



CRAFTING COVID-19 COMMUNICATIONS

Guidance from Behavioural Scientists

Even when you are silent, you are communicating with your stakeholders. And while you may not know what to say, or you think there may be risks of saying the wrong thing, you cannot, and should not, avoid acknowledging the turbulent, difficult, and uncertain time that we are now experiencing.

And yet how you choose to engage with your customers can make the difference between building loyalty and tarnishing it. But communication can be awkward; it is not always obvious to know what to say – at least, based on intuition alone.

Thankfully, there is a science to how people think, feel, and act.

In this document you will find 7 key principles and examples of evidence-based best practices for building customer loyalty through communications.



Are your company's communications building loyalty or tarnishing it?

If you would like a rapid behavioural audit of your company's communications, please contact info@BEworks.com



7 Evidence-Based Best Practices for Communications that Build Loyalty

1 Put the Info Customers Care Most about Front-and-Center

Customers are universally in a state of unprecedented anxiety and uncertainty, and they appreciate you answering their questions early on. Our work shows that if we make the most important info salient, it can improve not only **Comprehension**, but also **Attitudes toward the company** and even **Perceptions of fairness!**^{1,2}

✓ Aeroplan quickly explains refunds for cancelled flights

Continuing to offer you full flexibility

Recently we announced our flexible policy for cancelling Aeroplan Flight Rewards, which we are now extending through April 30. You can cancel free of charge and receive all of your Aeroplan Miles back in your account, plus a full refund of any associated taxes, fees and surcharges on the unused value of your travel. The fastest way to cancel is at aeroplan.com. Learn more

✓ McDonald's lets customers know only Drive-Thru is open



Closure of Take-Out Service

As of March 22nd, we will no longer be offering take-out service in our restaurants. This means our dining rooms will now be completely closed. In addition, we will also stop offering curbside pickup. However, Drive-thru and McDelivery service will still be available for those seeking convenient and affordable food options while they practice social distancing.

Select restaurants may continue to offer take-out service in communities where there are specific needs, including locations near hospitals and healthcare facilities. We are working closely with our franchisees to identify these locations.

This was by no means an easy decision. As we assessed guidance from governments and health authorities and listened to the concerns of our franchisees and restaurant crew, we felt it was important to take action.

We know there are people in our communities without a car to access Drive-thru, and not everyone can access McDelivery, which is why we provided take-out service for as long as we could. Please understand that this change was made for the continued safety of our employees and guests across the country.

¹Beworks Case Study: <https://www.ific.ca/en/news/ific-and-beworks-release-behavioural-economics-research-report/>

²Beworks Case Study: <https://beworks.com/wp-content/uploads/2019/08/WhatWeDoCaseStudy3-1.pdf>

2 Be Transparent

Improve upfront clarity and be transparent with information to **help customers determine what service experiences they can expect.**

Transparency also can include **operational transparency:** showing the work you are doing (that might otherwise be invisible). This can increase customer toleration for service disruptions, perception of value, and customer engagement^{3,4}.

✓ **Goodfood: Can I still expect my food?**



Disruptions in the Supply Chain

As Canadians across the country go through the food reserves built up at the beginning of the crisis, grocery stores saw a larger than expected spike in consumer demand for a variety of food items this week. Across the country, many chicken suppliers have been forced to shut down or reduce their output due to major labour shortages caused by the current situation. While our supply chain team is doing their best to source the amount of fresh chicken needed, some of our members may receive pre-cooked BBQ chicken thighs, legs, or drumsticks as a substitute this week. Although this is not the exact protein you were expecting, our pre-cooked BBQ chicken is one of our most popular premium add-ons. We apologize for any inconvenience this may cause and thank you for your understanding during this exceptional situation.

⚠ **Expedia: With so many needy customers, will I get help?**



Helping our Customers

For those travelling now and with upcoming travel bookings, our teams are working around the clock to provide everyone the support they need. We are rapidly increasing the availability of travel advisors, enhancing our self-service options, and developing new automated ways for travellers to better manage their reservations. Our focus is helping travellers with immediate trips, and these improvements will allow our customers to travel more confidently in the future.

