.

“It is a healthcare delivery system — providing antibiotics to a child with strep throat or a new kidney to a patient with renal failure. It is a research program, guiding discoveries from the lab bench to the bedside. It is a set of protocols for quality control — from clinical practice guidelines to drug and device approvals. And it is a forum for exchanging information, allowing for continuous improvement in patient care.”

It’s an eloquent way to summarize a complex and deeply interconnected industry facing unprecedented strain. Half the industry is drowning under the weight of too many cases and not enough people, resources, and equipment. The other half is struggling to stay afloat as patients put off procedures and avoid doctors’ visits.

In the U.S. in April 2020, there were 1.4 million job losses in the healthcare sector due to suspended elective medical procedures and closures of doctors’ and dentists’ offices. “Many physician practices have seen in-person patient visits drop 50% or even 75%. That has left physicians and hospitals struggling to keep the lights on and forced growing numbers to consider laying off staff or even closing their doors,” reports the L.A. Times.

Some specialties like infectious disease, on the other hand, are asking physicians and nurses to work 80+ hour weeks because of intense human resource shortages. And overall the industry creates more jobs every year than it can fill, with massive shortages of nurses, aides, and home healthcare and facility workers.

And that’s before even looking at the consumer health and wellness industry beyond pure healthcare. The industry, encompassing products that range from exercise machines to x-ray machines, is both broad and deep: it covers many varied product and service categories, many with their own large and complex sub-industries. That makes it a fascinating study in the middle of the COVID-19 pandemic — with so many different sectors and segments, there are a lot of lessons that brands in any industry can take away from how health and wellness is innovating their way through this pandemic.

Companion Medical

Companion Medical is the maker of a smart insulin pen — a medical device that helps patients with diabetes track their insulin dosage and communicate this information to their physician. With many doctors' offices closed, and many patients unwilling or unable to leave their homes, this device is proving to be instrumental in helping people with diabetes stay in touch with their physician, and in doing so to stay healthier.

Companion Medical was started by Sean Saint — who has Type 1 diabetes himself — to make treatment and care easier and better. Legacy treatment options were extremely limited: patients either used "dumb" pens, which were little more than auto-injecting syringes, or they used insulin pumps, bulky devices that attached to patients with long plastic tubes that still needed to be monitored closely and adjusted regularly.

Companion Medical's solution was to combine the best of both options: the digital capabilities of insulin pumps, including the ability to monitor and record dosages and other events, and the portability and ease of use of insulin pens. When people with diabetes (PWDs) use Companion Medical's device, information about the patient's dose is transmitted to a phone app. This data is used to track insulin use, create schedules and set reminders, automate logging, and transmit this information back to physicians — something even more important during the pandemic.

"Diabetes is a disease of data," explains Sean. "We have our blood sugar. We have our insulin doses. We have our carbohydrate intake. We have several other inputs to our disease that have to be monitored, not only on a day-to-day basis, but on an hour-to-hour basis. And with the smart pen, we can review them for ourselves and we can send the data through a cloud for review from your healthcare provider."

Personal, but Not in Person

Companion Medical, like so many other medical device companies, relied heavily on conferences and a sales team to grow business. COVID-19 made this impossible and required a change to how the company sold itself.

Physicians were no longer going to conferences, but Companion Medical saw an opportunity to bring conferences to physicians with digital meetings and virtual presentations. Sean says, "You can say, 'This is what our booth might have looked like. Here's the video you would have seen. Here's the collateral you would have been handed; you can download it. Here's an opportunity to schedule a webinar with a sales rep or a territory manager.'"

Sales reps, the other side of the medical device marketing equation, are also getting in on the virtual action. Companion Medical's sales team has been actively hosting webinars and making virtual visits with teleconferencing tools and equipment. Brands that were able to thrive through the pandemic realized early on that doing things the old way was impossible, and that they needed to radically rethink how they performed basic business functions.

Going the Distance

The transition to virtual sales may have been easier for Companion Medical because of their nature as a telehealth company. They were built to remotely connect patients to physicians. And in the pandemic, they leveraged that know-how to grow.

Telehealth companies have expanded exponentially in recent years. This trend has accelerated with the pandemic: Telehealth visits are expected to top one billion during the crisis, according to Forrester Research.

Even health plans have begun preparing for a radical rethinking of how consumers receive health and wellness services. Medicare, and some commercial health insurance companies, are changing the way they pay physicians to deal with the changing realities of doctors' visits. According to the L.A. Times, "Many experts see that as a first step toward redefining the traditional office visit, expanding telehealth and abandoning the age-old system of paying doctors for each service they perform...a single monthly payment can encourage practices to redesign the way they deliver care."

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"Telehealth has been moved forward by years," notes Sean. Companion Medical took advantage of that growth and was able to multiply the magnitude of their message by piggybacking it on top of social distancing concerns.

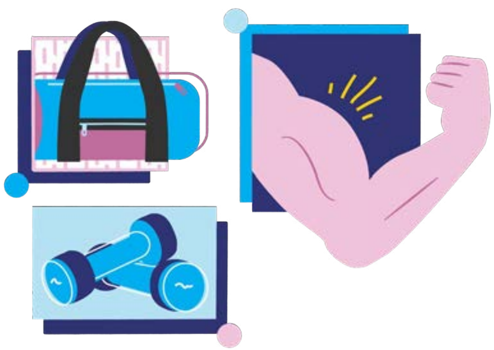
Content Is Still King

The pandemic also pushed Companion Medical to expand their marketing in ways it hadn't considered before.

"I think the pandemic gave us a reason to put a lot of content together that we might have not previously, and frankly, just do a better job than I think users might have expected. It's a real opportunity!" says Sean. This included trying out a mixture of case studies and fun snaps that convey the lifestyle benefits of effective diabetes management on social media channels.

"COVID-19 just smacked all of us in the face and said, 'You know, there's something going on here and you need to react to it right now,'" he continues. "I think those of us that were the most successful were those of us that gave ourselves permission to maybe be a little bit wrong.

"But it's better to do something and maybe not get it perfectly right than to do nothing whatsoever. That applies not only to pandemics, but also any other business challenge you might have. Don't be afraid to try something. You won't always be right, but that's OK. And frankly, it's called innovation."



The Takeaway

- **More than ever, companies need to build virtual meeting strategies directly into their marketing plans.** Even after the COVID crisis passes, virtual is going to be the future, and jumping on it early will be critical to finding success.
- **The difference between a crisis and an opportunity is how quickly you recognize and adapt.** A rapid reaction strategy is a must for companies looking to grow aggressively.
- **Content is still king,** and providing value is still the most important thing a marketing campaign can do.

AlgaeCal

Founded in 2002, AlgaeCal is dedicated to supporting consumer health through scientifically-backed, naturally-inspired, plant-based supplements. Despite almost two decades in business, the company was concerned about the impact of the pandemic on their sales.

AlgaeCal was built on a direct-to-consumer (D2C) model, relying on phone calls and web orders for sales, which gave them some insulation against COVID-19 lockdowns. Still, with unemployment rising and economic outlooks falling, they decided to ramp up customer outreach rather than leave success to chance.

Ramp Up Brand/Customer Loyalty

"We thought we were going to do way worse. We were predicting revenue to be cut by 50%, but we didn't see that," reflects AlgaeCal's SEM Manager, Jasper Mordeno, who attributes a great deal of their success to the decision to open up a dialogue about the coronavirus with its customers.

“I think it’s because we are being very proactive with nurturing our loyalty and just cutting our losses when we know something’s not working,” he adds.

Recent research by Deloitte appears to back this theory up. In a new report entitled “Maintaining Customer Loyalty and Trust During Times of Uncertainty,” it advises brands to get in touch with their customers to “‘let them know how much you appreciate them and care about them — even if they are buying fewer goods and services from you.” It predicts that working even more closely with your customers during these challenging times will bring the added benefit of forming bonds that are likely to last for years.

AlgaeCal launched a new website section to try to help provide more information for its customers on COVID-19 and the company’s thoughts on the pandemic. Customers responded positively and told the company as much.

Email marketing, with more discussions on COVID-19 and AlgaeCal’s response to it, was also stepped up. And the call center — the central hub of AlgaeCal’s communications — has become even more critical than ever.

Jasper says AlgaeCal gets a higher volume of calls than other companies due to its older client base, who prefer that medium. The candid two-way dialogues that phone calls facilitate turned out to be a gift for sales and marketing teams, helping inform and direct their COVID-19 strategy.

“We have a really unique demographic and they rely on us to answer their questions a lot of the time," says Jasper. "That's why we have a fully-staffed call center. We receive a lot of calls, not just for buying products, but a lot of people asking us for advice too, and we have a really close relationship with our callers.

"A lot of people just want that easy human connection," he continues, "so that's why we make it readily available. Sometimes it's just so much better to talk to somebody on the phone."

This kind of customer data is invaluable for any brand. The insights AlgaeCal was able to pull from these phone conversations informed every aspect of their marketing and allowed them to rapidly iterate new messaging and approaches, from ideation to testing and feedback.

Thinking Outside the Box

As part of AlgaeCal's experiments with communications during the pandemic, it was also surprised to find that its consumers became very engaged with its social media via a topic only indirectly related to its product — yoga.

Although yoga isn't something AlgaeCal had previously dabbled in, the wellness practice does tie in with their customer's goals of improving mobility. So AlgaeCal decided to try a low-outlay and low-risk piece of outreach in the form of a yoga class via its Facebook community group. It was an enormous hit. "It's one cool thing that we'd never have thought to try if the pandemic hadn't happened," says Jasper.

"And it's something we definitely want to do again because of the positive response we got from it. Again, it all ties back to human connection — engaging with our customers on a more personal level," he continues. "I think that a lot of our customer base is looking for connection right now. Things can get lonely sometimes, especially during the COVID-19 pandemic when you're stuck at home. So just offering that way out, through our content, I think is how we kind of helped them overcome that."

The Takeaway

- **New customers will never be as cheap, as valuable, or as loyal as existing customers.** Brands need to ensure that they are always prioritizing retention and engagement, not just focusing on acquisition.
- **Despite popular belief, the internet has not made more traditional communication platforms obsolete.** It's important for brands to pick communication platforms based on what their customers want, not what happens to be the latest and shiniest.
- **Just like when making friends, sometimes the best way for companies to engage with customers is to find interests and hobbies they have in common.** Don't be afraid to think beyond your brand to find common ground.

Kairos Vitality

Kairos Vitality normally provides onsite biometric health screenings for employers and employees, analyzing health conditions and potential risks for the future, and using health coaches to help individuals take preventative steps. With workplaces across the country locked down, that became next to impossible.

