

Earning **TRUST** The Right Way

April 7, 2020



NEURO-INSIGHT™

“In a span of three months our world has shifted, everything we took for granted has been questioned and keeps getting questioned. First, they said stay at home, then they said stay away from everyone, now they say don’t breathe without a mask.” - Male, 42, NYC

America is anxious, fearful, and desperate for help

When basic human needs are unmet, people react with panic – it is the organization that will help serve people’s basic human needs and move them away from panic that will earn the trust of people, entering their circle of trust.

Basic Human Needs



Sustenance



Community



Identity

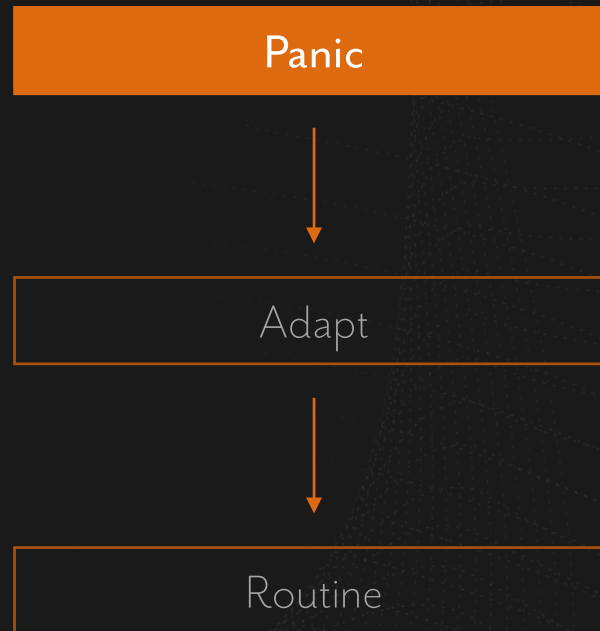


Autonomy & Power



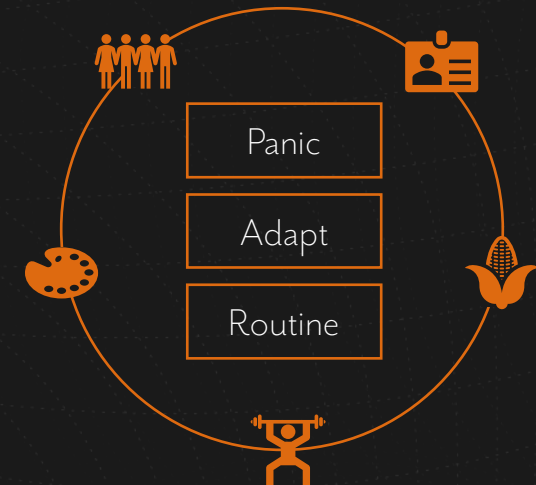
Creative expression

When Needs Are Not Met



Circle of Trust

Serving basic human needs, and helping them move from Panic to Adapting to Routinizing



Introduction

Neuro-Insight has created a first-of-its-kind subconscious tracker, to truly understand what Americans are feeling and want from big brands and companies during the global pandemic

This report will cover

- 1** The COVID-19 panic assessment and America's cry for help
- 2** True leadership and building trust, going above and beyond
- 3** How Americans are adapting

The State of PANIC

The panic room

This is an attack on our basic human needs of sustenance, community, identity, autonomy and creative expression – leading to unprecedented levels of anxiety.

