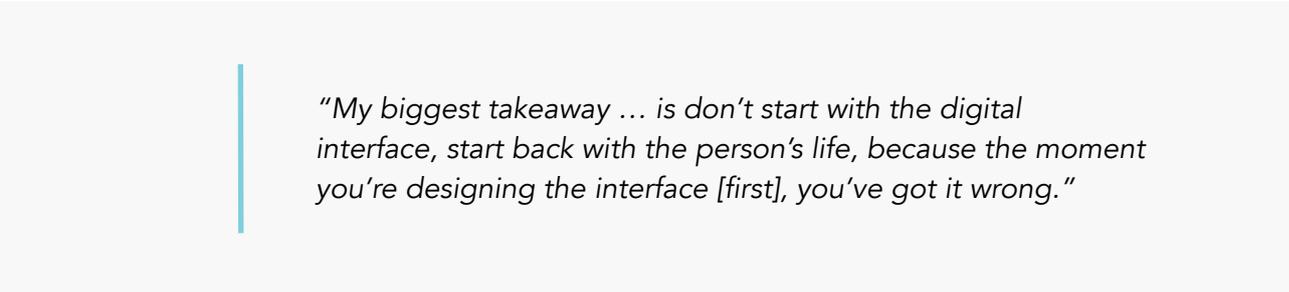


TRUST ISSUES

An interview with Stephanie Borne, Head of Product Development & Innovation, Shelter and Greg Morris, Senior Brand Research Manager, F1
March 30th, 2021





"My biggest takeaway ... is don't start with the digital interface, start back with the person's life, because the moment you're designing the interface [first], you've got it wrong."

SURVIVING THE RECOVERY?

How far has Covid fundamentally changed customer behaviour and expectations? What creative approaches have been adopted to keep audiences engaged? Are customers now more (or less) forgiving as brands adapt to an unprecedented environment?

To explore these questions, we talked in depth with two organisations who in many ways could not be more different yet found some intriguing similarities and learnings for anyone concerned with the post-Covid customer experience.

FourForty | *Today we're joined by two people from what on the face of it are two very different organisations, yet all of us have experienced a very unusual year. Is there one thing for each of you that you would say would sum up what's different between now and 12 months ago in your organisation - and is there a story that really demonstrates this?*

Stephanie Borne | Actually, there's one thing that's happened recently. I will soon be Head of Product Development and Innovation at Shelter (I'm currently Head of Digital Fundraising) and I think that change in focus sums up what happened over the past year which is that we had to adopt a much more holistic approach to how we manage our product portfolio, our campaigns and our projects. That meant finally truly becoming more channel neutral. One big thing that happened for us is that March and April are the busiest months in terms of events and income - and overnight we lost millions in projected income; we had to furlough our face-to-face staff and our retail teams because we had to close all the shops and everyone turned to digital for support. That meant we had to adopt a very agile way to launch an emergency appeal and that took us about five days, raised millions and was really successful. So my team wasn't furloughed at all, we were working from 8:00 a.m. to very, very late at night. It was very successful, but we had to

rethink how we plan events and started talking to colleagues in the events team about digitising them.

What we're seeing now is that people have embraced it, but we realise that you cannot look at digital in isolation because the world is going to come back to a more usual space - people have a life.

The other thing that's really important for us is that what happened with George Floyd and Black Lives Matter made us really look at how inclusive or not we were and how 'white' our products were. It meant that we had to face up to it and define how to become an anti-racist organisation. The fact we were all working remotely really helped us get together to achieve that and we're on a year-long programme working on that.

The last thing, which is my real bugbear, is that everyone's been 'pivoting' - the word 'pivot' appeared. I can't stand it! I kept saying: 'If we keep pivoting we're going to come back to the same point by doing a 360.' But I think that's what's been happening: we've been 'pivoting' a lot.

FourForty | *So you had to react quite quickly. Literally overnight ways of working were quite different for you and you had to learn to adapt quickly?*

Stephanie Borne | Yes, but because we were a digital team we were already set up for it so it was more about advocating that way of working to the other teams - how it's more agile, making them see how effective and relatively risk-free it is.