"We thought if we don't adapt to what's going on around us then we will become extinct, just like what happens to anything else in this world. We're watching unemployment skyrocket as more and more businesses shut down every day because of this pandemic, and we knew that Kairos could not be one of those statistics," says Kairos Vitality's Chief of Operations, Tyler Johnson, who recognized fast that requests from clients like health insurance companies were drying up.

Use Company Ethos as Your Guide

Surviving a crisis requires the ability to change direction quickly. For many companies, it can be difficult to know what that pivot should look like, but looking to the brand's founding principles for inspiration can be a good place to start.

In figuring out how to pivot Kairos Vitality during the crisis, Tyler and the team referred back to Kairos' ethos. In Greek mythology, Kairos was Zeus' youngest child and was the personification of luck and opportunity. Kairos was often pictured bringing gifts to heroes and adventurers that would help them overcome a dangerous situation at just the right moment. That myth seemed particularly pertinent to the circumstances Kairos Vitality was facing.

Kairos Vitality pivoted from preventative health services to helping businesses gear up for their employees returning to work safely using "Pandemic Packages." These packages offered companies technology to deal with the pandemic — from drive-through temperature scans to rapid COVID-19 testing that give results within 15 minutes or rapid COVID-19 antibody testing kits, as well as partnerships with urgent care clinics to provide virtual physician's appointments and treatment for those diagnosed with COVID-19.

Kairos had unused lab space and equipment, a background in technology and remote services, and the capacity to test for COVID-19, all sitting unused. They turned this capacity into a brand new revenue stream for themselves and their partners and helped businesses find some luck and new opportunities like their mythological namesake.

The Takeaway

- **A brand's mission, vision, and core values aren't just pretty words.** High-performing brands look to these to guide not just the way they do business, but the products and offerings they put out to customers.

Clover Health

Clover Health brings a modern approach to insurance for seniors and people with disabilities. Using data science, advanced analytics, behavior management, and a highly-trained care management team, Clover Health helps identify potential risks to their members' health, and proactively manage or reduce it. And with a high percentage of black and Latin customers, an especially vulnerable group during COVID-19, Clover Health had to direct significant effort towards fighting the pandemic.

"One of the biggest takeaways we can get from this pandemic is the light it has cast on the inequity of the healthcare industry, and the impact of socioeconomic factors on an individual's health outcome," said Director of Corporate Communications, Andrew Still-Baxter. "So, we're now as an industry asking ourselves, 'How can we get ahead of these issues and make healthcare more equitable and efficient — and make these people healthier as a result?'"

Newer Doesn't Always Mean Better

Clover Health's members usually see their primary care physician four to five times a year, but many members were not able to have those visits in person during the two to three months of COVID-19 lockdowns. So one of the issues Clover Health worried about was the ability of members to manage their chronic diseases from home.

Medicare previously severely limited reimbursement of telehealth. Spurred on by the pandemic, however, CMS introduced coverage and reimbursement options to ensure continued access of care for seniors. This opened the doors for Clover Health to roll out new services and initiatives that had previously been impossible, even though Clover was confident they would benefit patients.

"The difficulties that seniors have experienced during these troubled times demonstrate the value telehealth brings to this demographic to help them get better care, especially in rural low-income areas," explains Andrew.

But traditional images of telehealth, with video chats and apps and state-of-the-art internet of things (IOT) devices, don't work for everyone. With a large elderly demographic, many members weren't familiar with how to operate video calls, plus many members live in isolated rural areas with limited internet access. So, Clover Health took telehealth back to basics: telephones.

Follow the Need

"We are focused pretty heavily on telehealth at the moment and we had to adapt quickly to roll it out within two weeks," says Andrew. "It can be a little challenging with the average age of our members being

75 years old, and a lot of them don't have smartphones to do video consultations. So we're making sure we are supporting them any way we can — whether it's calling them on the phone or mailing them information."

According to Pew Research, 96% percent of Americans own a cellphone. Almost all own some kind of telephone. This made rolling out a phone-based system much easier and faster than developing a fully-featured stand-alone telehealth solution. It also gave the system a bigger reach, and better aligned with the needs of Clover Health's customers.

Aside from telephones, Clover Health has also turned to the post office to help solve problems facing its members during COVID-19, and help them stay safe. "We don't want people going to their local pharmacy right now because they're at risk. So one way we're supporting them is by seeing how many people we can help find other options that might work for them, such as having their prescriptions delivered by mail," says Andrew.

But using low-tech solutions doesn't mean giving up on the tech industry's need for data. "We're a tech company, so measuring our metrics is something we're engaged in doing constantly." The company uses data models to track the effectiveness of its work, like signing up individuals for mail-delivery medications, to make sure clinical initiatives are effectively improving health outcomes and reducing risk for members, which adds high-tech guidance to a decidedly low-tech solution.

Brands rolling out innovative initiatives often get lost trying to chase the newest technology or the latest paradigms. Often, they pick a technology or approach first, and then engineer a solution within that box to fit their needs. But success is often found doing things the other way around: identify the need, figure out what customers want, come up with the best method of connecting with them, and only then find a technology that allows all of that to happen in the simplest and most effective way possible.

The Takeaway

- **Always let customer needs drive technology and delivery choices.** Not every consumer is ready for immersive VR or whatever the newest technology is, and it's important to build services around the most common users.
- **Making smart, data-driven decisions is the key to successful scaling.** But brands need to remember that there's more to data than digital data and look for creative and useful ways to measure legacy data, too.

Nurx

Many women have less than one health clinic that offers contraception within a 50-mile radius. Nurx recognized how much that limited many women's access to birth control and contraception and took a tech company approach to solve it.

Users consult with physicians online, put in their contraception request via browser or app, it's reviewed by a Nurx-approved doctor in their state, then they receive their medication in the mail. Having made securing birth control easier, the company added other reproductive health services, including herpes treatment and STI testing.

The pandemic has brought increased demand for Nurx's services. "We've seen over 50% increase in birth control requests, 100% growth in STI treatment and testing requests, and huge increases in emergency contraception requests," says Nurx's Vice President of Marketing, Katelyn Watson. "So we are seeing success from that perspective. We're excited to help people and are trying to keep up with demand."

Have an Exit Strategy

Although the pandemic has increased demand for telehealth services, Katelyn recognizes that companies can't simply count on customers sticking around once the economy reopens.

"Telemedicine has probably rocketed 15 years into the future, and so has e-commerce. So we're thinking about how Nurx can maintain our current position as a brand that people are loyal to in a world where we will probably have hundreds of other competitors, like health systems and providers, in the future who will be trying to start doing what we're doing," she says.

This highlights how important it is to be strategic about not just how to maneuver through the pandemic, but also how brands will maneuver out of it. For Nurx, its services and delivery methods probably won't change dramatically, but the post-pandemic world will be much more telemedicine and e-commerce-savvy. Planning for addressing a growing pool of competitors, and a customer base with more options, needs to happen early if brands hope to maintain any growth they've experienced as a result of COVID-19.

Adding the Human Element

Nurx's main competition isn't other companies, for now — it's in-person purchases. Customers shopping for health and wellness products especially are used to a high-touch environment — whether that be speaking to their physician about their concerns, being warned about possible drug interactions by their pharmacist, or being helped by a nutrition expert at a vitamin store.

The pandemic has made many of these businesses inaccessible, but as they reopen, customers may start returning to the familiarity of that high-touch/high-interaction environment. Digital health companies will need to get better at that if they hope to continue growing when traditional options become available again.

According to Katelyn, "A lot of the content — the 'we're here for you' — in the human context is more important than ever right now." Nurx has become very proactive about reaching out to customers personally in one-on-one chats to help with their inquiries or to explain when they have to substitute their normal brand for a generic medicine. This personal touch helps bridge the divide between the old way of getting health services and the new, and is instrumental in growth going forward.

Customers respond to the personal touch during this time of crisis. According to AdWeek, brands should be thinking more like first responders than marketers, providing care and comfort during a time of crisis. It seems to be paying off for Nurx. Katelyn reports, "Our customers say, 'Nurx really saved me. In a world where everything is so uncertain, that was the one thing I could count on,' and people will remember that long-term I think."

The Takeaway

- **Fast-growing brands never rest.** Even a significant lead can be reduced quickly by determined competitors — always look for new ways to innovate and stay in the lead.
- **Digital doesn't have to mean impersonal.** Consumers still value human touchpoints, even if the human is on the other side of a monitor. Look for ways to provide those personal, human touchpoints to build stickiness that competitors can't touch.

The Future of Health and Wellness

The pandemic has done a lot to disrupt the health and wellness vertical. It's made it impossible for some companies to continue using their old business models, but it's also made it much easier for companies to embrace new business models to grow. It's exposed cracks and injustices in the way health and wellness is administered but has also shown a path forward to a more equitable world. It's forced people to distance from each other, but brought patients and providers closer together with technology.

Whatever the future brings, and that whatever is still very much up in the air right now, it's safe to say that health and wellness companies will be much different a year from now than they were even a few months ago. They will need to leverage technology to reach more people. They'll need to listen to customers and be more attentive to their needs. They will need to look critically at the data, and let that shape critical decisions. And they will need to find a way to make computer screens and phone apps as personal as a chat with the family physician.

Home and Garden Brands

Millions of businesses have been thrown into a tailspin, but in the midst of it all, home and garden has emerged as a bright spot, seeing increased demand from consumers. As it turns out, the nationwide lockdowns have inspired many consumers to use their newfound time at home to improve their environment. Retailers selling all kinds of products for the home — ranging from fluffy pillows to home improvement supplies — have seen product sales surge, both instore and online.

Estimates vary, but according to Forbes, spending on home goods and related categories saw an increase of 220% from the first week in March 2020 to the first week in April 2020. It may come as a surprise to some that the home and garden sector has emerged as one of the success stories of the pandemic at a time when restaurants and brick-and-mortar retail stores are seeing historic declines in revenue and temporarily closed manufacturing facilities have caused massive supply chain disruptions. But it seems that consumer psychology can help explain why the home and garden industry has seen such a strong rally as people hunkered down and began sheltering-in-place.

"In times of crisis, research shows that people will engage in more comfort-seeking behavior," professor of Consumer Psychology at the University of Southern California, Jorge Barraza, explains in a recent Forbes article, adding that this may incline them towards more indulgent purchases that will make them feel comfortable in the short-term. This is the same reasoning behind why vice or sin stocks (alcohol, cigarettes, and other types of products that can be seen as "unethical or immoral") generally either see little impact on their revenue — and often a lift in sales — during a recession.

The consumer drive to find small comforts during a time of major uncertainty has had an unexpected impact on brands in the home and garden space. And while some companies we spoke to already had a D2C business model that they could leverage for increased sales, other brands used the pandemic as the impetus for speeding upshifts to e-commerce that would have previously taken much longer to implement.