Economic Uncertainty



Americans whose employment has been affected

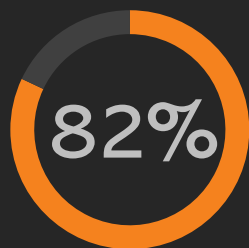
10M+

New unemployment filings from US citizens as of March 20

-35%

Global markets down, and credit spreads have spiked to 2008 levels

Days in Quarantine



Of respondents currently in mandatory Shelter in Place

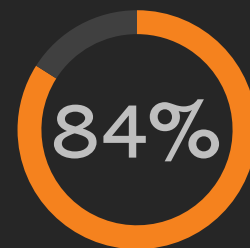
23%

Entering the third week of Shelter in Place

63%

Of Americans in non-lockdown states adhering to social distancing

Disruptions To Daily Life



Of US States to mandate shelter in place as of April 7th

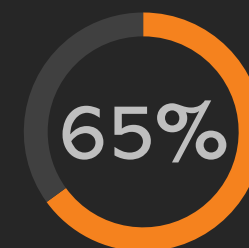
4 of 5

Empty seats on flights in March 2020 vs 1 of 5 seats in Jan. 2020

75%

Estimated failure rate for independent US restaurants

Level of Anxiety



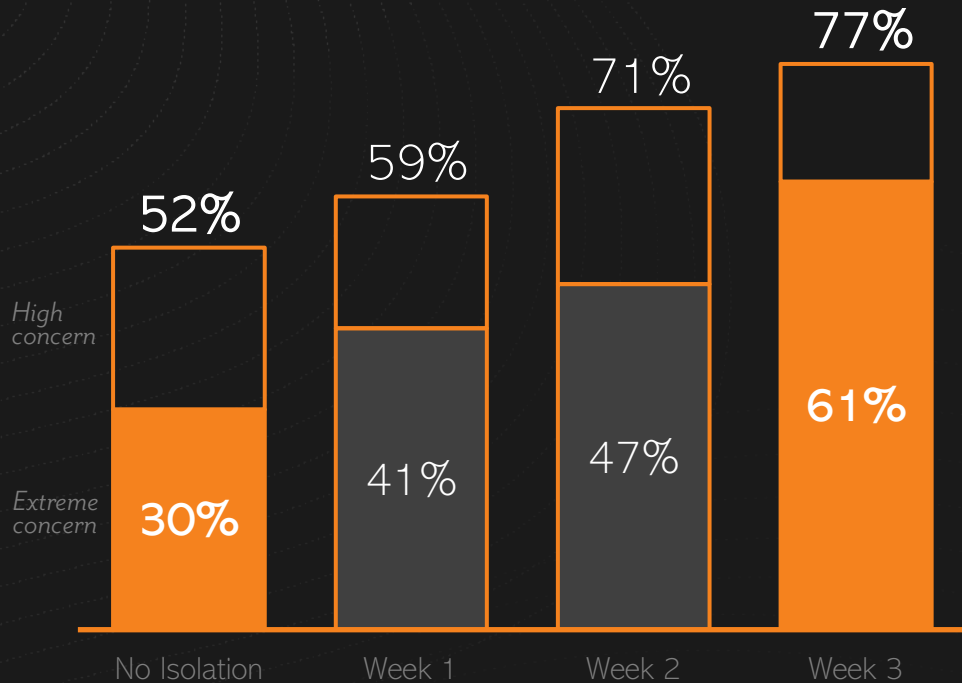
Highly concerned with the current situation as it relates to Covid-19

Highest Impact

Another curve that needs to be flattened

Levels of concern increasing with each additional week spent in isolation

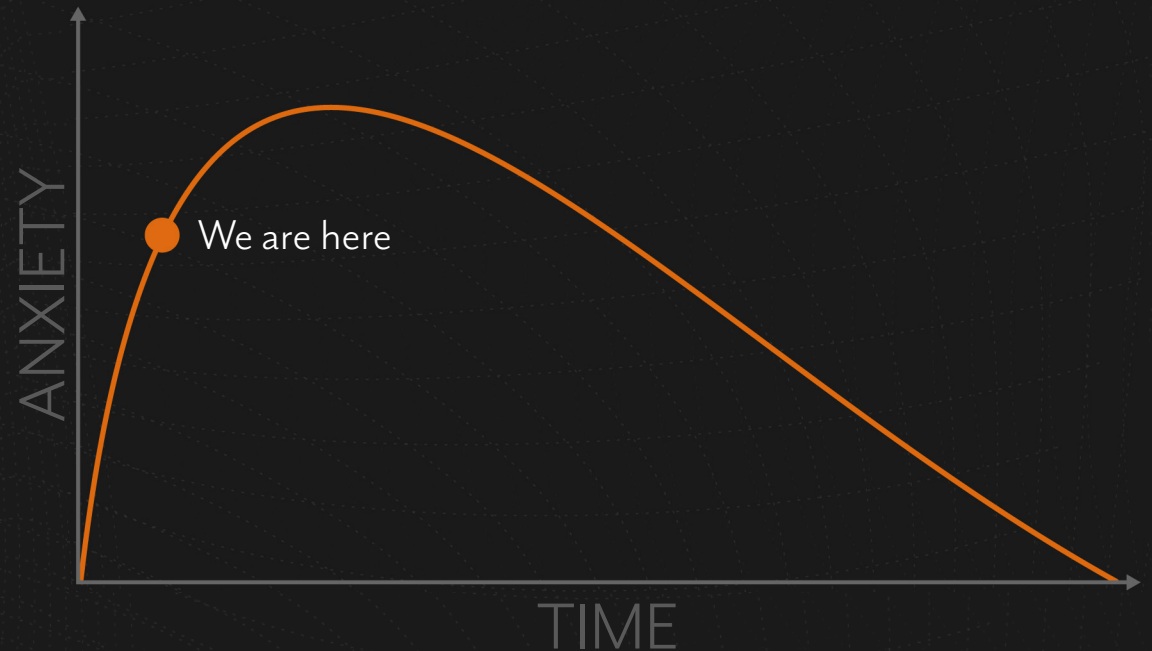
Level of concern (extreme & high) vs weeks spent in isolation



Weeks spent in Shelter in Place
(April 1st, 2020)

The COVID-19 peak is not expected for another two weeks

Another reason for not seeing anxiety turn the corner on the habituation curve



• Basic human needs are driving behavior

Week 1

- Panic ridden; people raided grocery stores for “sustenance”
- Subscribed to more news sources for informational “sustenance”

Week 2

- Panic still high because other basic needs not met
- Increase in video conferencing and alcohol showcase the desire to satisfy both “community” and “autonomy” needs