³Buell, R. W., & Norton, M. I. (2011), Management Science

⁴Buell, R. W., Ethan Porter, and Michael I. Norton. Harvard Business School Working Paper

3 But Being Transparent doesn't mean Being Exhaustive (or exhausting...)

Be concise, salient and don't belabor the point. Consider using visuals – a picture is worth a thousand words⁵.

✓ **Goodfood: a bit wordy, but transparent so no customers have a bone to pick!**



Supply Chain & Products

Poultry suppliers are still facing labour shortages and many of them are operating with less than 50% of their regular workforce. To ensure the essential supply of chicken for Canadians across the country, the poultry industry as a whole is shifting away from deboning chicken legs to increase their production capacity. For this reason, you may see substitutions in your Goodfood baskets over the next few weeks for bone-in chicken legs, bone-in chicken thighs, or bone-in drumsticks. We will share clear preparation and cooking instructions with any affected members.

⚠ **Aeroplan emailed video risks losing customer attention**

aeroplan

“Governments around the world, including in Canada, the United States, the European Union, Asia and South America have shuttered borders, airports, or airspace, or imposed onerous, and often impossible travel restrictions, without any notice or planning. All airlines have been forced to dramatically cut their schedules. Some have stopped flying altogether. In our case, we're making extraordinary capacity reductions. Starting in April, we've cut our system capacity by nearly 80%. We're grounding more than 175 airplanes. We're going from 105 International cities to five. Throughout April, to give Canadians abroad travel options, we plan to keep open international "air bridges" to London, Paris, Frankfurt, Tokyo in Hong Kong. And we've put in place temporary one-way fares to Canada. We're going from 53 US airports to 12. Largely to continue service to the key us business centers, to keep supply chains going, and to help Canadians return home. We're going from 64 Canadian airports to 40, the service still planned for each province. We need to continue connecting essential services. Dismantling this magnificent network that we've built over a decade is very hard to watch.”

⁵Example BEworks Case Study: <https://www.ific.ca/en/news/ific-and-beworks-release-behavioural-economics-research-report/>

4 Support the Shift-to-Digital Call to Action

Many companies are experiencing exceptionally high call volumes and are looking to manage some of the new load with digital communication services. However, there are several psychology barriers to digital service adoption, including the currently heightened state of uncertainty⁶. We have worked with several companies on messaging that overcomes these barriers and increases digital service usage.

⚠ Communications like these could benefit from nudging uptake of their preferred contact methods and prevent customers from feeling you aren't available if needed

aeroplan If you'd like to cancel any Flight Reward, the fastest way to do so is at aeroplan.com. Due to high call volumes, we are experiencing long hold times at our contact centers. Until June 30, you can cancel free of charge and receive all of your Aeroplan Miles back in your account, plus a full refund of any associated taxes, fees and surcharges on the unused value of your travel. Simply log in and visit Manage your Bookings.

mirvish.com Important Note

In the current circumstances we have limited phone lines and will not be able to handle a high volume of calls. As much as possible, please use the online form for all your needs.

⁶Venkatesh, V., Thong, J. Y. L., Chan, F. K. Y., & Hu, P. J. H. (2016). Information Systems Research.

5 Consider the Psychological Consequences of Emotional Language



While expressing shared emotions in the right way can foster a sense of connection and comfort, emotional words also command our attention and compromise cognitive processing^{7,8}.

Use of emotional language should be carefully tailored to avoid negative consumer reactions and maintain focus on key message content. To this end, we have developed best practice guidelines for **Compassionate Conversations in the Time of COVID-19⁹**.

⚠ Language in the video emailed to Aeroplan customers risks being too evocative

aeroplan "A COVID-19 pandemic is affecting the very essence of our way of life and ravaging economies globally..."

"Dismantling this magnificent network that we've built over a decade is very hard to watch or over we're doing what we can to bring frightened Canadians home from around the world..."

⁷Dolan, R.J. (2002), Science

⁸Schindler, S. & Kissler, J. (2016), Human Brain Mapping

⁹Contact info@BEworks.com for more information

6 Managing Refund-Related Revenue Loss doesn't need to Sacrifice Customer Perception and Loyalty

Many companies that are experiencing temporary shutdowns are likely looking for ways to mitigate revenue loss, including being proactive with defaulting customers to credits for canceled services and requiring customer action to receive a refund. However, defaulting customers to an undesirable state can backfire, potentially reducing customer loyalty. Our proprietary work and other scientific literature¹⁰ has shown that being transparent about the reason for the default can increase the likelihood of its acceptance, as well as customer loyalty and trust, while avoiding negative call center volumes.