But this increase in consumer spending hasn't been all rosy for home and garden brands. The pandemic still disrupted global supply chains and brands that had brick-and-mortar stores saw in-store sales decrease significantly. This has forced companies to make some pretty drastic changes in order to continue operating and find ways to meet consumer demand.

Despite all that, some brands have taken creative approaches to transform crisis into opportunity. Here are a few home and garden brands that have found smart, innovative ways to respond to the current pandemic and continued to build their businesses — sometimes in surprising ways.

Good and Bed

Good and Bed is a family-owned and operated textile manufacturer, distributor, and D2C company that focuses on bedding and linens.

"My mother started the business about 25 years ago in Bogota, Colombia," says Sebastian Morales, a co-founder of Good and Bed, who explained that his mother used to hand-make sheets for their family when he was a child. "Many of the products began in our home and later became the foundation for our business." They now sell to brands in a number of countries in the Western Hemisphere.

That kind of heritage story put Good and Bed in a strong position before the pandemic hit. According to market research by FMCG Gurus, "Established brands should push heritage to offer reassurance around value." As consumers reacted to all of the uncertainty around the future by tightening their purse strings, brands with heritage became a symbol of stability. Just like after the Great Recession, heritage became synonymous with quality, and quality synonymous with value.

But heritage alone wasn't enough to get Good and Bed through. Strong market positioning can only do so much against the challenges of decreased spending, disruption of supply chains, and a near-total breakdown of retail norms. Instead, the company used its heritage as an inspiration for ways to solve its challenges, not as a solution all by itself.

Back to the Beginning

One of the first challenges that needed to be addressed was a simple and straightforward one: where to get products to sell. Like many other manufacturing facilities, Good and Bed's main factory in South America was effectively shut down for two months due to the pandemic.

With a vertically integrated business model, figuring out a solution was more complex than just finding another manufacturer that could produce their products. Instead, Good and Bed decided to go back to its roots.

"There's this quote from Mark Twain, and it says, 'History doesn't repeat itself, but it often rhymes,'" says Sebastian. "Going back to the early days of the business, when we got our first orders and didn't have our own manufacturing space, we relied on a lot of smaller satellite shops to deliver individual parts for the order and we amalgamated it all, piecemeal."

"What we did this time is we cut the fabric in our factory and then we would deliver the pre-cut fabric to our seamstresses' homes so they could sew and stitch from their homes," he continues. "Maintaining safety and social distancing guidelines has required a lot of creative engineering on the factory side. All our employees are like family to us. The main person who cuts the fabric has been with us since we started so we wouldn't be anywhere if it wasn't for their hard work and dedication," he adds.

This out of the box approach to keeping their manufacturing chugging along ensured that they were able to continue to fulfill orders that were coming in, while keeping their existing manufacturing employees safe and still able to work. It also highlighted an opportunity for Good and Bed to support local healthcare workers in their community.

With the company's seamstresses working from home to sew bed linens from pre-cut fabric, they found that the leftover fabric they had could be used to help ease the shortage of personal protective equipment (PPE) for healthcare workers in the frontline of the pandemic. This led Good and Bed to begin manufacturing face masks and disposable biosecurity overalls for first responders.

Rethinking Sales Channels

Having secured production, Good and Bed turned their attention to a bigger problem. Prior to COVID-19, the majority of their sales came from retail partnerships with brick-and-mortar stores. As the pandemic raged, retailers closed their doors across the country leading to a distribution problem for companies like Good and Bed.

"We've seen a massive jump in retail distribution [direct sales through the Good & Bed website] and that has been the biggest increase for us," says Sebastian. "On the wholesale side, we partner with big retailers such as Wayfair and Wal-Mart, and we have seen an uptick in sales on the online dropship model with them. But we haven't seen any new orders from storefront retailers. So I think we are turning more towards online sales, as the traditional storefront retailers are closed."

This shift to e-commerce isn't new. Even giant home retailer Bed Bath & Beyond has invested $250 million into digital transformation efforts — going so far as to turn 25% of their physical stores into e-commerce distribution centers. The pandemic, however, has accelerated this transition. With retail stores closed, brands have had to figure out their e-commerce strategy immediately if they wanted to survive.

For home retailers with physical storefronts, the message is clear: creating a digital presence and finding ways to sell to customers outside of a physical location is critical. Whether that means transitioning to e-commerce sales or implementing a BOPIS model (Buy Online Pickup In-Store), customers need more convenient and safe ways to buy from brands.

The Takeaway

- **Smart brands look to their past to find innovative solutions for their future.** Rather than trying to constantly race forward, the fastest growing brands will be constantly examining the things they do versus the things they did, and adjusting processes as needed.
- **It's never been more important to be online than now, but it's not too late to jump in even if you haven't previously.** For companies that haven't made the full transition to digital-first, there has never been a better time than the present.

Léon & George

Millennials, squeezed between two recessions and feeling priced out of purchasing a house or starting a family, have turned to houseplants as a substitute. According to the National Gardening Association, millennials made up about 25% of the $48 billion spent on lawn and garden products in 2018. That number has been growing steadily and is set to continue getting bigger.

The millennial obsession with houseplants has run headfirst into the trend of "pandemic gardens." Reuters reports the pandemic has spurred an interest in gardening not just because gardening can feel therapeutic and provide stress relief, but also for the ability to supplement personal food supplies. Sales for seeds and supplies for vegetable gardens have seen sharp increases, and so have plants that cater more to design and decor than to survival.

Léon & George, a premium online plant shop, found itself right at the heart of the plant craze as the COVID-19 crisis set in. But just being in the right place at the right time isn't always enough. The four-year-old startup still had to contend with legions of competitors, startups and established legacy brands alike. For Léon & George, the answer to standing out from the crowd was to not be part of the crowd in the first place.

Get Out of Your Comfort Zone

Léon & George was born as a white-glove plant delivery service catering to young, hip San Franciscans. But founders Nico and Ron saw an opportunity to do more — to expand beyond delivering plants locally and bring their luxury experience to the country at large.

The pivot that came just in time for the pandemic actually sprung from the organic growth of their local business. "We had reached stability with local deliveries and we're starting to feel comfortable in California," says Director of Marketing, Renée Christensen. "A good thing to remember in business is if you're comfortable then you're not doing things right. It's no secret that there's been a growing demand for houseplants over the last few years, and we knew that if we wanted to meet that demand, we'd have to move out of our comfort zone. So we decided to start shipping our plants nationwide."

Renée explains Ron and Nico came from a design and engineering background. They brought that same engineering mindset to plants — the mindset that good enough could always get a little bit better with some hard work and creative solutions.

Léon & George immediately zeroed in on a big problem that stood out in the plant space: quality and experience. The industry was largely controlled by giant legacy players that hadn't updated their offerings in ages. Shopping at these stores felt impersonal, the products not very high quality, and then throw in the inconvenience of having to find the right plants, pots, tools, and put it all together, and it just was an outdated model for consumers who, nowadays, expect more.

Make Business Personal

The name Léon & George came from Ron and Nico's beloved pets — George is Nico's parrot, and Léon is Ron's cat — who loved the "indoor jungles" the founders created. They were the inspiration behind the company, not just in the branding, but for another key differentiator: personal is better when it comes to brands. And personalized is even better than that.

Léon & George saw personalization as a way to reach plant-loving millennials who cared just as much about their home's overall interior design aesthetic as they did their fiddle leaf figs. From the beginning, the company sold plants in design-savvy pots that were ready to be showcased as soon as they were unboxed.

"That's an important detail because so many of our customers want to enjoy beautiful indoor greenery, but it can be quite the hassle to get it. What we want is that with just a few clicks, you can get that beautiful plant you saw in a magazine."

Selling personalized plant and pot combinations was a game-changer. Instead of competing with nurseries, big-box home improvement stores, and other plant delivery startups, Léon & George quietly sidestepped into the home decor vertical — a vertical where they were unique in offering live plants. Rather than fight for market share in a growingly competitive category, Léon & George created a category of one: they personalized their own market, using personalized offerings for customers.

The Takeaway

- **It may seem obvious, but the best way to get ahead is by figuring out what consumers want that no one else is doing, and zero-in on it with laser focus.** Whether that's quality, speed, cost, or something else — focus on what's important, and the rest will come naturally.
- **Personalization is the next big thing; start planning for it now.** Whether that's personalizing your marketing so that each customer gets messaging just for them, or products that are designed for individuals instead of demographics.

Cariloha

Cariloha has a long history of becoming whatever it needs to be to survive. The 13-year-old brand started out under the brand name “Del Sol” as a collection of souvenir kiosks scattered around cruise port locations selling island leisure products like watches, purses, and sunglasses.

But standing out in the crowded souvenir and tourism market is challenging, and the brand was finding it difficult to differentiate itself. A test run of bamboo shirts that completely sold out within two weeks was the catalyst that the company needed to rethink their entire product line and business model. So Del Sol became Cariloha — a company that sells apparel, accessories, and home products made from bamboo, a sustainable material that’s pesticide-free and rapidly self-regenerates when cut down.

Today, the company has a D2C e-commerce site, a successful wholesale operation, and 65 retail showrooms across the mainland U.S., Hawaii, the Riviera Maya, and the Caribbean. But when the pandemic hit, all but two of the stores were forced to shut down.

Pivot Fast

Vice President of Digital Commerce, Jason Bertrand, says that like many companies, Cariloha began losing money mid-March 2020 and urgently needed to find a solution. They decided to switch the focus of Cariloha’s online sales (which were largely focused on luxury bedding) to its store inventory (t-shirts, tank tops, yoga pants, and accessories).

Cariloha took a big gamble on putting their unsold inventory front and center and used discounts, sales, and the scarcity model to turn dead stock into emergency revenue. “What we were able to do fairly quickly is pivot and run daily deals on products that we have excess inventory of, those that are more normally sold in stores," Jason explains. "A lot of our stores are in touristy destinations where people are more likely to buy shirts, shorts, and polos than a pillow or a mattress."

This strategy could have easily backfired without the right planning. According to Fast Company, no brand should make a mid-pandemic pivot before asking themselves, "What are the biggest challenges my current customers are facing right now that we can solve?" Answering that question can help companies identify what products they should be reprioritizing during and post-COVID-19.

The sudden pivot to focusing on selling their in-store goods online for reduced prices appears to be paying off: "We've seen a lot of strong activity online since the stores closed," says Jason, adding that since the supplier inventory they normally sell online is shut off, they've been able to spend more money than usual on raising brand awareness.

Brand value is a hard thing to quantify. But creating a strong brand that connects with consumers can have a huge payoff during times of market uncertainty. And Cariloha's increased focus on building brand awareness had a surprising side effect for the company — it tapped into consumers' nostalgia over travel and tropical vacations.
"We are fortunate in this current climate that we still have a lot of products that speak to comfort. We also have a brand name that has this 'island' lifestyle associated with it. Since a lot of people are missing travel and the tropics, we like to position our brand in that way," explains Jason.

