



March 18, 2020

To: IMSI Members

The coronavirus pandemic presents some difficult challenges to our members and their communities. The shocking measures taken to contain COVID-19 will accelerate change and will have significant and lasting effects on the consumer lifestyles and shopping behavior. For now, due to restaurant closures, sales will move from food service to retail sales, both brick and mortar and online. We have evidence that online sales will increase¹ in the coming months as well as home delivered prepared meals. For example Amazon is experiencing sales increases and will have to hire 100,000 more people to keep up Blue Apron's stock (a meal delivery service) has increased 200% in the last few days. These two examples support two ongoing trends; 1. At-home delivery and 2. On-line purchasing. We can't write-off food stores, c-stores, specialty channels (airports) and country markets, in aggregate, they will remain the largest channel, but these are two trends you should consider and leverage.

Below are sales and marketing ideas that you can consider given ongoing changes in the sales channel environment and consumer attitudes. Please also see some communication strategies and thoughts you may find useful as you navigate the current crisis.

1. SALES & MARKETING STRATEGIES

1.1. LARGER AND SMALL MAPLE PRODUCT PRODUCERS

- **Develop your on-line business.**
 - **Optimize your website** - clean up your website, make it shopper friendly and optimized for search engines (SEO).
 - **Improve your on-line offerings.**
 - Make sure your **pricing is optimized.**
 - Review your **messages and the tone of your communication** given the current situation.
 - **Consider inbound²marketing** (see link). You probably do a lot of outbound marketing like trade shows and direct e-mails, and those are important. But if you are large enough, you should consider doing some inbound marketing to grow sales, build your brand and increase traffic to your website.

¹ https://www.nielsen.com/us/en/insights/article/2020/key-consumer-behavior-thresholds-identified-as-the-coronavirus-outbreak-evolves/?utm_source=sfmc&utm_medium=email&utm_campaign=newswire&utm_content=3-18-2020

² <https://blog.hubspot.com/blog/tabid/6307/bid/2989/inbound-marketing-vs-outbound-marketing.aspx>

1.2 SMALLER (LOCAL) MAPLE PRODUCERS SELLING TO LOCAL STORES & SMALL CHAINS

- **Un-manned farm stands³⁴ really work!**
 - Make an attractive **road-side stand⁵**
 - **Advertise it**, put it out there on the web and/or physically post a letter-sized sales ads at local hardware and other country stores that will support your business by advertising your stand and address. **Use social media to advertise** your stand and your sales locations and get your friends and family to share your marketing initiatives through their **Facebook, Pinterest** and **Instagram** other groups of friends to make an exponential chain. You can also use **Pinterest** to promote your products on-line. **Provide option to make customer orders for pick-up at your stand.**
- **Connect with a local blogger⁶** to get your single-idea message out, many bloggers are paid in-kind through the barter system; you have an excellent currency with maple syrup.
- **Use a local food delivery service** to distribute your maple products - choose your distributor carefully, a good one will expand your business beyond your own geographic limits and build your brand equity. Consider volume rebates if you are in a highly competitive retail environment.
- **Increase your minimum order** – increase your sales by having an appropriate minimum order, avoid breaking cases.
- **Consider offering an assortment of products suitable for home meal delivery service** such as single portion bottles and sample sugar packets as a natural sweetener.
- **Increase your local distribution to food and non-food stores** – visit local convenience, country markets and small chains regularly. **Continue to prospect, even in difficult times.**
 - **Propose profit-generating solutions like small stand-up or countertop displays** (you can order from amazon for quick delivery)⁷. Hire a local person to set-up the displays - make it easy for retailers to say yes. (Maple syrup is attractive for impulse purchase and gift in non-food venues, sometimes I buy mine in a Hardware store, to support the local producer)
- **Consolidate deliveries on fixed days of the week** – to save time and organize efficiently.
- **Work with one or more other food producers to consolidate deliveries.**

³ <https://www.npr.org/sections/thesalt/2012/06/11/154750001/the-psychology-of-the-honor-system-at-the-farm-stand>

⁴ <https://www.cbc.ca/news/canada/prince-edward-island/pei-honour-system-vegetable-stands-1.5240180>

⁵ <https://www.pinterest.ca/goodiebeth/my-roadside-stalls/>

⁶ <https://cuttingforbusiness.com/how-to-scale-craft-business/>

⁷ https://www.google.com/aclk?sa=l&ai=DChcSEwiMiYvJyaLoAhVT5YYKHe4lBKYYABANGgJ2dQ&sig=AOD64_3q1NF0DHRVSMK9zoxQBVS5w9fpQ&adurl&ctype=5&ved=2ahUKEwi_p_IyaLoAhUGLN8KHR5jC1oQvhd6BAGBEEQ



- **Connect with smaller grocery chains and offer incentives and floor displays.** Make it profitable for smaller retailers to feature your products by understanding their need and being creative about how to serve them. Think from your perspective but also from the buyer's and merchandiser's perspective. Perhaps jointly give a % of the proceeds to help those in need.
- **Diversify your offerings and expand your customer base** – if you feel you are too dependent on too few customers, consider expanding your product scope and distribution channels. However, don't over stretch where your efficiencies decrease, find synergistic opportunities.
- **Keep on thinking, prospecting, innovating, cutting costs and building your brand** – don't get bogged down by the current gloom. Carry your learning into your next successful business phases.