Week 3

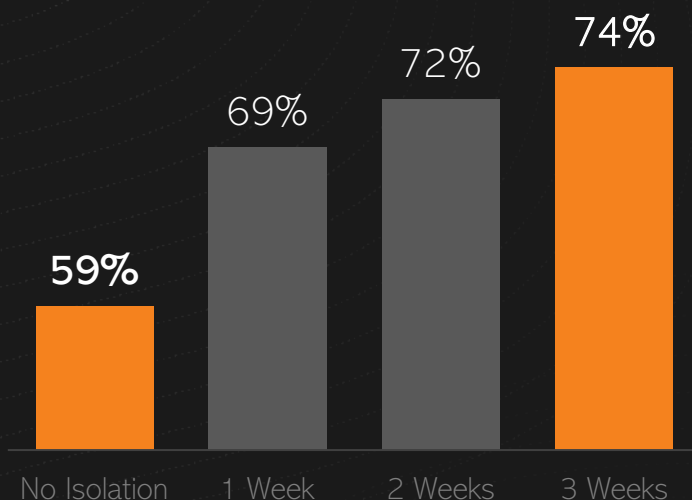
- Panic is still high because other basic needs not met
- Despite shelter in place restrictions, we see increased spending on apparel to satisfy needs for “identify” and “creative expression”

Clearly basic needs are unmet – do people think brands can/should help?

People are asking brands to help

With every passing week of this crisis, consumer perceptions of brands significantly increases if the brands involve themselves in fighting the virus

How do Covid-19 related actions improve perceptions of Brand Trust



Weeks spent in Shelter in Place
(April 1st, 2020)

Top 2 Box Agree

Types of Activities	Improves Brand Trust	Shows Selflessness	Will Have Meaningful Impact
Repurpose factories to aid healthcare system	79% three+ weeks of isolation +18pt change from no isolation	87% three+ weeks of isolation +25pt change from no isolation	82% three+ weeks of isolation +19pt change from no isolation
Offer free access during pandemic	80% three+ weeks of isolation +18pt change from no isolation	79% three+ weeks of isolation +20pt change from no isolation	80% three+ weeks of isolation +20pt change from no isolation
Donate money to Covid-19 cause	74% three+ weeks of isolation +11pt change from no isolation	76% three+ weeks of isolation +20pt change from no isolation	78% three+ weeks of isolation +20pt change from no isolation
Mobilize workforce to deliver food	71% three+ weeks of isolation +13pt change from no isolation	73% three+ weeks of isolation +8pt change from no isolation	72% three+ weeks of isolation +13pt change from no isolation
Promote Social Distancing	64% three+ weeks of isolation +8pt change from no isolation	62% three+ weeks of isolation +11pt change from no isolation	65% three+ weeks of isolation +14pt change from no isolation

Top 2 Box Agree ; comparison of Americans in week 3+ SIP vs No SIP

• What more can brands do?

“If I had asked people what they wanted, they would have said faster horses”
– Henry Ford

Consumers' requests from brands are limited by people's imaginations of what brands can do – and they're not wrong, brands haven't displayed much innovation outside of the traditional retrofitting of their goods and services to this new situation.

For the brave companies, who don't want to be bound by the realm of category norms, boundary or frameworks – **the next section is for you.**

How can Brands Display TRUE LEADERSHIP?

• How a bolder view can prevail

“the human mind has first to construct forms independently, before we can find them in things...knowledge cannot spring from experience alone, but only from the comparison of the inventions of the intellect with observed fact.”

- Albert Einstein

The magic of being human alone provides source material for the greatest stories ever told and the most compelling campaigns ever run, but we must start by recognizing it as magic, rather than addressable content.

It is within our grasp to build our businesses and our brands around a more animating and informing dynamic, that discerns and fulfills the deepest source of human motivation.

- *Marketing: A Crisis of Perception Masquerading as Progress* by John Zweig & Pranav Yadav

• The guiding framework

Make the Subconscious Conscious

The answers are within us and not in an existing playbook.



Spirit to Precede Structure and Language

Build agile teams that are not bound by the organizational structures.



Shared Values and Vision

Align values across individuals, organizations and industries. This is bigger than you.

Intuition is undervalued ... ours and that of the consumer. Intuition is beautifully aligned with our basic human needs. Yet it can be one of the toughest philosophies to put into place, because it does seem almost magic, mystical or religious. And it is in the sense that creativity is ultimately the power of the universe at work in the individual.



Once we imagine a hypothesis and discern a mission that grabs us in this fashion, then we need the people who are fanatics about it and a structure that liberates rather than controls creative energy. We need those rare men and women committed to a different kind of power. Rather than the power over, we are talking about the power to: the power to know, to help, to create, to persist, to become. They in turn have an animating effect on our language and a self-organizing effect in our structures.



Whether a marketplace, a community or any relationship of two people or more, everything starts with acceptance and shared trust. The extent of which determines the effectiveness of communication; makes possible the formation of a common goal; and collaboration follows from those precedents. There do not appear to be any short cuts.