Consumers are tired of lockdowns, tired of COVID-19 news, and tired of “new normal” after “new normal.” Cariloha scored a big win because they realized quickly that what consumers really wanted right now was to be reminded of a time when life was fun and breezy.

Give More, Get More

Like many other brands that produce and sell textiles, Cariloha has taken this opportunity to find ways to give back to their community. They’ve partnered with Mauli Ola, an organization that teaches children with different disabilities to surf, to manufacture face masks and they have donated masks and sheets to hospitals and frontline workers who need them.

“It’s been cool to give back as a result of the COVID-19 situation,” says Jason. Cariloha’s community support program has not only provided critical supplies for workers on the frontline of the pandemic, but it’s also created a lot of goodwill for the brand.

Companies can build deeper relationships with their customers by creating community outreach programs that align with their corporate values and mission statements. According to research from Accenture, 63% of consumers want to purchase from purpose-driven brands. Companies that find ways to connect their community outreach campaigns with their customer base can see a boost in engagement and customer satisfaction.

The Takeaway

- **Some of the biggest brands in history started life doing something completely different.** Don't be afraid to play around with business models or radically change things up to keep up with what customers want and need.
- **Giving back doesn't just feel good; it's good for business, too.** Companies that make a habit of giving back will find it easier to bond with consumers and build lasting engagements — the gold standard for brand building.

Horti

Started in Brooklyn, Horti takes a high-tech approach to the classic dilemma facing modern homeowners: "What kind of plant should I buy, and how do I keep from killing it?" The company offers a highly-tailored plant subscription box service that pairs potential "plant parents" with the right plants and builds customers' plant knowledge and confidence by slowly building up from simple greenery to more care-intensive vegetation.

"It's kind of like getting a karate belt in planting," says Puneet Sabharwal, CEO, and founder. "We start you off on really easy plants and then you elevate to slightly more difficult plants."

Sabharwal says he began Horti with business partner, Bryana Sortino, three years ago as an experiment. He initially coached 20 to 25 of his friends through each stage of the plant buying process in detail, guiding them from selecting the right plants to what to do if one of them gets a brown leaf. As demand from his friends and acquaintances grew, Sabharwal saw an opportunity to turn his hobby into a business.

Give the People What They Want

The customer base evolved naturally over the first two years with friends passing on their recommendations to their acquaintances. Puneet spent no money on ads but managed to gain organic traffic just from recommendations because friends and friends of friends were becoming exasperated trying to find plants that worked for them.

The majority of Horti customers are novice indoor planters wanting to learn “how to not be plant killers;” the rest are what Puneet describes as “seeking instant gratification” — customers who want to fill their space with plants all at once. So on top of the progressive subscription service, Puneet designed a system to order collections of plants, including a product named “Order a Jungle” — a large collection of plants that harmonize with each other in order to fill up a living space in one shot. Suddenly, Horti had addressed two of the biggest customer needs in one service.

Horti had defined what marketers call a Unique Selling Proposition (USP). People Research explains, “The main idea of the USP strategy is to present an advantage that the market will connect specifically to this specific brand and through this create a consumer preference and propensity towards the brand versus its competition.” When brands have a clear USP, customers immediately recognize the product’s appeal. With a focus on education and the ability to order an entire home’s worth of plants, Horti correctly identified two.

“We felt like there was a gap in this market where a lot of decisions were being made about plants based on aesthetics (whether it’s a pot or a plant itself),” explains Puneet, regarding Horti’s USP. “We saw that when you bring plants home without knowing much about them or about the type of environment they need, a lot of people without the exact knowledge they need will lose these plants. That lowers your confidence in plant care at home. Eventually, you feel like you're a really bad 'plant parent,' or you will continue to buy more plants, but you'll do it in a way that's not sustainable."

Horti grew with no marketing by offering a service that few others provided and appealing to some very specific buyer needs.

Reimagining Retail

Horti has a small "Horti PLAY nursery," but apart from this one physical retail outlet (which Puneet describes as more of an "experiential" tool than a revenue-generator), the majority of sales are online. And not just online, but subscription-based. As physical retail stores were closing due to shelter-in-place orders, Horti was able to largely continue as before.

"We were really worried in March because we weren't sure if we would be able to sustain the business or ship our plants as much as we want to," says Puneet. "But the foundation we created for setting up the online store over the past three years was really good. Mostly focusing on selling via our online platform has been playing out really well and has been paying off."

And because the online infrastructure was there, and because Horti already catered to consumers' need for instant gratification with the "Order a Jungle" package, they were able to capitalize on a wave of customers stocking up on plants. According to the New York Times, horticulture businesses across the U.S. saw a surge in demand. And so in March, rather than seeing a reduction in revenue, Horti saw three times as much retail business.

This paints a telling story of the changing landscape in retail. The traditional model of physical retail went the way of the dinosaurs years ago, sure, but even early online models are starting to fall to the wayside. The era of an e-commerce presence being a background to physical locations is giving way to a new range of digital-first businesses. These companies start online and build their business models online. They are able to personalize services better and can carve out niches that wouldn't work if they had to support a brick-and-mortar business. Horti found success because they didn't take a traditional company and move it online — they found success because they built a company that could only thrive in a digital space.

The Takeaway

- **Find the thing that makes you unique and lean into it.** It's easy for competitors to copy products, business models, and marketing strategies. It's impossible to copy passion and excitement about what your brand does best.
- **Great digital brands don't just move an existing business model online — they redefine legacy models from a digital-first perspective.** That means radically rethinking how things are done and what's possible, but the payoff is always worth it.

How to Not Just Survive, but to Thrive

Challenger brands can learn a lot from how these innovative home and garden companies have made their way through the pandemic and found opportunities for success by adjusting their business models, product offerings, and brand messaging to match the new reality for many consumers.

Brands have to be willing to think outside of the box, practice resilience, and be open to rolling out new products and initiatives quickly in order to respond to market conditions and consumer needs that are changing on an almost weekly basis.

By looking at how other brands have successfully navigated the chaotic waters that the COVID-19 pandemic has brought to the retail landscape, challenger brands can find ways to continue to thrive once the dust settles.

Finance Brands

Major disruptions have a tendency of sparking and nurturing innovation. Take, for example, the explosion in disruptive startups that happened after the Great Recession. The period immediately after the market collapse gave us Uber and Lyft, Snapchat and Instagram, Airbnb, and countless other companies that have changed the way we work and play. It was also the age of major growth for Facebook, Twitter, and Amazon. A disruption in the way the world works opens the door for brands that want to disrupt the way we do other, more mundane day-to-day activities.

Prior to COVID-19, a wave of financial technology companies (often grouped under the shorthand of "FinTech") was making quiet progress changing the way consumers interact with money. The FinTech trend isn't new — many of the biggest names like LendingTree come from the first wave of startups from the 1990s, many more like Mint.com and CreditKarma come from the second dot-com wave of the 2000s.

But the late 20-teens saw an acceleration and blossoming that moved FinTech past the "matchmaking" style of previous iterations and into a new paradigm: true financial service companies selling financial products directly to retail consumers, but living entirely online. Growing out of the D2C revolution, this new wave adopted the parts of D2C brands that consumers loved and adapted them to banking, insurance, and even complex financial instruments.

That blossoming turned into a tsunami as COVID-19 hit. Much of the world was, and many parts remain, under various lockdown, quarantine, and shelter-in-place orders. Businesses have closed their doors, sometimes until COVID is over and sometimes for good, leading to ripple effects throughout the economy. Unemployment spiked to an unprecedented high, and the very idea of work is being reexamined.

John F. Kennedy is credited with popularizing the quote, "In the Chinese language, the word 'crisis' is composed of two characters, one representing danger and the other, opportunity." That perfectly describes the current confluence of crises — there is danger, and a real human cost to the events going on, but they also represent an opportunity for financial companies to radically change the way people bank, save, invest, insure, and plan their financial futures.

And for many FinTech firms, this is an opportunity to make the world a better place — helping the unbanked and underbanked get access to financial services, increasing the information available to retail consumers, and finding ways to provide a safety net to people in danger of falling through the cracks. These are the stories of three FinTech companies that have found a way to grow, before, during, and after COVID-19.

Catch

According to Forbes, about 35% of the U.S. workforce does some freelance work. 28% of those freelancers do so full time, and that percentage is growing yearly. It's no exaggeration to say that for many Americans, the nature of work is changing. Just over the last few decades, we've seen two radical transformations in what "having a career" means: from working with one company your whole life, to the job-hopping and uncertainty of the 1990s and 2000s, to the modern notion of the gig economy.

So with all of these massive changes, it seems odd that our idea of workplace benefits and financial support services still very much cater to a pre-1990s idea of work. Catch is a portable personal benefits company that set out to modernize how people deal with the finances of having a job. Their platform helps contractors, freelancers, and other various gig workers do the things that traditional employees take for granted. Things like tax withholding, buying insurance, retirement savings and investment, and vacation time planning.

Unlike traditional benefits providers, which are contracted by companies on behalf of their employees, Catch works with individual freelancers to provide them with some of the stability that most workers take for granted.

Kristen Anderson, Catch's CEO, talks a lot about that stability, especially in the historical context of the 1918 flu pandemic.

"There was massive demand for really stable jobs; people prioritized factory jobs and union jobs. They wanted stability. And into the Great Depression, people still valued stability over wealth by a long shot," explains Kristen. "We now have a chance to say, 'Okay, how do we create financial stability, given this context?' Crises like the pandemic in 1918 and the pandemic now in 2020 give us an opportunity to ask, 'What kind of world do we want to create in terms of the stability and welfare we provide for our people?'"

Finding ways to bring that stability is complicated by the wide range of people that Catch serves. "I think the biggest challenge is that our user base is extremely diverse, so their experience through this pandemic has been really diverse," says Kristen. "Some are hairstylists who haven't been able to take on a job in 60 days. Some are UX/UI designers whose work hasn't been affected at all. Some folks have small kids so everything's crazy for them, and other folks are sort of by themselves and dealing with loneliness.

"I think this range of experiences means it's really hard to hit the right tone, what with all of those different emotions layered onto what's a pretty difficult situation," adds Kristen. So with so many different ships weathering the same storm, how is Catch addressing the disconnect?

Reexamine What's Really Important

When crises hit, consumers often reevaluate their priorities. This can be changing the categories they spend money on, prioritizing savings over spending, donating more to charity, or pulling back from the commercial space altogether.

For Catch, it meant recognizing that some of their traditional messaging was no longer appropriate. Prior to COVID-19, much of their ad strategy focused on the typical financial selling points of long-term growth, returns on investment, future planning, and similar. This became problematic as the unemployment rate soared and millions of people began worrying about tomorrow rather than 30 years down the line. In mid-March, Catch turned off their re-engagement campaigns for consumers that entered their funnel but hadn't yet fully onboarded.