1.3 LARGER MAPLE PRODUCT PRODUCERS SELLING TO LARGER RETAILERS, WHOLESALERS AND DISTRIBUTORS

- **Get more shelf and display areas** - develop pop-up store display promotions. Propose **pallet displays and shipper displays** to your customers with a *maple season themed* backer card. Work on getting your **end cap and perimeter displays** in stores and selling them in as profit generators for retailers (show them the numbers). Maple products generate a larger profit margin per unit than many other food products in store, such as a bottle of corn syrup at \$ 2.99 vs. maple syrup at \$ 11.99.
- **Develop promotional themes** that will help you and your customers and consumers in these difficult times. Perhaps promote and advertise for "*In-home Pancake Breakfasts - like the good old days*". Try to help your customers – ask them how you can help and be open to their ideas if they want to work with you.
- **Try to work out some in-ad and flyer promotions and co-promotions** -- for example with a pancake mix and/or bacon and/or beans for an at *home sugar shack dinner*.
- Leverage the current mood to talk about traditional foods and home-cooked goodness. Make things a bit happier for folks if you can with your beautiful maple products.

- **Find a way to support your local food bank** or other organization that helps in people in need – things will get tough for workers in the transportation and hospitality industry. Giving discreetly is always best, the word gets out anyway but it's better to be selflessly generous in exceptional hard times.



2 COMMUNICATIONS STRATEGIES

During critical events like the coronavirus, communication is very important – See link for advice from Harvard Business School on communicating through the Corona Virus crisis⁸: The suggested steps are summarized below. <https://hbr.org/2020/03/communicating-through-the-coronavirus-crisis>.

Step 1: Create a Team for Centralized Communication

Step 2: Communicate with Employees

1. Post information regularly in a highly visible location. This can be a physical location or virtual — email, the company intranet, or a Slack or Facebook channel.
2. Describe how decisions were made about issues such as travel, working from home, etc.
3. Communicate no less than every other day.
4. Try to provide timely information rather than waiting until you know all of the answers.

Step 3: Communicate Regularly with Customers

Step 4: Reassure Shareholders and other stakeholders

⁸ <https://hbr.org/2020/03/communicating-through-the-coronavirus-crisis>



You will be remembered by your employees, your customers and your community by how you dealt with this hardship.

Show some grit and perseverance as well as your generosity, empathy and compassion.

3 CORONAVIRUS : SHORT TERM ACTION TO MITIGATE RISK

Coronavirus: 8 Things Your Small Business Needs to Do

See link <https://www.uschamber.com/co/start/strategy/business-owner-tips-coronavirus-pandemic> to read about the top CDC-recommended tips that small business owners can take to mitigate risk, protect employees and support customers during the COVID-19 pandemic. The link elaborates on the following items.

1. Establish a remote work option
2. Reduce meetings and travel
3. Give employees flexibility
4. Communicate transparently with your customers
5. Keep your employees and your customer's safe by being as proactive as possible about cleanliness.
- 6. Shift your sales strategy to online**
7. Consider business interruption insurance
8. Plan for the long term.....

4 LONG TERM, WHAT DO YOU SEE CHANGING, HOW WILL YOU ADAPT?

Take advantage of disruptive events like the Coronavirus to re-evaluate your strategies. The coming 6-8 months will be a good time to integrate what you have learnt in your business. This thinking should span your whole enterprise such as HR, Operations, Purchasing, Finance, Shipping, Marketing, Sales, CRM, R & D, Supply Chain Management, etc. **See a few considerations below** in the form of questions relating to marketing, sales and communications as an example.

- Are you relying on too few or narrow distribution channels or customers?
- Is your pricing reviewed and fine-tuned at least three times a year?
- Are you working with your customers to maximize promotional leverage and optimize in-ad pricing?
- Is your strategy adapting to changing shopping habits and consumer trends? (A large shift to online shopping for food and consumer staples happened in China over the last two months, this shift points to a stronger on-line shopping trend globally.)

- Are you coasting on the business-as-usual ways of doing business while your business environment is changing rapidly?
 - Are you differentiating your brand and your products to create value and a competitive advantage?
 - Are your employees learning and growing and becoming more productive?
 - Are your business processes leveraging technology to lower costs and improve efficiencies?
 - Is your on-line strategy working? Are you generating sales growth through that channel and communication medium?
 - **Again and finally... are you allocating the resources necessary to build your on-line strategy given its potential?**
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