FourForty | *Would you say then that those other teams have seen the most change and that's now here to stay?*

Stephanie Borne | Yes, I would say so. We approached a 'devolution' way to working - trying to devolve as much as possible. My team coaches and trains people in digital. We've been doing this for four years now. We up-skill and train other teams so we can focus on staying ahead rather than constantly catching up and it's proving really successful. Now, that comes with the problem of people getting over-excited and adopting every single platform they like using themselves and trying to rein them in a bit, making sure they are in line with your digital/IT infrastructure. But it's a good problem to have I would say.

FourForty | Greg, turning to Formula One - a global sport, a global organisation. It's been an 'interesting' year in terms of sport generally and clearly in some instances there's not been a crowd even though many of the races have occurred. Would you say the impact of Covid has been less or more obvious than in other sporting fields such as football? Has it not been quite so extreme in motor sports?

Greg Morris | I think from the outside that's probably true to some extent and certainly over the course of the 2020 season, once we eventually got going in July (which was about three and half months later than planned) we did quite a lot of research into how the TV coverage was

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perceived. We found it probably doesn't make as much difference to F1 as a TV product than to say football or rugby as you mentioned. I think the big thing is the noise. When you look at stadium sports they're reliant on the atmosphere provided by the crowd. You now have this slightly strange fake crowd noise that's been added over, but in F1 the principal noise is from the cars - that's still there. A lot of people

do talk about post-race podium ceremonies and things like that which look noticeably different at the moment but yes, probably less impact for us.

I think operationally there was an absolutely enormous impact. You can't really overstate how big an undertaking it was to get F1 off the ground. We were due to visit 22 countries in 2020 and that obviously had to be drastically scaled back. We raced largely in Europe and the Middle East with all the protocols that went with that in terms of testing and quarantining, and having to plan different logistical routes so you could travel from one race to another. We had to vastly reduce the number of people that attended races, so things like TV production suddenly had to have large amounts of it done remotely from Kent - no matter where the race was going on. Previously we would have flown everyone out to the race. So, yes I suppose you're right that to the outside world, to the viewer, it probably doesn't look as though it's had as big an impact but I can certainly say from the inside it didn't quite feel like that!

FourForty | *Even before Covid hit there was a greater move amongst organisations generally towards using digital technologies and since 2020 of course many have had to be more creative in how they interact with customers . Are there any examples of new ways in which you engaged with your audience that you would have never thought of before Covid that have actually been quite enlightening or powerful for you?*

Greg Morris | From an F1 point of view there have been a few things. The first one that people will possibly be most familiar with is the 'Virtual Grand Prix Series' that we started in late March 2020. It was something that was got off the ground very quickly once races began to be cancelled or postponed. Essentially, it's a kind of replacement so there was some content to offer - something to offer entertainment, cheer people up and give them something to look forward to at the weekends there were supposed to be F1 races. Definitely, there's been a move towards digitisation in some other areas. So, for some of our hospitality products that we couldn't offer last year we started to offer elements online. Potentially this year for example you have an online Paddock Club which will get you things like a Q&A session with an F1 legend, an online tour of the paddock and stuff like that. I think there's maybe a sense that you can't necessarily have the full experience anymore but there are still things that you can do that's better than having nothing. So, things like that offer a little bit of an alternative. People can't travel internationally and we can't have huge crowds at the races, but we can offer them something to keep them in touch with us and keep them engaged.

FourForty | *Is that something that will become an enhanced product when things do go back to normal? It feels like there's a whole new means of accessing content, drivers, pit teams, hospitality - everything. It almost feels as if the whole thing has become amplified. I'm assuming therefore that these things are going to continue and just run side by side as opposed to: 'When we go back to normal we'll stop doing that'?*

Greg Morris | Yes, I think that's probably true. We're still a little bit in the discovery phase with these things because they're very new products and finding out what works best is a bit of a work in progress. But yes, definitely, the online Paddock Club that I mentioned was a trial last year and that's going to continue this year. We've also done a bit of work to investigate things like on-line fan zones and what's the best type of content for those is still being worked out - in real life we

have a stage and there will be certain drivers appearing on stage and stuff like that. So some of those types of entertainment we can possibly replicate on-line. The virtual Grand Prix's happened again in the off-season in early 2021 so their role will probably change slightly from something that replaces a live race to something that maybe fills the gap between the end of one season and the beginning of the next. But, yes, you're definitely right it's kind of accelerated opportunities that were probably already there but weren't a priority because you were concentrating on the normal processes and routines you went through. I'm sure there will be some kind of role for them in the future.