- "Marketing: A Crisis of Perception Masquerading as Progress" By John Zweig & Pranav Yadav

What these actions look like

What has already been done?

The retrofitting model:

LVMH produced sanitizer in its factories, which is a great move, highly appreciated by consumers and the industry alike. Then a series of companies followed – Bacardi, Diageo, Pernod Ricard doing the same thing – again goodwill that is not lost on consumers.

And while these are great actions to take – these are table stakes at this point and there are other needs to still be served.



What could you be doing?

Going back to the basics, need-by-need:

We must go back to the root causes rather than the symptoms to solve for the unmet needs.

We propose solutions that any brand can provide, helping both at the local and national level, serving the fundamental needs of people, regardless of category, or existing playbooks.

It is these actions, helping people where it hurts the most, at a time when they need it the most that will allow brands to enter the circle of trust.



- What these actions look like

Sustenance



- Creating apps for neighborhoods where people can register, by address and age with an automatic distribution of time slots for shopping/pick up.
- A current inventory display, so people aren't making unnecessary trips.
- Digital thermometer for all employees in stores, at all times.
- Help identify volunteers who can assist the elderly in their neighborhood.

• What these actions look like

Community



- Creating a platform with “listening” sessions where people can share how they feel with another individual anonymously – being heard is known to be therapeutic.
- Currently the ‘adaptation’ around online yoga classes, concerts etc have come from individual initiative – each micro entity currently solves for these needs by utilizing Zoom or similar apps. A greater platform that is customized for experiential application would completely change the game! Imagine a yoga class with your ability to control the type of music. Or a concert with your favorite artist that while you’re participating in with millions of other people, you get to see only the artist and your group of friends.
- Providing a platform for micro community events – as was the case when TVs first came to market and the entire neighborhood used to come together to watch something.
- There is an opportunity to build an entire social media platform that serves the human needs of a community. Whether it is parenting tips, or help with a work project, recipes, COVID cleaning hacks – people have been sharing things with each other – but this could be their central resource.

• What these actions look like

Identity



- We want to start by complimenting Guinness to have put out an inspired message around 'identity' with the message "On St. Patrick's day we're all Irish, but everyday, we're all human".
- Identity is complicated and layered, and oftentimes used to divide but when used the right way, it powers revolutions. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." – one sentence provided the unifying identity for all Americans. We could be producing messaging around this time being a modern-day fight for the very same principles that our forefathers fought for. We need a new anthem for our unalienable rights.
- This can be followed up with a platform that allows you to 1) ask for help and 2) help along these exact three categories – Life, Liberty and the pursuit of happiness.
- This can even help remind and strengthen the American identity as that, regardless of race, gender, religion or sexual orientation – something that has been at risk recently. COVID doesn't discriminate – why should we?

• What these actions look like

Autonomy & Power



- The autonomy to walk outside, be where we want to be, is totally curbed but our autonomy to pick what we stand for, choose what we could be doing during this time, take risk in the way that expresses us (while being indoors), is a way to address the need for autonomy and power. While one dimension of space is taken away from us, we can be enablers for empowering choices – mental freedom is bigger than the physical constraint.
- Rather than letting people feel like victims, brands and companies can give power back to Americans – by giving them the power to help, power to persist and the power to create.
- In this crisis, it is equally important to give Americans the opportunity to be part of the solution that ends Covid-19. Social distancing was the first initiative that allowed Americans to feel they have control, but why stop there?
- Innovative solutions that will include ordinary people as co-creators, instigators and activators will fuel the need for autonomy and power and drastically reduce the panic that has set in from this crisis

• What these actions look like

Creative Expression



- Many scholars have shown us the link between mental health and creative expression. The fact that creative endeavors are often shown to heal people suffering from loneliness or depression is also well studied and understood. Loneliness was a pandemic on its own, even before the COVID pandemic – and this understanding can help address two issues at once.
- We commend the UN for launching *OPEN BRIEF: Global Call to Creatives for COVID-19* where they've requested global creatives to help with creative messaging from COVID. What we need is an extension of this idea, beyond COVID, and beyond artists.
- We need to create platforms that act as enablers of creative expression for people – writing, singing, poetry, drawing, painting – a place where people with no experience can get basic lessons, can create, share and receive art. The success of games like Jackbox is an example of this but it can be scaled up manifold.

How are Americans ADAPTING?

