How to Prepare for Evolving Consumer Demand

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From the beginning of the COVID-19 crisis, I only saw one option for our company: we weren't going to take it on the chin and resign ourselves to pushing pause for the year. We swiftly and unequivocally chose to make the best of the situation, working proactively to mitigate the negative impact on our business.

To forge ahead as a leader in the time of crisis, it's necessary to develop a perspective early on. A framework, or a way for everyone to wrap their heads around what is happening now, and what we anticipate in the next one month, three months, six months. It is easier said than done to "make the best of it" during a period during which you are certain your bottom line is going to suffer. As challenging as it can be to pull yourself up out of the doom-and-gloom of mainstream news coverage and silence the what-ifs buzzing through your mind, a clear perspective will pay off in business sustainability, employee engagement and performance, client/partner relationships, and customer trust and loyalty.

Your projections may or may not be right. The important thing is taking earnest action for the good of your business, and communicating that rationale and progress to team members, shareholders, and other partners.

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By having a clear, yet fluid, plan for the next few months, we

are all empowered to work within the same framework, the same understanding. This clarity from leadership allows people to do their jobs and get creative within the defined parameters – and not needing to micromanage is exceptionally important while we're all working remotely.

Stage 1: Cautious purchasing behavior + desire for instant gratification

The most considerable challenge to our business we needed to address in response to COVID-19 was how to adapt our inventory. As the online leader in the charity auction space, we're known for bringing bidders one-on-one meetings with A-listers and business moguls, the most VIP exclusive experiences at concerts and events, and luxury vacations around the world. Suddenly, our traditional auction inventory was no longer viable.

Consumers, understandably, paused spending and financial decisions as they seek to find their bearings in this new reality. Many are still taking this approach, watching the markets and not making any moves for the time being. There are also quite a lot of people – many of our customers – who are spending money, especially on things to make this time at home more bearable. Data shows increases in spending on gaming, video and music streaming, food delivery and meal kits, home improvement and general e-commerce merchandise. Our bidders are looking for experiences that are virtual, special things to do at home, items like nostalgic memorabilia that make people feel better…People want these things and they want them now.

For Charitybuzz, after a very swift pivot to virtual experiences, we are seeing our bidders react. Sitewide KPIs are up, and we are continuing to hear from celebrity donors

and charitable organizations bringing us appropriate, compelling packages. All in direct response to us procuring inventory that's appropriate for this unique moment in time. Our metrics are mirroring the V-shaped recovery trend many economists are predicting for the rest of the year.

Stage 2: Aspirational purchasing

We're already seeing some overlap begin between these two stages, which is extremely encouraging for any ecommerce business. I anticipate phase two really taking hold when it appears we're past the peak when people are seeing the light at the end of the tunnel.

There is significant power in being able to look forward to something. A vacation, a sporting event, a concert, a red carpet premiere … and especially now. The process of planning and anticipating an exciting event can help people cope with the current reality. By this phase, we'll all have more confidence that these things will actually happen, and planning something makes it that much more real.

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Understanding that this stage is coming up soon can help companies think proactively and prepare to maximize opportunities. For some, this phase could mean ticket purchasing for 2021 events, increased retail shopping for non-essential items, financial planning for things like home renovations or moves, or plane tickets for future trips.

Through Charitybuzz, we're already seeing some of this aspirational spending, with private villas, yacht charters, island getaways and other high-end travel performing well. We've always known our customers are generous, but witnessing their support during this time has revealed even more value for our charity partners. We are in a fortuitous position of

working with such a loyal customer base that we've cultivated over more than a decade. It's uncommon and we are especially grateful for them now. We know they're going to be even more active during this aspirational purchasing timeframe.

We expect this second phase of the COVID-era economy to reflect less volatile stock markets, more stability and a bit of hope; however, this will still be a somber, cautious time. The pressing needs from the healthcare and charitable sectors will shift from relief to recovery, illuminating even more injustices and weaknesses throughout our systems globally.

Stage 3: The floodgates open

Eventually, after months of contact tracing, daily press conferences, isolation, homeschooling, market fluctuations and virtual happy hours, we will feel a weight lifted. It's hard to imagine now, as we sit deep within Stage 1, but there will come a day when we can go out, socialize and celebrate. The unlocking of your local park will represent a metaphorical unlocking of society. People will want to experience everything. It's going to be: "go big or go home" for quite a while (and we know no one's going to want to go home at that point). There's going to be so much pent up demand for entertainment, sports, the arts, travel, dining, even entrepreneurship and innovation.

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This is also when nonprofits' needs are going to be larger than ever. We should all be ready for this moment. For us, this means utilizing those Q2 and Q3 phases of uncertainty to strategize and put things into place to be prepared for this boom. From a pure business perspective, of course, everyone wants to leverage this time to catch up and make up for lost revenue. For Charitybuzz, we feel that need doubly, as the funds we are raising are for non-profit organizations – a group arguably most impacted by the economic stress of

COVID-19.

Although none of us can predict the future, it is our responsibility as leaders to set an informed, comprehensible vision in the midst of a crisis. Our teams are looking to us to instill confidence and light the path ahead. Not only will you alleviate the negative effects in the moment, but your candor and proactivity will also set the stage for a more successful team and business going forward.

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