FourForty | *Stephanie, from your perspective were there any initiatives that started out as something you felt you had to do in response to a crisis that actually turned out to be a very good idea and would now be more permanent for you?*

Stephanie Borne | Well, I think it's similar to Greg. I never thought I would ever say that what Shelter did is very similar to what Formula 1 did!

I think what usually happens is that the tech is already there, digital is already there - it's just that we're not making the most of it. So, when you're in a crisis like that you have to jump on it. We'd started on a journey of trialling new channels. We've been looking at gaming for a while and we had some successful trials. That meant we already had a presence on Twitch for example. We'd been launching MVPs for over two years. We were just about to launch a membership product like a club - very similar to what Greg was talking about - and we'd been streaming for a long time so it was nothing new, it's just that we repackaged everything.

The book club we launched as a membership product was extremely timely because people were spending more time at home; it was probably more successful than it would have been before.

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What we found really interesting is the fact that the adoption of the platform was very easy. There was no friction for people and it gave them not only something to do when they were on their own but also to get together with other people to discuss the books and so on. So there was that second layer of engagement, a bit like fan zones, which we're looking at for gaming.

So, yes, all that is going to stay and it's a democratisation of these platforms where people are now not so scared of tech, they know that they can use it. It's a bit like Zoom. Zoom was there already and more people can use it now. But, what's helped is that when I'm having these conversations internally it's much easier for me to say: 'This is a market' and we can launch a series of MVPs and it's ok to fail because we can then adapt to another platform. So, the streaming platform we'd used for high-value supporter events was something we used for much more of our low profile events. We tried it and we ended up attracting a much broader audience because we had a platform. So now people are seeing that it is possible, you can have a similar product and you can reach out to different audiences and the tech's the same.

FourForty | *Was there anything you trialled in the last year that is retrospect you thought: 'No, we shouldn't have done that, it didn't work according to expectation'.*

Stephanie Borne | Yes, we'd been following supporter's moods for a while. We have a sentiment tracker that's been in place since March. On a weekly basis we check-in to see how things are going. But we were too optimistic in October when we were full-on putting together and finalising our Christmas messages (80% of my income comes from the winter campaign, the Christmas campaign - so it's essential we get it right). There was so much uncertainty, but despite the uncertainty there was so much hope that things would go back to normal that the messaging had turned very positive and optimistic and we developed something that sounded like Christmas was going to be normal. So, we had to change our content when we heard about a new lock down. We had failed to use and action insights and we were too optimistic and had to re-plan. The same happened to how we planned events. Real-life events were being planned where we were going to be outside and we really needed to push that we needed a mix, we needed a combination, and we needed 'Plan Bs' and 'Plan Cs' because we can't take the risk. But it was a good lesson in learning that you can be faced with a crisis with a high level of uncertainty and have to really adapt to still raise funds.

FourForty | *How about you Greg, any similar experiences?*

Greg Morris | I'm not sure there's anything where I'd go so far to say I wish we hadn't done it or anything like that but not everything goes perfectly. For example, the virtual Grand Prix series we

mentioned earlier. All the equipment had to be taken to the participants' homes so they could 'drive' so to speak from there and there were a number of instances of technical issues that meant their cars went offline in the middle of a race so we just had cars disappear mid-lap! But, I think the nature of that event was quite light-hearted so it wasn't really something that had a big impact on the feasibility of the event or the way people saw it.

I guess another funny one from my own personal point of view in research is that we had to be much more careful in our research budget for what we were doing in 2020. We're quite lucky at F1 to have a fan community that we can tap into for surveys and on-line qual as well. So, one of our internal moves as a research team was to make sure everyone knew about the fan community and that could replace some of the work we'd had to stop with it. But we found ourselves at times just completely inundated with requests to use this fan community to the point where it was quite difficult to keep up with the demand at some stages. So, I suppose maybe I wish we'd been slightly more circumspect in how we'd used that personally. But, for the business it was really useful so I guess we can't regret it too much.