How do people make purchase decisions in these times

Essential

Will want to purchase frequently

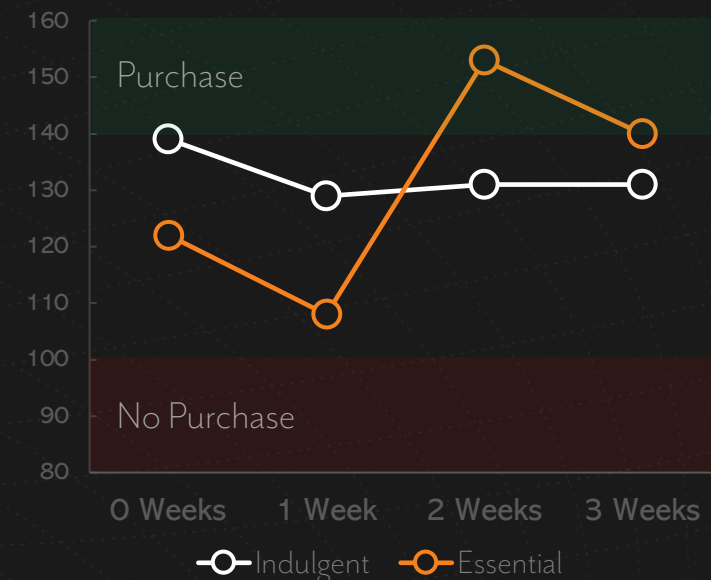
Indulgent

Will want to purchase at intervals

nPlicit™
By Neuro-Insight

People purchase if they view the product as an absolute necessity or strong gratifier. This process is not rational, rather driven by subconscious needs.

Neuro-Insight used a proprietary technology called nPlicit™ to assess complex subconscious associations between specific categories and their perception of Essential & Indulgent.



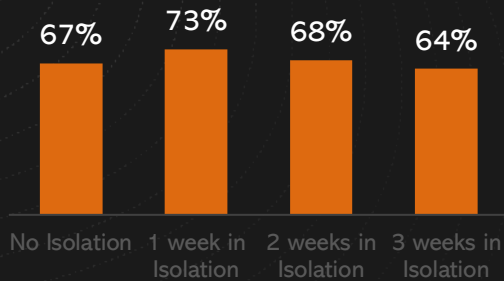
Immediate purchase intent is indicated by Essential being in the green purchase zone, ideally stronger than Indulgent.

Covid-19 impact on everyday categories

ALCOHOL

People are drinking more regularly in isolation

% Drinking Same or More prior to Covid-19



55%
In-store sales



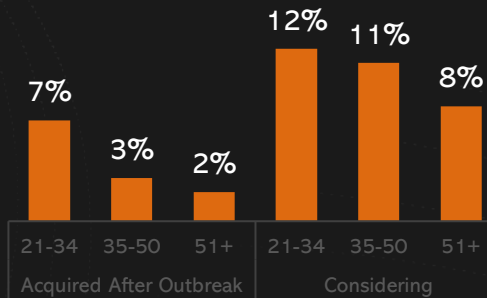
243%
Online sales

Source: Nielsen, Drizly

VIDEO STREAMING

People are actively looking for new content to consume during isolation

Have you signed up for new streaming services



85%
Streaming minutes



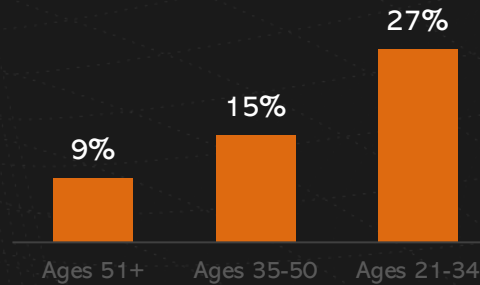
36%
Avg. weekly minutes

Source: Nielsen

APPAREL

82% of people have not purchased clothing since the outbreak hit the US

Have you purchased apparel



58%
Foot traffic



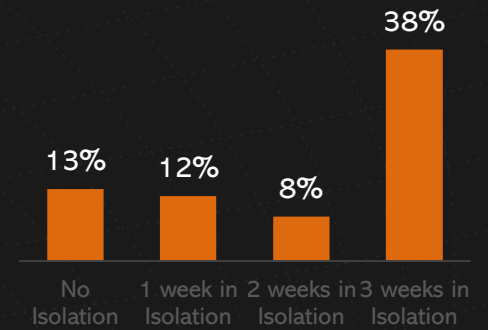
20%
Online sales

Source: Forbes, McKinsey

RESTAURANTS

Number of people not ordering take-out increased from 13% to 38% in Week 3

No Take-Out



\$25Bn
Lost revenue in March

Source: Business Insider

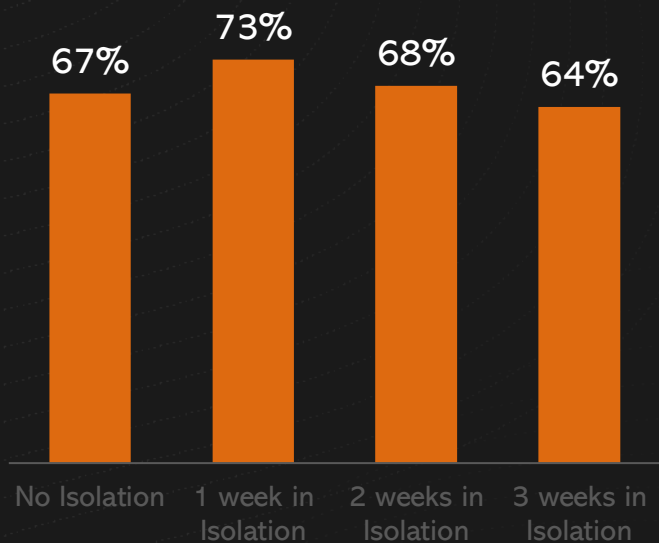
Impact on Alcohol – people panic, then adapt

BEHAVIOR

People are drinking more regularly in isolation

Are you drinking more or less?