Why is even a full refund sometimes still dissatisfactory to customers?

The Endowment Effect describes that people ascribe extra value to something they already own. In this case, they now feel it is worth more than the amount they paid for it and will experience the refund as a loss, rather than an even trade.

⚠️ Mirvish: Ticket credit by default

Mirvish.com COVID-19 Related FAQs: We're Here for you if You Need Us

You can even choose to turn part or all of the credits into a gift card, which would make a very thoughtful and entertaining gifts. Credits never expire and can be converted into a full cash refund at any time. They offer the most flexibility.

You don't have to do anything to receive a credit for a canceled show. It will automatically happen. As soon as a new credit is issued to you, you will receive a credit confirmation email that will include the total amount of the credit in your account.

¹⁰Steffel, M., Williams, E.F. & Pogacar, R. (2016), Journal of Marketing Research

7 Do Good

Engage in **genuine** corporate social responsibility (CSR) to help build trust¹².

✓ Goodfood: Doing good... with food



Giving back with GoodFood

My thoughts go out to all the frontline healthcare workers across the country who are working day and night to save lives. GoodFood is showing support by partnering with Montreal's CHUM hospital to provide frontline medical personnel and volunteers with meals throughout the month of April. We can all do our part by washing our hands, practicing social distancing, and following public health guidelines.

✓ Panera: Food donation – you can join!



In the midst of COVID-19, millions don't have enough to eat. So we've partnered with Feeding America® food banks to distribute up to 500,000 meals to families in the U.S. And you can help too!

Just \$3 helps put food on the table for children and families in need.*

✓ McDonald's: Food donation



As we reduce service in our restaurants, we also want to make sure that no food goes to waste. With this in mind, we are working with our Distribution Centers and suppliers to make food donations to local organizations, ensuring we continue to support communities across Canada.

¹²Kang, J., & Hustvedt, G. (2014). Building trust between consumers and corporations: The role of consumer perceptions of transparency and social responsibility. Journal of Business Ethics, 125(2), 253-265.

A TEMPLATE FOR COMMUNICATIONS

- 1 Acknowledge the problems to your audience**
– but don't add to the anxiety
- 2 Be transparent about how you're helping, and why** – but keep it quick!
- 3 Help customers to **shift-to-digital**** with well supported call-to-action
- 4 Mention **CSR**, but remain genuine** – avoid #humblebragging

“ Here is how we're helping customers facing cancelled flights...

“ Simply go to BEworks.com and click...

“ We're helping businesses in the community through our food donation program.

Here's how you can help too!

Are your company's communications building loyalty or tarnishing it?

It will be some time before we are able to establish relationships with our customers face-to-face. Brand communications have gone digital, making it essential that your messages hit the right chord, create consumer confidence, and strengthen brand loyalty.

As behavioral scientists, we believe that all messages have the power to influence action. We often state that there is no neutral communication only unconsidered communications. We hope this guide has helped illuminate some of the simple steps you can take today to improve your outbound communications. There's always a lot more than can be done to encourage consumers to action, and to foster deeper relationships through more intentionally designed brand messaging.



Want a behavioral scientist to evaluate and strengthen your communications?

We're available to help brand and marketing teams strengthen their direct communications with customers. Our Behavioral Audits provide a customized set of science-backed recommendations tailored to your key communications.

If you would like a rapid behavioural audit of your company's communications, please contact info@BEworks.com

About BEworks

BEworks' purpose is to transform society and the economy through scientific thinking. We are recognized as world leaders in the practice and commercial application of Behavioral Economics (BE). Our approach leverages academic literature, behavioral insights, and the scientific method to solve our clients' most complex challenges in a way that is experimentally validated and innovative.

Dan Ariely, renowned behavioral scientist and New York Times best-selling author of *Predictably Irrational* and *The Honest Truth about Dishonesty*, co-founded BEworks in 2010 along with the firm's CEO and BE pioneer Kelly Peters, and top marketing scholar Nina Mažar.

BEworks has an extensive portfolio in the financial services industry, including long-standing relationships with financial institutions, insurance companies, industry regulators, and industry associations in North America, Europe, and Latin America.

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