FourForty | *One of the things that frankly surprised me over the last year was how quickly consumers became acclimatised to the 'new normal' - to use that horrible phrase. For example, queuing to get into a supermarket. Do you think that generally your respective audiences have become more 'forgiving' - accepting that things aren't going to be perfect, we're all trying to figure out how to do our jobs in the best way we can, and inevitably things will not run smoothly all the time? Do you think in a way that's given your organisations more opportunity to try new things and be more creative - that helps you feel more trusted by your audiences?*

Greg Morris | I think this depends on what the issue is to be honest. Particularly early in the pandemic it was very clear that there were still certain things that people expected the brands they dealt with to honour. Look at the issues around refunds that various industries had and I suppose it was most prevalent with airlines. Similarly, we had a lot of people at F1 that had tickets to races that were being postponed and cancelled and it was very clear that they expected something in return whether it was a refund or a deferral of their ticket to whenever the race takes place in the future. I think stuff like that was pretty non-negotiable for customers and so in that respect people had a very clear view of what their rights were.

I think where we see much more of a forgiving nature is probably in a live event at the moment. Last year we ran four races in the end with some sort of a reduced, socially distanced crowd. We did some spectator research surveys at the Portuguese Grand Prix and it was very clear that the general feedback was that they knew that an event with Covid-safe regulations in place was not as enjoyable, not the same as a normal F1 event. But they understood why. I think the majority of people were kind of glad that they had the opportunity to go because they hadn't been to any kind of event like that for some time. So, generally the feedback we got was still quite positive and people were grateful that they'd been able to go, that their country, their local area had hosted a race. But they wouldn't want every event in the future to be like that; they want it to go back to normal when it can. So there is a real mix there, depending on what particular thing, what particular issue we're talking about.

FourForty | *So, they would accept it for the duration of the crisis but then expect things to go back to some kind of normal afterwards - and it's not a fundamental change in the customer expectation of what the experience should be?*

Greg Morris | Yes, and I think maybe there's an element of the customer being aware of what their role is in the relationship. You know, if you're an F1 fan there's probably an element of 'I really want the sport to come out of this strongly, so I want to support the sport even in it's just in a very small way to help it do that'. But also: 'I'm your customer and you have to do the right thing by me'. So, when there's an issue like expecting a refund for a ticket for a cancelled race then that doesn't mean we get away Scot-free with not refunding them. I think that kind of relationship is probably reflected across a lot of industries and we certainly see it in F1.

FourForty | *Stephanie, from your perspective I'm assuming that not only has Covid made your supporters more accepting that things will be different during the period but also perhaps far more aware of the importance of what it is you do as a charity. At a time when the message is 'stay home' you're dealing with people who don't have a home in many instances. So has that had a major impact on boosting awareness of your core mission?*

Stephanie Borne | Yes, yes it has, definitely. But it's similar to what Greg was describing. If the relationship is transactional people are far less forgiving. When it's about the impact, the relevance

of supporting us, then that's very different. So people realised we were extremely relevant because we're talking about the right to a safe home. They understood that some of us were much luckier in the fact that we had better living conditions. So they were supportive, they were very generous in giving.

"...in people's minds it was Shelter failing and then you jump very quickly from: 'The experience I'm getting isn't right' to: 'If I can't trust you with that experience, how can I trust you with the money I'm raising?'"

But when it comes down to the experience, then they expect the quality of experience they usually enjoy. We actually had a big problem with Facebook where we launched the '2,800 sit-ups' challenge in February. We asked people to do a 100 sit-ups every day. It was really straightforward - you set up your challenge through our page and it's meant to be seamless. Except, 2 or 3 days before the end of

the registration period Facebook blocked our account because of some verification issues. They have apologised since, but it was a disaster because we had people on our Facebook group being very excited about their sit-ups and saying: 'Well hang on a sec, I've already raised funds - where are they? Are they still valid?' The comments we were getting from people were: 'Shelter, what have you done?', 'You need to sort this out'. We tried to explain to them there's not much we can do, that Facebook has to do something, but in people's minds it was Shelter failing and then you jump very quickly from: 'The experience I'm getting isn't right' to: 'If I can't trust you with that experience, how can I trust you with the money I'm raising?' 'How can I trust you with helping people?' So, it can get quite tricky. But saying that, the communities are very good at self-moderating - so people tried to help and it got solved. But yes, they're definitely not as forgiving as you'd expect.