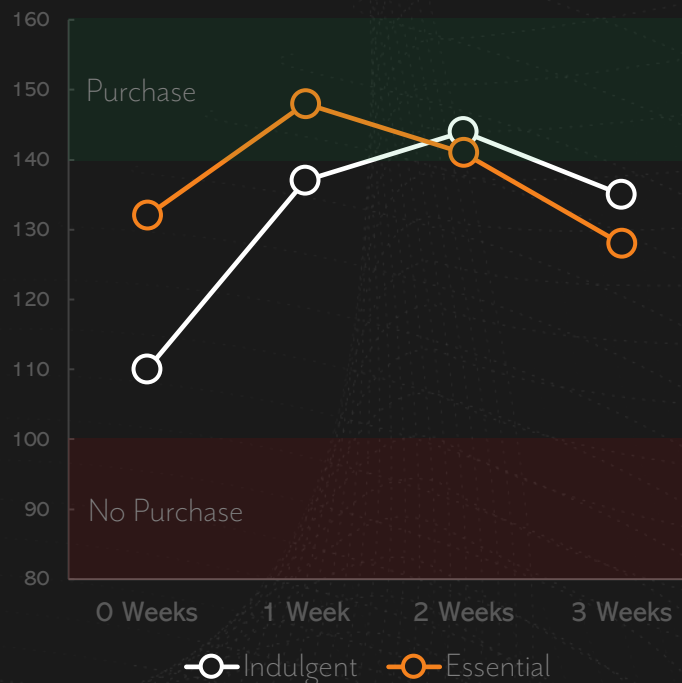
(% Drinking Same or More prior to COVID)



WHY?

Seen as Essential to coping in first three weeks

Essential vs Indulgent



WILL THIS BECOME A ROUTINE?

- Demand strong as consumers try to cope with shelter in place
- Expect demand to remain strong even as consumers acclimatize (Weeks 3+) – Seen as more of an Essential vs when not in isolation
- Alcohol helps people cope with adversity but even more importantly has the ability to drive connection
- Recommend alcohol companies to leverage category strengths to provide avenues to bring people together, drive sense of community online and fuel creative expression

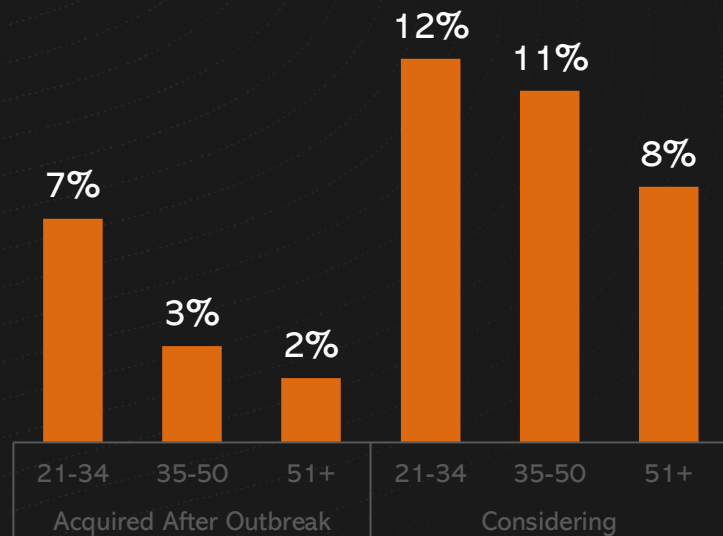
Impact on Streaming Services – expected to grow faster

BEHAVIOR

People are actively looking for new content to consume during isolation

Have You Signed Up?

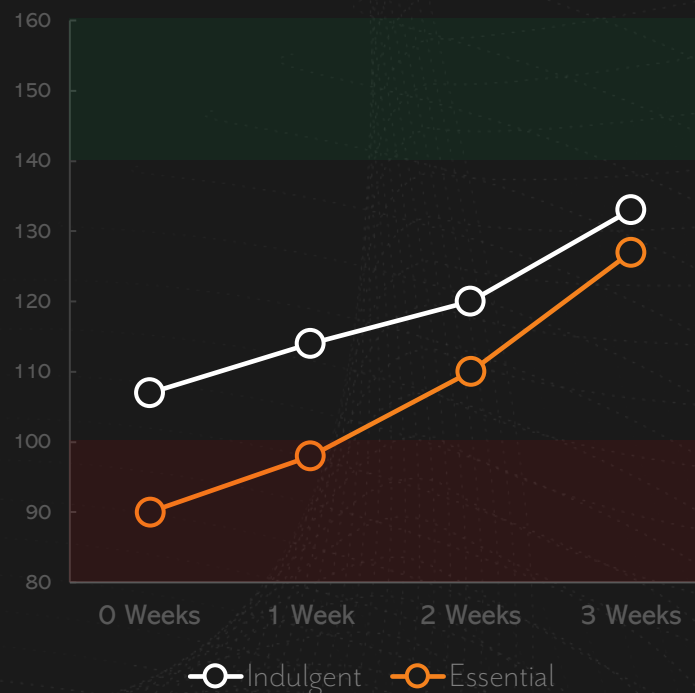
(% signing up or considering during COVID)



WHY?