"We realized some of those campaigns were a little bit tone-deaf in the context of folks not being able to work," explains Kristen. "We had a great campaign around things like, 'Make sure you're setting aside for the future' and 'Save for your future self.' That sort of messaging felt really off-putting in a time when some folks don't have enough income to pay for their meals or rent. We decided it wasn't worth any additional conversion because of how that messaging might be perceived."

A recent COVID-19 report by market researchers FMCG Gurus found that: "Consumers want brands to demonstrate they have the best interests of the individual and wider society at heart and are not just driven by the desire for profit maximization. As such, they will seek out brands that they believe demonstrate traits such as kindness, empathy, and compassion."

Catch recognized early that any marginal customer growth today could lead to serious damage for the brand tomorrow. Instead, the brand decided that being a responsible and caring member of the freelancer community was more important to their long-term goals. They've adapted their tracking metrics to keep with their new focus, too.

"We've really tried to focus on intent rather than typical metrics," Kristen explains. "Obviously, the thing that's really important for a business' success is revenue unit economics, profitability, etc. But in the interim, things like: Do people still feel like they need this product? Are they engaging with it? Are they marking their income even if they're not withholding? We also give them the option to skip this if they don't want to set aside any money right now because times are tough.

"We're also seeing certain metrics going up really quickly, like health insurance, with the levels of unemployment that we're seeing there's a much larger need for people to get independent health insurance," adds Kristen.

Big and Small Pivots

Along with shifting priorities in messaging and metrics, brands reacting to unexpected changes have been forced to change what they offer consumers. And while emergencies tend to force pivots, the ability to do so is critically important for any brand that is trying to grow.

Catch recognized early that there were a few things they could do differently to better serve their customers. One of the first ones launched was a new emergency savings feature. Kristen explains, "Emergency savings isn't exactly a part of that traditional benefits world, but it was something that we felt was just really important to get live right now because people were paying much closer attention to it. The recency and severity of this crisis are really at the top of their minds right now when they're thinking about protecting their financial futures."

But the shift went beyond just offering new services that matched the times. It also meant changing up their marketing to focus more on offering education: how to get through the pandemic, how to prepare for crises, how to find stability in a changing world.

“I think in terms of our users, if we’d known what was coming we would have tried to help prepare the educational content a little bit earlier,” Kristen says. “We would’ve focused on bringing together really rich and helpful content early and making sure that our go-to-market reflected that people weren’t going to be going outside of their homes.”

In traditional growth-hacking culture, there is a belief that a pivot means big changes to the core functionality of the product. Instagram, for example, famously pivoted from being a review service like Yelp to the image-sharing platform and social network we know and love today. But a pivot can be so much more. It could be an additional service that expands a product to fit the times. Or it can be a temporary change in focus from selling to education, offering content as the primary service while market conditions shift.

Fast-growing businesses need to understand and embrace the pivot in all of its many forms. Market conditions change quickly, and a brand that can react to them will always outgrow a brand that can’t. At the same time, brands need to make sure that they have the discipline to not overcorrect — sometimes the best pivot is one that enhances the core experience, rather than changing it completely.

The Takeaway

- **KPIs should never be seen as sacred cows.** Instead of static metrics that are immutable and unchanging, make sure that they are regularly reevaluated to fit the situation your business is in right now and in the future, not where it was six months ago.
- **Check your messaging regularly, and update as needed.** Not every campaign can, or should, be run in every kind of market condition.
- **Don't be afraid to pivot, but also realize that a pivot doesn't have to be a complete 180** — small changes that shift your business slightly but significantly are also important.

SALT

A decade ago, cryptocurrency was something reserved for quiet computer enthusiasts — a secret world that most people barely knew existed. Over the last couple of years, a highly- publicized period of exponential growth, followed by a spectacular implosion, brought crypto into the mainstream. Bitcoin's rise to a value of $20,000 per made it so popular, it was covered on the evening news. Little old ladies were buying Bitcoin, and giving it to their grandchildren as birthday and Christmas presents. It was ubiquitous in the national consciousness.

But despite this colossal rise in awareness, getting and using cryptocurrency remains difficult. Even tech-savvy crypto investors often find themselves locked out of many commonplace financial transactions. Take, for example, something as simple as getting a loan. For a variety of reasons, many banks won't accept Bitcoin and the like as collateral.

Enter SALT, a FinTech company that accepts various common cryptocurrencies to secure loans for clients. Since SALT was built from the ground up to handle exactly this kind of lending, it was able to mitigate some of the issues that traditional banks have in dealing with cryptocurrency assets — issues like dynamic valuations, the difficulty of securing the collateral, and just not having a full understanding of the assets.

What to Borrow, What to Build

One of the first problems SALT needed to address was how to build their platform. Cryptocurrency is hardly new technology — the "ledger," the recorded history of every Bitcoin transaction ever made, started in January of 2009. Since then, many intrepid tech pioneers have built up a wide array of cryptocurrency tools. These ranged from basic necessities like software to store and track your crypto hoard, called "wallets," all the way up to complex exchange markets and even physical ATMs that would allow you to buy and sell Bitcoin or trade it for cash.

With so many pieces already built, it seemed wasteful for SALT to start from scratch. Before a single line of code was written, the conversation quickly became, "What do we need to reproduce ourselves, and what can we plug-in from ready-made code?"

This is a vital discussion for any startup, whether physical or digital, and one that often gets swept under the rug or not had at all. It goes beyond just which pieces of software to include in a product, and speaks to a more important conversation: how much expertise should be grown organically, and how much should be brought in from outside?

SALT ultimately decided that they would be stronger as a company building that expertise, and large parts of their application, internally. "We spent time early on educating ourselves via a book club to get lessons in mathematics. It helped us figure out how to sew that into the product we were building. Our whole ethos is really baked in this now — developer-oriented, ideology focused, curious," says SALT's Co-President and CPO, Rob Odell.

Not every company will be able to do that, though, and certainly not at every life stage it passes through. Starting these kinds of conversations early can mean the difference between a company that has a clear purpose and can grow without getting in its own way, and a company that constantly fights itself to get to the next milestone.

Marketing When Marketing Is Made Difficult

It should not come as a surprise that cryptocurrencies, like many speculative instruments, have attracted their fair share of grifters, con men, tricksters, and scam artists. As a result of some high-profile scams, many traditional advertising and marketing channels have come down hard on companies dealing with digital currency. Google requires all cryptocurrency services advertising on their platform to be certified. Twitter has made a habit of shadowbanning accounts that talk about cryptocurrency.

All of this makes it difficult to advertise and promote a new service. Especially a financial service, where trust is key to success, and where visibility is often used as a shorthand to estimate trust. For a service like SALT, just starting out and needing to validate itself before people trust it with their money, this was a problem that needed a creative solution.

"Building that level of trust early on was hard," admits Rob. "So we decided to let people deposit their assets with us and never moved them. They could go anywhere and see they were sitting with us, that was a big differentiator for us because people felt comfortable. We worked to build trust around that."

The company also looked for alternate ways to reach their audience — going to meetups and networking groups, finding public and private Slack channels for crypto enthusiasts, attending conferences. The strategy paid off. When COVID-19 hit, the company was well-positioned to survive through the crisis. In fact, they were in a position to come out of it even stronger.

"Most crypto companies are doing well in general since none of them have had to rely on physical contact with customers. We were kind of already set up for remote work, so it was a shift but it wasn't detrimental," says Rob. "Our community is very passionate and COVID-19 has created more interest in crypto — people are rallying around the idea and thinking of getting involved. There's more of a spotlight on its value as an alternative. It's been very validating for the community."

The age of digital marketing has made reaching an audience as simple as clicking a button for many brands. But that ease of use often hides an important truth: these are not the only channels available to high-growth brands, nor should they be the only ones under consideration. Focusing entirely on standard digital advertising channels risks blinding brand builders from the many alternatives that exist, many of which can have a much higher ROI.

The Takeaway

- **Don't assume everything needs to be scratch-built.** There's no shame in taking commonly-existing frameworks, plugins, scripts, and bits of code and repurposing them for what you need.
- **Remember that there was marketing before digital.** Don't be spoiled by easy clicks with CPC and social ads — building communities works, is cost-effective, and helps growing brands stand out.
- **The best marketing in the world won't be able to overcome trust issues.** Especially for financial companies. Build trust in whatever way suits your brand best, and the rest will come naturally.

Hippo

Property insurance is an old industry — the basic property insurance policies can be traced back to the 1660s, to the Great Fire of London that destroyed over 13,000 homes. The first fire insurance company, the Insurance Office for Houses, was established in 1681 at the back of the Royal Exchange, and insured brick and frame homes. Of course, the market has changed a little since then — you can now insure all manner of homes, not just brick and frame. But by and large, the industry hasn't changed much since those early days.

"Until recently, home insurance had not changed in 150 years. So I do think that it was ripe for disruption," says VP of Marketing for Hippo, Andrea Collins.

Of course with an industry this old, the real question isn't, "Is there room for disruption?" The question is, "Where should we start?" The digital revolution has done a lot for the insurance field, from bringing the application process online to making claims faster and easier. But a lot of the changes so far have been on the surface. Companies have moved online to make communication easier, but few have really rethought what insurance could be in a digital age.

Hippo changed that by starting where most online insurance companies ended. The company offers fast quoting and policy writing — 60 seconds and four minutes, respectively. And they offer the convenience of digital policy writing and single-touch claim processing. But Andrea doesn't see these as the only selling points.

"It's about being there during your customers' time of need and providing a seamless claims experience while making sure there's also empathy factored in," she says. "We have a claims concierge team, which provides one point of contact for the customer from the start of a claim, all the way through to its resolution."

Disruption Is More Than a Buzzword

Disruption comes in waves. The first wave in the 1990s followed a simple formula: take what people already do, but move it online. The ill-fated Pets.com took pet stores and moved them online. Amazon did the same with books, albeit more successfully. The second wave was the web 2.0 revolution that brought us social networks. It was disruptive, but it really was just changing the way we communicate, rather than the way we understand brands. The third wave is where things started getting interesting.

Hippo comes in during this third wave of digital disruption — the one where companies are doing more than finding new ways to communicate with consumers, but are actually using the technology tools available to them to rethink the way traditional businesses work. Instead of thinking about insurance as simply a policy that is sold to a consumer and forgotten about unless something happened, they started with the idea that it might be possible to use technology to actually help consumers get more benefits from their insurer. That started by examining what modern policies actually needed.