FourForty | *That must have been very frustrating for you given it was out of your control?*

Stephanie Borne | It was. But maybe it's worth touching on the experience we did with our clients - the people who need support. What we found is that we started getting a lot of calls from people who didn't realise they were homeless before because they'd be sofa-surfing for example. They'd be staying at their friends and then realised that they didn't have a home to call their's. People were getting very confused about the eviction ban which we managed to put in place.

"Wanting to speak to a person to allay a fear rather than just having information that's available digitally is therefore half the battle. People still need the human contact and the reassurance that comes from, if not face to face, then at least speaking over the phone to get an issue addressed."

Landlords were calling them saying: 'You're working in a hospital, I don't want you in my place in case you bring Covid back' - I mean, it was pretty nasty. The problem with this is that people started calling us - the demand increased but the need in terms of the gravity of the situation is different. So, you can have high volume of demand from people who can self-serve, they can go on the website and find the information. What they struggle to hear is when we tell them the law is the law, the

information is there, you can look at it. So, they turn back and say: 'What does it mean for me?' So, we've had to adapt and set up a decision-tree through bots and self-triage tech to help them so we can focus on the needs of the ones who will not be able to find the information. And yes, people can get quite frustrated about not getting the advice and express their discontent, but again because we're relevant, because we did so much around the eviction ban, people realised that we were doing our best really.

FourForty | *Given the nature of the issues many of your service users had, is it the case that they were typically needing to speak to a person first rather than just get the information digitally - that there was a need for: 'I need to speak with someone about my individual circumstances' in order to allay their concerns or point them in the right direction, whereas if you push them to a digital channel that can feel a bit uncomfortable if that's the only way they can engage with you?*

Stephanie Borne | Yes, absolutely. You know, you're talking about problems like a landlord wanting to send someone in to do some repairs and people panicking saying: 'I don't want anyone coming into my house because I'm scared they're going to bring Covid in'. But the landlord is saying: 'We have to do the repairs'. So you get into very practical issues and people would struggle to read through the lines when they're looking at information and they need that human contact, that human interaction.

FourForty | I think it's fair to say that across the board really there's been so much 'advice' and information and guidelines that are constantly changing leaving people asking: 'Should I be worried?' 'What should I be worried about?' Wanting to speak to a person to allay a fear rather than just having information that's available digitally is therefore half the battle. People still need the human contact and the reassurance that comes from, if not face to face, then at least speaking over the phone to get an issue addressed.

Moving on to what we hope will be the post-Covid world I think it's fair to say that no-one's expecting we'll go back to where we were before exactly but things will become much more 'normal'. Obviously, different industries and sectors have been affected to very different degrees. Brick and mortar retail has been severely impacted for example. Conversely, some commentators are talking about a return to the 'Roaring Twenties' - that there will be an unleashing of pent-up demand. Do you feel there is a corresponding need for what you have to offer - whether that be in the charity space in terms supporters and who will now feel that the past year has caused them to think about this subject in a different way and want to get more involved? Or, from the sporting perspective, where people have been starved of real life events for so long, do you anticipate being over-subscribed at Silverstone and other events over the coming months, or do you anticipate there might be a bit of an upsurge to begin with and then it will go back to 'normal' levels?

Stephanie Borne | I think for us our job is to keep reminding people that the housing crisis is still here and it's not going anywhere unless we make significant changes - unless the government makes significant changes. But, from what I've been reading over the past few weeks people's concerns are shifting towards education, hospitality and wanting things to go back to normal. So they are worried about their children and they're worried about their social lives. There's a risk that they don't see the housing crisis as relevant once everyone's out again.

From a supporter point of view we know that people over 65 seem fine, they seem confident that their finances are going to be OK because usually they're people who have paid off their mortgage. But younger people are extremely worried and they're the people we need to keep on-board especially as we have younger demographics supporting us, but also because they're the ones who've been most affected. So, we don't know. But what I can say is we've had a really good year in terms of fundraising. We're 1 million ahead of target for Christmas. Looking at all the industry reports it seems that support is in decline, fundraising is in decline, but we're lucky that

we're not seeing that yet. But again, we're going to have to keep putting relevance up-front and remind people that the people who are delivering these services are front-liners and they need to be supported.