With increased time in isolation, video streaming becomes more important...

Essential vs Indulgent



WILL THIS BECOME A ROUTINE?

- Video Streaming expected to become a key part of Americans routine during isolation
- It provides escape from current situation by offering ability to tune off from constant media coverage
- Interest in different video streaming offerings expected to continue to grow as consumers exhaust content on their current subscriptions
- Recommend Video Streaming services consider innovations to allow Americans to watch long form together in online “watch party” environment

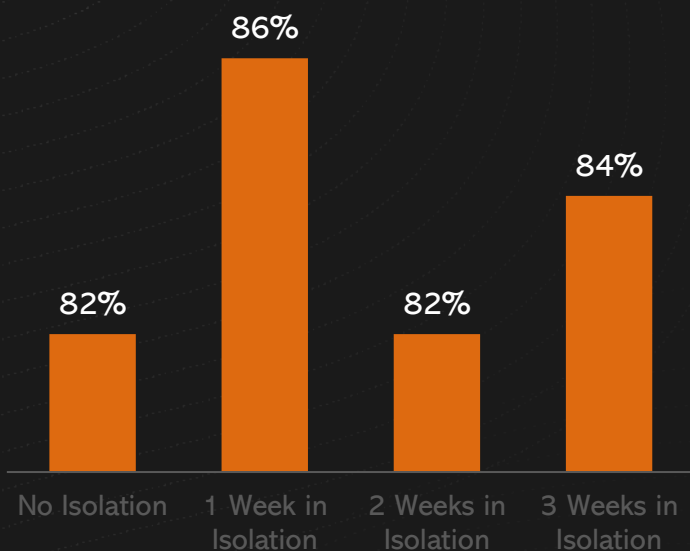
Impact on Apparel – people want to spoil themselves

BEHAVIOR

82% of people have not purchased clothing since the outbreak hit the US

Have You Purchased Apparel?

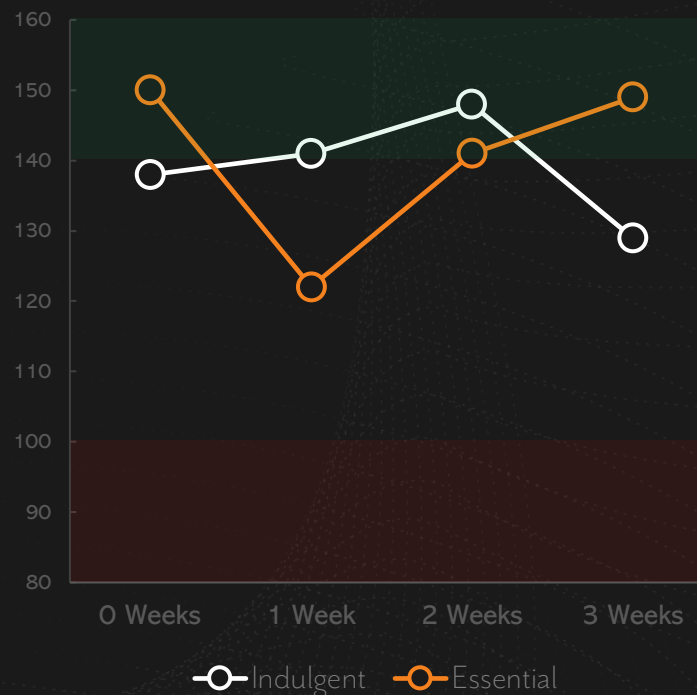
(% not buying apparel since outbreak)



WHY?

Still seen as Essential, as it fuels Identity and Autonomy

Essential vs Indulgent



WILL THIS BECOME A ROUTINE?

- Americans prioritized essential supplies during the first few weeks of Covid-19 and Apparel (specifically in Week 2) was not seen as essential
- Apparel, however, acts on multiple levels – it is essential for sustenance, fuels creative expression and offers autonomy
- Americans in latter stages of isolation, are relooking at apparel (very strong on Essential) and we expect demand to increase especially as work from home and online social habits routinize
- Industry is in unique position to go beyond basic apparel and also help meet demand for protective gloves and masks