“The majority of home insurance policies include coverage for fur coats and pewter bowls, while only covering about $2,000 for their electronics,” Andrea explains about traditional home insurance policies. “That is why it is so important for us to add in the right amount of coverage by understanding the customer first. For example, just knowing that many people carry $2,000 of electronics in their pockets when they leave the office means we need more coverage in this area. It starts with asking what people actually need from their home insurance, what do people actually own in their homes, and how can we properly cover these items so that people can have the right amount of coverage to protect themselves and their properties?”

Then on top of rethinking what is protected and how Hippo focused on finding ways to actually decrease the number of claims that are submitted by decreasing the losses customers suffered. That started with a smart home device kit that the company provides to customers that would educate them on how to best protect themselves and alert them to issues in their home. Unlike many other companies that have similar approaches, Hippo doesn’t use this device to gather data or spy on consumers. Instead, they found that just giving customers the information they needed to make better decisions they could reduce the number of claims they were paying out.

Disruption gets talked about often enough that it has largely become a buzzword. Every company is disrupting something, at all times.

But real industry disruption isn't just changing the mechanics of how an industry sells its products. Disrupting insurance isn't just "insurance sales, but online." Instead, it's about rethinking the way brands provide value to customers. Hippo doesn't just sell insurance over the net, they are changing the underlying assumptions that go into providing insurance.

Conceptualize How Things Could Be, Not How They Are

Part of the key differentiator Hippo provides is integrating a home maintenance plan into their offering. What Hippo found was that customers were treating a lot of their maintenance as just another to-do on a long list of to-dos. Most weren't thinking about, as Andrea says, how a clogged dryer vent wasn't just a chore but a potential fire hazard. By partnering, and eventually acquiring, a home maintenance service, Hippo was able to not just disrupt consumer expectations on what home insurance could be, but make those consumers safer and improve their own bottom line by minimizing the risk of needing to pay out a claim.

When COVID-19 hit, they took this approach a step further. With in-home maintenance being much more restricted, they brought their service online. Customers that were having issues could request a virtual appointment through the website, and a highly-qualified contractor would get on the phone with them and help them troubleshoot basic problems. Then, they took it another step further and opened up their service, for free, to everyone in the U.S.

"There were a lot of appliances breaking because you're using your dishwasher four times more per week than you used to, and your clothes dryer twice as much, and all of those things just are not meant to be used as frequently. So we created a virtual product that tied into the need there," Andrea said.

The virtual checkup was a hit, and a huge point of differentiation from what competitors were doing because it spoke to a real need that consumers had, but maybe didn't realize they had. One of the strengths of a true digital disruptor is their ability to think not about how to take what's already there and do it better, but to imagine what things could be like in an ideal world.

The Takeaway

- **Disrupting an industry needs to be deeper than just moving it online.** Instead, consider new options opened by digital commerce and build from that as a starting point.
- **Growing is not just about increasing revenues.** Sometimes, decreasing costs is even more important. Always look for opportunities to shrink outlays in innovative ways.
- **World-conquering companies don't just do things a little better.** They change the game entirely. Don't just try to incrementally improve on competitors — look for ways to lap them entirely.

The Finance of Tomorrow

The thread that runs through the FinTech companies profiled here, and the FinTech companies that are poised to be the big household names of tomorrow, is that they think about the products and services they offer in a new way. Catch created a suite of products for workers in the new economy. SALT has built a platform for financing purchases with a new currency. Hippo has moved home insurance into new product offerings. And they've found success by betting on the next big thing, not the last big thing.

As COVID-19 threatens to reshape society, the economy, and governance, winning financial technology companies will need to ask themselves: are we solving yesterday's problems, or tomorrow's? That might seem like a trite way to think about it; after all, every tech company thinks that they're disrupting an industry. But the companies that come out of this crisis stronger than before will be the ones that have really dug deep and focused on that future need.

They'll also be the companies that have a deep understanding of who they are selling to, and how to approach them in a respectful and empathic way. The consumers of tomorrow, dealing with the aftermath of a global change and an unprecedented number of unemployed and struggling friends and neighbors, may not be as interested in boastful marketing. The financial firm of the future will need to do better than promising great returns. They'll need to promise greater good for everyone.

FinTech companies that manage to nail both of these, solving emergent problems and doing so in a way that benefits society, will be the FinTech companies that win. The companies that focus on Gordon Gecko's infamous "greed is good" approach, on the other hand, will be left behind in the dustbins of history.

Petcare Brands

According to a recent survey from the American Pet Products Association (APPA), 67% of U.S. households have a pet. That's nearly 85 million homes. Dogs are the most popular, followed by cats, freshwater fish, birds, and small animals — with saltwater fish tied with horses at the bottom of the list.

These pets are also big business. The APPA found Americans spent nearly $96 billion on their pets in 2019 alone.

And while the American Society for the Prevention of Cruelty to Animals (ASPCA) says 6.5 million pets typically enter animal shelters each year, that figure could see a drop in 2020. That's because pet adoption rates have seen a huge increase among consumers looking for companionship at home while socially distancing due to COVID-19.

In New York, for example, some shelters reportedly saw adoption applications increase tenfold. But Kitty Block, president, and CEO of the Humane Society of the United States told Wired it's a phenomenon happening across the country — with fostering up 90% in some locations.

And that may explain why in the midst of a tough retail environment overall — with store closures projected to hit 20,000 to 25,000 locations by the end of the year — pet brands are holding their own. Bloomberg reported online pet retailer Chewy, for example, saw an influx in orders that pushed fulfillment out to as many as seven to 10 days at one point — as its stock price soared.

To be fair, the increase in online transactions is also likely tied to consumer behavior during the COVID-19 pandemic overall. But, for a brand like Chewy, the rise in pet adoptions certainly doesn't hurt. It also proves we've come a long way from Pets.com, which infamously failed during the dot-com bubble in part because pet food was heavy and therefore expensive to ship.

But Chewy, which was acquired by retailer PetSmart for $3.4 billion in 2017, is a veritable giant in the pet care space. What about the little guys?

They're doing okay, too.

In fact, three D2C pet care brands aren't just staying afloat, they're embracing specific niches within the overall pet care space and thriving in this challenging market. Here's a closer look at how they're doing it.

Pumpkin

Pumpkin is a pet insurance and wellness company that launched April 30, 2020. While there were certainly other pet insurance options out there at the time, Elizabeth Dimond, Head of Marketing for Pumpkin, said Pumpkin saw a few critical gaps in the marketplace. For starters, it's hard for pet insurance brands, in particular, to convince consumers to invest in a product they may not use right away.

"People feel like they would be paying money each month and not necessarily getting any value for that money," Elizabeth said. That's why Pumpkin focuses on pet wellness through preventative care in addition to insurance. "We're all about making sure that we can keep our pets healthy and enabling the best care for our pets, as we are pet parents ourselves," she added.

What's more, many consumers associate pet insurance with the health insurance they have for themselves. The latter is not always straightforward, which can lead to a bad customer experience when a covered individual seeks care and still winds up with a bill in the mail.

The same is true in pet insurance, which is why Elizabeth said Pumpkin provides one of the most extensive plans in the marketplace with options for dogs and cats. The plans vary but generally cover annual exams, as well as some vaccines and medications. It also allows prospective customers to comparison shop on its website.

While the puppy plan is still in beta, Elizabeth said Pumpkin will even reimburse customers for vaccines a puppy received before its owner signed up for the plan. “We still want you to have the ability to really get the full value of the plan,” she said.

Pumpkin also seeks to make the lives of pet parents easier with medicine reminders.

In fact, Elizabeth said forgetting about monthly medications like flea or heartworm control was one pain point cited by both vets and pet owners.

Find New Ways to Offer Convenience

But perhaps the biggest challenge for Pumpkin specifically was launching during the COVID-19 pandemic when consumers were understandably distracted. While Elizabeth said there was some internal debate — and even Pumpkin’s PR agency asked if they were sure about going live in April — ultimately, they decided it was the right thing to do for one simple reason: Pet adoptions were on the rise. And that means an entirely new market of pet owners.

“Now across the U.S. and in certain geographies, if you want to adopt a pet, you’re going to have to go on a waiting list even to get one,” Elizabeth said. “So there’s just been a tremendous need as people are really spending more time at home. Looking for other sources of companionship is super important. And so people are really gravitating toward pets, which really lends itself very nicely to [our] offering and why it's so important for people like us to be in the market."

In addition, Elizabeth said the rising unemployment rate and increased financial instability overall further demonstrates a need for options like Pumpkin, which help customers cover their pets' unforeseen expenses. "For us, it felt like now more than ever, this type of product is highly needed," she added.

Pumpkin will even send medication directly to customers' homes as an added convenience. With most pet prescriptions still filled in veterinarians' offices, this gives Pumpkin a compelling distinction — especially during a global pandemic when consumers seek to minimize contact.

"That's one of the other [reasons] why we launched during COVID-19," Elizabeth said. "We think we can be super helpful to consumers because we can ship parasite medication to people's homes and they don't even need to go to their veterinarian to go pick them up, which is a really nice part of the value proposition that we offer."

Don't Put All Your Eggs in One Marketing Basket

Which is not to say there were no obstacles whatsoever.

Pumpkin opted to work with multiple PR agencies to help drive organic mentions. And while Elizabeth said the D2C brand did well, all things considered, it still saw far less coverage than a launch under different circumstances, as the media became focused almost exclusively on COVID-19.

Pumpkin, however, also embraced a community-building strategy on platforms like Instagram, Facebook, and Pinterest, and invested in paid advertising on Facebook and Google. Of course, the right combination of platforms varies based on the needs of an individual business. But by being nimble and following a test-and-learn approach, Pumpkin determined which channels yielded the best results. And that's certainly a tactic other brands should adopt as well.

"I'm always a firm believer that you can't put all of your eggs in one marketing channel or marketing basket," Elizabeth said. "So we're able to kind of get a lot of really good learnings in our beta phase to help us scale and think about how we can accelerate our growth, even in today's environment."

And the good news, Elizabeth said, is lockdown has made us better pet owners overall.

"Most people, you know, if they don't work from home, they've had to rely on pet sitters and pet walkers to kind of take care of their pets while they're at work," she added. "I think now we have a chance to have a greater connection with our pets by doing a lot of those things ourselves and, frankly, being around our pets, 24/7."

The Takeaway

- **Focus on transparency and convenience.** This is particularly true if your brand is operating in a new niche and potential customers are not immediately clear on the value proposition. Most importantly, stress how your brand removes existing pain points.
- **Experiment with different marketing channels to find the right mix for your brand.** It's the old test-and-learn approach, but it works.

Goodboy

Goodboy is a premium pet supplement brand that offers personalized plans for dogs based on their individual health needs. It launched in late 2019 following the cancer diagnosis of Kari Sapp's four-year-old dog, Finley.