FourForty | *Greg, do you anticipate boom times ahead for Formula 1 or for sport more generally?*

Greg Morris | Looking at it in terms of the demand for tickets to attend I think again it's a mix. When we talk to people our fans really, really want to get back to races, but they're not saying they're going to come back at any cost. Some people say they want to get back whatever the situation is - they just want to be able to go. You get others who say: 'I really want to get back but not at the moment, I don't think it's the right time' and you get a lot of people who are somewhere in the middle of that and say: 'Depending on the circumstances, depending on the safety measures that are in place'.

One of the big areas where I think people's heads are still in quite a different place to 18 months to 2 years ago is around international travel. Depending on what race you're at significant numbers of attendees are travelling from abroad. I mean, when we're in Australia it's something like 95% from Australia, but a lot of the European races have a significant minority - sometimes even a majority - of fans who have travelled from abroad, and an awful lot of our fans say they are not sure if they would travel abroad for a race at the moment for obvious reasons. There's too much uncertainty. What will the situation be like in your home country? What will it be like in the country you're going to? Will you have to quarantine when you come back? Will that impact your job? All kinds of things for completely understandable reasons put people off travelling internationally. I think where races have put tickets on sale we've seen pretty good demand but the make up of those crowds might look a bit different in the immediate future, they're probably going to be more domestic, more local than we would have seen in the past.

FourForty | *A concluding question for me. One theory I have is that we will see behaviour changes that are both significant and likely to be permanent as a result of what we've all been through over the past year. And, Greg you just alluded to that when you said that people will not go back as readily to travelling - that there may be a debate in people's minds as to whether they can justify to themselves the risk versus benefits of traveling abroad whether that be for a holiday or*

sporting event etc. Are there any other examples of behaviours that either of you are witnessing now that you would say: 'Actually, I think that's both significant and likely to prove permanent'?

Greg Morris | I think to be honest from our point of view at F1 we're fundamentally a live events business. I think in the long run people want it to go back to normal. I don't think anyone wants a sporting event, or a concert, or the theatre or whatever to be held with vastly reduced crowds or to have to get a test done before they go. So I would hesitate to say that there are many behaviours directly related to attending an F1 race that will turn out to be permanent. I think I'm fairly optimistic that in the medium to long term we'll get back to normal and that's what our fans want to happen. I think there will be more lasting changes probably related to some of the digitisation that we were talking about earlier and there will be some ways of interacting with F1 and F1 content that didn't exist previously, that have been at least hastened by the last 12 months, but it's more on that side I think than the live events experience.

FourForty | *To summarise then, the fundamentals of what fans want from the experience remain the same. It's the physical experience of going to a race and experiencing the noise of the event itself - the smell of the petrol etc. But, the digital innovations that have occurred - many of these will be here to stay and will add to the experience rather than replace it.*

Greg Morris | I guess if you're a fan who goes to races on a relatively regular basis - we don't have many fans who go to 15 races a year - but if you go to your one or two races a year I think the vast majority of people want those races at the circuit to feel like they've always felt: the ability to roam around, to spend hours outside hopefully in good weather with food and drink and get to watch the cars on the track. There may be changes to how you interact with the sport away from that but I think as we talked about earlier they're possibly things that would have eventually happened anyway that have been accelerated. But yes, they're probably here to stay now.

FourForty | *Stephanie there are aspects of what your organisation does that won't change, that can't change: your core role. But the addition of digital channels support that as opposed to replaced it . Would you say that's a fair assessment of how you see the coming months? That it's not a fundamental change in what you do, but you've now got additional tools to help you do it?*

Stephanie Borne | I think that's right and it's going to be more about finding the balance in where to invest. But I think people will expect to have that holistic experience I was talking about where they can interact with us either digitally or in the real world should they choose to as and when they want to. There's a risk that we slip back into our old ways of working. So I think it's more on us really. Now is the time to stop and take stock of everything we've developed, successes and failures and inform a roadmap to be able to adapt. But I think people are very good at slotting back into old ways. But they've adopted all these new means of engaging so I don't see why they would drop them now - it's quite addictive.

FourForty | *And I think it's surprising how quickly we adopt new behaviours without noticing and they become habits. I personally think there will be a mix of fundamentals of the experience that need to remain the same but there will be additional ways in which that experience is delivered that people will just not notice. It'll evolve naturally and they'll keep the bits that work and discard the bits that don't.*

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