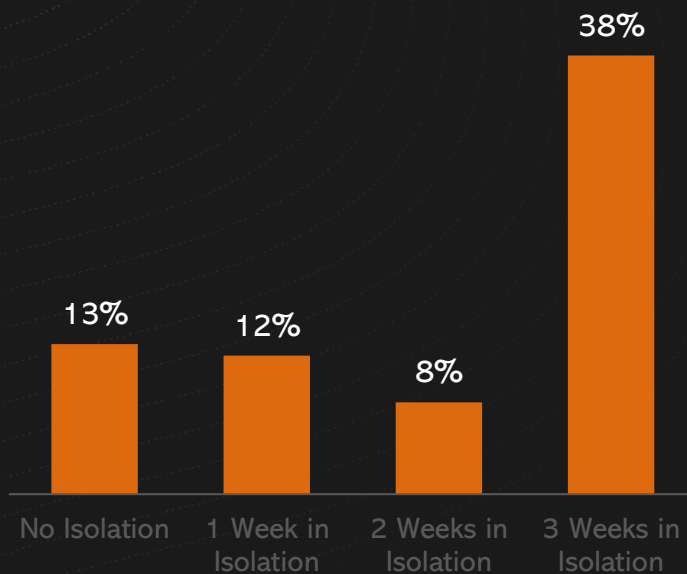
Impact on Dining Out – people deprioritize then adapt

BEHAVIOR

% of Americans trying to avoid Take Out increases as crisis prolongs

Have You Ordered Take-Out?

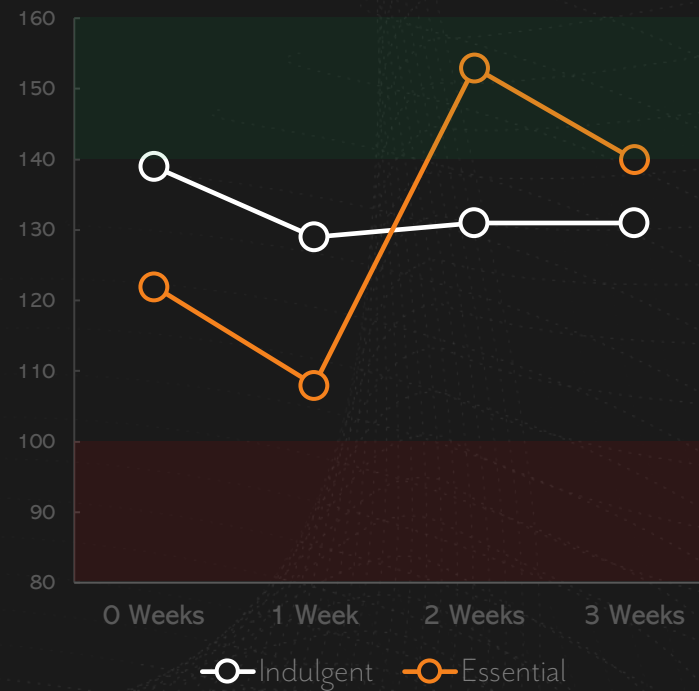
(% ordering take-out during COVID)



WHY?

But seen by Americans as an Essential to cope with the crisis...

Essential vs Indulgent



WILL THIS BECOME A ROUTINE?

- Take-out solves for multiple needs, it offers sustenance, a sense of community and to some extent identity
- Food experiences create the strongest memory connections for many people, and can offer great comfort in crisis
- Americans are scared of the health risks and unsure about their economic outlook if the crisis persists
- There is a latent need, and if industry can actively tackle safety concerns, expect Americans to make Take Out part of routine during crisis

In Summary

• For all brands and industries:

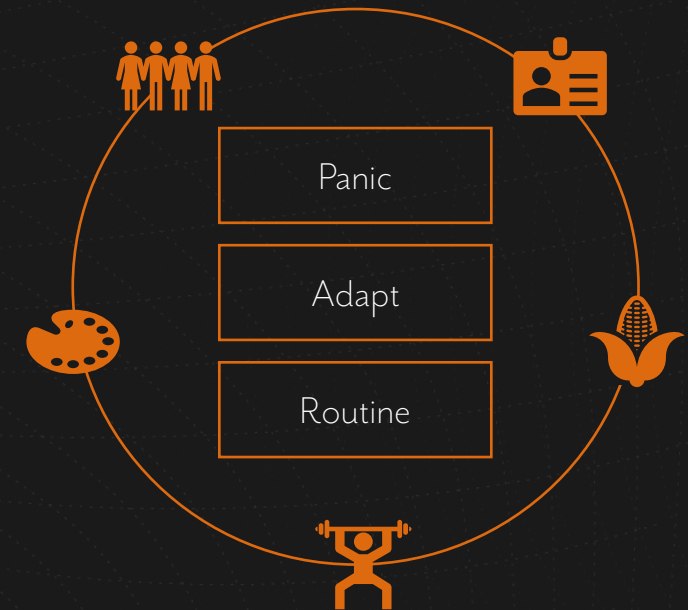
1 | People panic when their basic human needs are unmet

2 | Unprecedented opportunity to earn trust the right way

3 | Going beyond category norms to serve all basic human needs

Circle of Trust

Serving basic human needs, and helping them move from Panic to Adapting to Routinizing



• For additional details on each category, please contact:

Pranav Yadav

CEO

Samrat Saran

Client Solutions

Nick McNiel

Marketing

ny@neuro-insight.com