"I don't know if anyone ever expects their dog to get sick, but it just took me by surprise and kind of got me thinking, 'Am I doing enough for her outside of giving her a really good exercise routine and quality dog food?'" said Kari, CEO, and co-founder of Goodboy.

So it's easy to understand why Goodboy is now focused on long-term pet health. "I think a lot of times people do forget about their pets, they really focus on it for themselves, but that long-term care sometimes gets put by the wayside," she added.

Goodboy was entering an existing marketplace with sizable competitors who could leverage economies of scale to offer much lower price points in some cases. The key differentiator, Kari said, lies in ingredients. Goodboy carefully sources its ingredients — and only includes those sourced outside the U.S. if they don't grow here. Goodboy also skips fillers and additives that don't benefit dogs. "All ingredients are really premium and top-shelf," Kari said. "I think that separates us on the product side."

Goodboy also walks prospective customers through the supplement-buying process with a quiz that provides recommendations based on the needs of their dogs and shows how they can benefit. "We're able to guide people through the process ... and really link them up with the supplement that's going to be the best for their dog," Kari said.

This focus on wellness is attractive to a new generation of pet owners who aren't content to pick up a bag of dog food at the grocery store but rather truly prioritize the health of their pets. It's a natural extension of a behavior consumers are increasingly applying to themselves as they gravitate toward organic, local options.

"Millennials are waiting longer to have kids, or choosing not to have kids at all. And so they're kind of treating their pets like kids and really sparing no expense on their health and well-being," Kari said. "I think an earlier generation might have viewed this as unnecessary or kind of an extravagance or whatnot. But this kind of new generation of pet owners is really viewing it as a necessity."

Keep the Lines of Communication Open

That requires a different engagement approach, which is why Goodboy actively fosters customer relationships with constant dialogue. "I think in the pet space, historically ... there hasn't been a lot of transparency with where things are sourced or what ingredients are included in products. It's just kind of been, 'This is what this does and we're just really not going to tell you anything else, but you should trust us,'" Kari said. "We really didn't want to do that."

Instead, Goodboy has what Kari describes as "a super open line of communication" through full transparency on ingredients and sourcing, as well as its quiz, which includes a section that allows customers to detail specific concerns. Kari said this helps Goodboy take the pulse of its business, such as when customers wrote in about dogs with meat sensitivities.

"We took that information and we were able to reformulate one of our best-selling products and we excluded all the meat products from that formula," she added. "So just by listening to our customers, we were able to take that [feedback] and really pivot quickly."

Large brands spend millions of dollars trying to eke out every last piece of consumer data hoping to find insights. The story of Goodboy makes it clear that there's an easier way, especially for brands just starting out — just ask. Customers are happy to tell their stories, and the feedback can be more invaluable than all the data mining in the world.

Embrace the Opportunities That Present Themselves

Goodboy did make one major shift early on. That's because the D2C brand thought, as the name implies, it would sell directly to consumers on its website and retain exclusive rights to its products and customer data.

But, Kari said, that philosophy quickly changed.

"I think a lot of bigger brands are kind of moving towards this space where they're wanting to bring in smaller, more boutique options to give to their big-box stores. So kind of right out of the gate — and it was really surprising — Nordstrom reached out to us and wanted to carry our supplements in their stores."

And while traditional retail was certainly an unexpected pivot, Sapp said it was the right move because it offered brand exposure that would have been impossible to achieve otherwise. "It was an interesting way to get our brand out in front of a lot of eyeballs that we wouldn't have otherwise been able to do so early on," she said. "Quickly, we realized that reputable big brands like that are a great way to partner up."

Now, Goodboy works with a number of small retail partners and has some bigger retail plays in the works. And it's still striving to change the way modern pet owners care for their animals.

"From a Good Boy perspective, we're focused on supplements right now... we have five formulas and I think we were hoping to bring on anywhere from three to five more by the end of the year," Kari said. "So we're really expanding our offering there, but also kind of encompassing this pet wellness space as a whole, so it kind of frees us up to do other things."

There is an old military saying that no plan of engagement survives first contact. Brands need to have a similar mindset — the best business plan in the world is only good while it accurately reflects the realities the business is facing. Brands looking to grow, and grow quickly, need to be able to react to market conditions and the opportunities they are presented with.

The Takeaway

- **Guide customers through the final steps of the purchase journey.** This hand-holding is especially important for brands in new markets. In doing so, you can build strong relationships with customers.
- **Be flexible enough to pivot for the right opportunities.** In other words, don't be so fixated on your original plan that you miss out on an unexpected break.

Honest Paws

Honest Paws was founded in 2017 to provide premium CBD products for pets, including oils, treats, and even infused peanut butter, to help animals manage previously hard-to-treat conditions like nervousness or mobility and to promote overall wellbeing.

It's a market CEO Erik Rivera said opened up thanks to the 2018 Farm Bill.

"Our mission was really simple: To create high-quality products with transparency on sourcing in the CBD space," Erik said. "And since then, we've just evolved to build wellness products in general ... now Honest Paws is looking at other supplements and other all-natural ingredients that can help enhance the quality of your pet's life."

Starts in the Middle

As a relatively new product concept, Erik pointed to a spectrum of consumer needs, which ranges from those who don't know they have a problem to customers who aren't sure how to tackle their problem and finally consumers who know a given product will solve their problem, but are not necessarily sure whether it is trustworthy.

So far, Honest Paws has zeroed in on the latter group, which are in the middle of the purchase funnel.

"What we do with content marketing is we focus on people who are looking for the product that we have ... and it makes it very easy because when you're building a business ... and you're trying to hone your messaging, it's a lot easier to say, 'I make X and you're looking for X and here it is,' and then to get customer feedback and do that customer development loop before you go to the unaware market and try to educate them or you go to the people that you know in order to try to make them more problem aware," Erik said.

That means focusing heavily on search, which Erik described as "about as literal as you can get." That's because by bidding on keywords like "CBD oil for dogs" and creating relevant content that ranks well, you're literally answering customer questions online.

"We like to call our content strategy 'demand-driven content,' meaning we're looking at data and we're looking at metrics to determine what to write about," Erik said. "The one thing that's kind of unique about the 21st century is everybody expresses their problems to Google … and so we try to match our content to those queries, target them and rank well for them or bid on those keywords."

From its initial target audience of mid-funnel consumers, Honest Paws plans to expand to the larger market. Erik said this is where paid advertising will come in to boost prospecting among consumers who don't know Honest Paws exists yet.

"The messaging is very different in the early stages versus the later stages where we're doing more like demographic targeting, or trying to educate general pet owners," Erik said.

Act Global, Think Local

Honest Paws also relies heavily on mutually beneficial partnerships — like a performance partnership program with publishers — to connect with consumers. The brand gives commissions for referrals, but remains true to its brand ethos by ensuring the referring entity is transparent about their relationship.

This, Erik said, results in win-win situations. And now Honest Paws is also working with non-profits like local shelters to help both parties amplify their messages in given markets.

“I think the pet industry tends to be pretty local,” Erik said. “It’s a national conversation, it’s a national market. But, you know, I go to the local dog park, I adopt from the local shelters.”

And while the pandemic has certainly created a tough environment for local independent pet stores, Erik said it’s been interesting to see how Honest Paws’ retail partners have adapted to date by offering delivery and pickup services.

“I think some of those convenience trends … will stick because it’s hard to put the genie back in the bottle, right?” Erik said. “Like, once you change consumer behavior, it’s really hard to say, ‘Hey, we did all this stuff, you liked it, but we’re not going to do that anymore.’”

And so Erik expects to see COVID-era services that make shopping more convenient to remain long after.

Honest Paws itself prioritizes the customer experience above all else, making sure it not only has good customer satisfaction scores but also that the brand is not intrusive with its marketing. That’s one benefit of being a D2C brand with direct relationships with consumers.

“I think the only way that you can start these days [is online] unless you want to raise a lot of capital because you can get a core audience of people that are looking for the product or service or have the problem that you're trying to solve," Erik said. "You can build a direct relationship with no intermediaries, you can talk directly to your customers. And if you kind of follow the lean startup methodology, you kind of come from the school of thought that developing a product is a feedback cycle."

But, as businesses grow, Erik said most end up looking the same at a certain point because they're trying to serve customer needs.

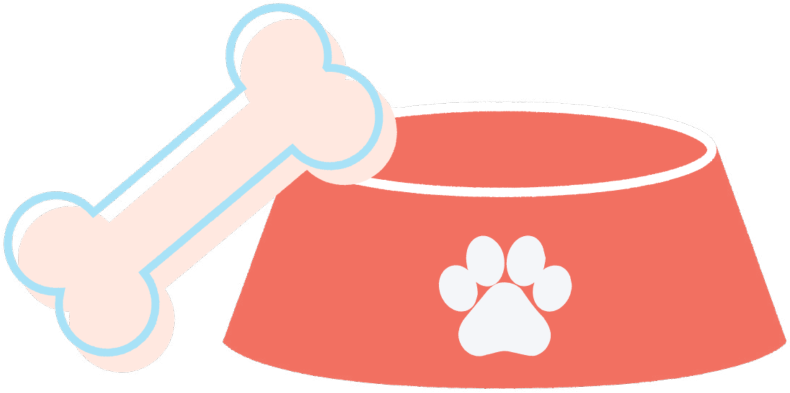
"I think starting online is the best way to help a product gain traction and build a brand," Erik added. "And then to go omnichannel is kind of the only way because you want to have as much contact with your customers as possible and also make it as convenient as possible for them to purchase your product or service."

Another constant that bodes well for Honest Paws: The trend toward treating pets like family members as consumers wait longer to have kids.

"I think with dogs there's this humanization effect, right? Where we're more conscientious of what we give them," Erik said. "Whether that's pet insurance, pet food, or pet products or pet treats and you know, the supply chain, I think we're just going to see a lot of the human trends in terms of what we demand from businesses reflected in the pet industry because the way that we view pets is shifting and how they integrate with the family is shifting."

The Takeaway

- **You can't be everything to everyone.** Instead, zero in on the right customers to start and build your audience from there.
- **Search tactics can help your brand connect with consumers looking for solutions to their problems.** Don't ignore local markets and tactics here, even when building a national audience. They're part of the whole.



Petcare in a Post-Pandemic World

A global pandemic is certainly a challenging time for any brand, but that's particularly true for startups that don't have the resources of big competitors. But by identifying unmet needs within petcare, as well as changing consumer sentiment, Pumpkin, Goodboy, and Honest Paws have found their own loyal audiences.

For Pumpkin, it's about making life easier for pet parents with vaccine coverage for puppies that pre-date membership, as well as medicine reminders and mail-order prescriptions. After all, consumers have enough to worry about as it is. But it's also about experimenting with online platforms to determine which channels help the brand communicate with its target audience and yield the greatest ROI.

Meanwhile, Goodboy is stressing transparency and communication to build its relationships. The brand is also listening to customers by incorporating their feedback directly into product formulations. Goodboy didn't go to market precisely the way it envisioned, but it was the D2C brand's willingness to embrace an unforeseen opportunity that is in part responsible for its success today.

No one really knows what life will be like after the pandemic, but it's likely recent trends toward wellness and transparency will continue. And that's certainly good news for Pumpkin, Goodboy, and Honest Paws, which stand poised for continued success.

Online Education Brands

While it's true that most businesses have been in the process of going digital, the coronavirus has sped that process up tenfold — grocery stores have moved online due to high demand, fitness brands are offering virtual workout classes, and brick-and-mortar retail shops are focused on strengthening their digital presence. Small businesses are switching up their models to survive and, in the process, are displaying some ingenious displays of creativity and spirit.

However, there are also companies that didn't have to pivot — the ones that are "made" for the stay-at-home economy. Entertainment companies such as Activision Blizzard and Nintendo are winners in the video game space, while Netflix and Hulu reign supreme in video streaming. Telemedicine companies are in the spotlight, and video conferencing providers are experiencing a massive surge in profits.

Online education, in particular, is making a huge splash. MarketWatch has dubbed this time as "online education's moment," which comes as no surprise: Schools have closed down, so students are turning to online courses and tools. People are restricted to their homes, so they're looking to learn new skills or hobbies through virtual classes. And businesses want to boost customer engagement, so they're incorporating online learning into their marketing strategies.

Trainicity

We sat down with Trainicity, an online learning company, to take their pulse on the current economic landscape and to ask the all-important question: What can marketers do to thrive during times of uncertainty?

Accessible Information For All

If there's one thing that Greg Waddoups, the CEO of Trainicity, is passionate about, it's accessibility to higher education. "Money," he stresses, "should never be the barrier to learning." It's a value that Greg took away from his time at Western Governors University (WGU), where he served as Director of Institutional Research. Unlike many other online universities, WGU is committed to keeping tuition low so that students can graduate with as little debt as possible.

At Trainicity, their values are similar — they develop learning strategies and create custom training courses to help their clients meet their business objectives without breaking the bank. They work with infopreneurs and industry experts who lack the tools and knowledge to build learning courses but possess valuable content that they want to share with a broader audience.

Trainicity considers their clients as partners — together, they'd develop the courses and then eventually split revenue, with the end goal of spreading powerful knowledge that makes a difference.

With the spreading pandemic, Trainicity faced a dilemma — is it fair to charge people for online learning material during such a challenging time? On the one hand, the company didn't want money to be a barrier to learning, even if their courses are affordable; but on the other, as Greg wryly notes, "You can't make a business by giving things away."

So, the team at Trainicity settled on a compromise — they looked internally and debated over the question, "What can we do to make this current situation more tolerable for other people?" They eventually decided to address the rising levels of anxiety and stress around the coronavirus. Due to the uncertain state of the world, they believed that offering some sort of stress relief would be valuable knowledge.
Trainicity reached out to an infopreneur who they were in the process of creating a stress management course with. "We pitched the idea of making the stress management course available for free," says

Greg. "We wanted to provide something immediate that would make a difference in peoples' lives."

Although Greg admits that the course won't make money in the short-term, he thinks that in the long run, it'll prove more valuable overall: "We could've made a profit with the stress management course or turned out a fast course on working from home, but we didn't want to be seen as a profiteer in all of this. We want to be considered good corporate citizens. And candidly? We're going to get a lot of feedback on the free course through channels like LinkedIn and Facebook — what's working and what's not. All of this information is going to help our business in the long run."

Lesson #1: Put yourself in your customers' shoes. It's crucial to show empathy during difficult times — ask yourself, "What do my customers need most right now? How can my business help reduce their anxiety and make them feel a sense of safety and stability?"

In Trainicity's case, they used their skills of packaging and distributing valuable knowledge and content to help people de-stress physically and mentally. They found a happy medium between putting their customers first and keeping their business afloat. "You won't confuse me with Bill Gates, believe me," laughs Greg. "I always think that the purpose is more important than the business. I'll never make a million dollars this way, but guess what? I sleep better at night."

Quality or Bust

According to Greg, the quality of the content you provide will be the distinguishing factor between success and failure. "I think that the experience we're having right now is going to change businesses fundamentally. Many people will continue to work from home because, in addition to employee costs, spaces are also a huge expense. Online learning will be more and more important, which means two things: It has to be affordable and it has to be high-quality."

Trainicity strives to provide both for their clients: "People think that great online education is expensive, but that's not always the case," says Greg. "As for content quality, the key is to listen to customers' voices. We mine content and feedback from both LinkedIn and Facebook. We also do surveys to get an understanding of what they like, don't like, and adjust how we develop and deliver courses accordingly."

Lesson #2: It's all about quality. Simply throwing content online without rhyme or reason doesn't equate to effective learning. You have to make sure that your learning materials tell a story with a beginning, middle, and end.

Online Education as an Engagement Tool

This isn't just a pivotal time for online education companies; it's also an ideal time for other brands to incorporate online learning into their business strategies, too. "There are a lot of companies that are starting to use online education to teach users how to use products — in a way, almost using it as a marketing tool," says Greg. "For example, we work with a company that's created a medical device. They're using online learning to teach people how to use their product for optimal results."

But Greg warns that if you're starting out with online learning, you have to be careful: "There's a misconception that creating online learning materials is easy — that it's just throwing content online."

He goes on to explain, "You don't just hop on WebEx and become a great teacher. It's a gift to do it well. Sometimes, people are over-confident that they know what they're doing, that they don't need an expert to actually translate knowledge in the right way, on the right platform. And the result of this is people getting a negative outlook towards online learning because there's so much bad online learning out there. There are so many tools that you have to bring to the table in order to engage people — you have to think about synchronous interactions, asynchronous interactions, community boards, discussions, the list goes on."

Lesson #3: Don't hesitate to seek out the proper guidance. While forgoing professional advice may save you money in the short-term, it may hurt your brand's image in the long run if your online learning courses are ineffective and ultimately pointless. Talk to an expert, even on a consultative basis, to piece together what you're trying to accomplish.

Creating an Effective Online Learning Experience

When asked for his advice for creating an effective online learning experience, Greg gives the following pointers:

- **Assess what you're trying to accomplish.** Whatever you do, set your goals in place first. Then, work to design an experience that can meet your objectives.

- **Consider all elements of implementation.** For example, if you're using Zoom, make sure that you have somebody to take care of the technical aspects while you're presenting.
- **Send out material beforehand.** Because this pandemic has been thrust on us so quickly, people don't have time to build modules and things like that — send out material that you want people to read and understand before an online course. Include some questions, an agenda, and other information to help them prepare.
- **Initiate followup conversations.** It's essential to follow up with people immediately after they've engaged with your online learning material. As mentioned before, it might be worth creating a message board or a forum to interact with participants.
- **Evaluate, evaluate, evaluate.** Drop your ego and glean feedback from all the participants. If they've picked up on what you're teaching and have successfully applied it, you're golden.

Lesson #4: Don't offer a generic experience. People aren't just looking for helpful and accurate information — they're looking for an experience that equals to or trumps that of the classroom. Greg believes that when it comes to online learning, you should "mix it up — make it more interactive."

The Future of Online Education

There are a couple of trends emerging in the online education space that look set to gain momentum post-COVID-19. One is non-educational organizations adopting online education as a marketing tactic, showcasing their products and teaching their customers how to use them. This new genre of consumer-focused online education is taking off in the medical field in particular, but also in finance.

Osmosis is one of the hot new startups in the medical arena that has recognized the opportunity to use interactive software to help educate people. Through an innovative library of 15,000 flashcards, over 1,300 videos, and 8,000 case study questions, they are helping equip nurses, physicians, and other health professionals with knowledge and skills to do their jobs. Subjects range from pharmacology and pathology to clinical reasoning. Osmosis currently has more than 60,000 learning platform users and 1.2 million YouTube channel subscribers.

But digital classes aren't just for education-focused companies. "A lot of companies are starting to use online education to teach the users of their products how to use them, the impact of them, and their effectiveness," says Greg. "It's not just for training your employees internally in compliance and things like that — it's also for reaching out to your customer base to teach them how to use your products effectively".

Another trend is companies expanding from the use of simple webinars to an array of interactive educational experiences. Webinars can be a very engaging and valuable way of doing a deep-dive into a particular subject and their popularity is already established — just look at the number of viewers who eagerly gobble up YouTube TED Talks. There are some caveats, though.

Greg urges a degree of caution with regard to using web seminars as the sole medium for online education. "The more people you have, the more it feels like a large lecture room, and I believe online learning should not try to duplicate what you do in the classroom. It should transform. You can use these types of tools, but what I prefer is building synchronous online learning modules that people can work through".

Therefore, combining webinars with interactive elements like flashcards and group study discussions can make your overall e-learning product more engaging for users — and more effective at teaching. The free Duolingo app is one such success story; it offers interactive learning in 30 languages with a mix of puzzles, fill-in-the-blank sentences, and voice recognition tech for users — all presented in a fun style. While it isn't quite Ivy League-standard education, they have managed to attract over 300 million users and educate them in beginner to intermediate language skills.

And companies that create training software for remote employees are flourishing. Gutenberg Technology reported a 44% increase in remote work from 2014-2019 and that's only set to increase now. They help companies develop microlearning training modules combined with videos and elements of entertainment on a range of devices.

How Current Changes May Affect the Future

It's anticipated that many people will continue to work from home even after the pandemic is over due to companies recognizing the cost efficiencies of remote staff and the benefits of the reduced overheads from having a smaller office. Indeed, Greg believes that this development will make the quality and affordability of online learning even more important than it is already.

Best Practices for Education Brands Moving to Online Platforms/Business Models

- **Lesson #1:** Be wary of making the experience impersonal by only using pre-recorded web seminars.
- **Lesson #2:** Offer some form of communication online through message boards or live chat to make it a more interactive user experience.
- **Lesson #3:** Make it affordable — be a good corporate citizen. "If you look at my former company, they didn't raise tuition for 15 years and their whole idea was to make higher education accessible," says Greg. "And that kind of became part of me."
- **Lesson #4:** Strive for the best quality service for your clients and it will pay off in terms of your reputation — as well as allowing you to sleep better at night. "In the long run, if you do the right thing as a company and do right by your customers, it's going to be OK," says Greg.

Looking Forward

The challenge for every brand is how to navigate the crisis and come out a winner. Whether it's focusing on customers and community building, innovating new products that will stand the test of time, or adapting products to the consumer mood, we hope that you can draw inspiration from these brands that have pulled through with their sheer creativity and spirit.

AdRoll

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