

Splendid Spoon Focuses on Existing Customers During Coronavirus Pandemic to Avoid Overworking Its Supply Chains

ARTICLE |

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Over the past few weeks, online grocery stores and meal kits have seen a stream of orders coming in, not only from existing customers, but also new ones looking to avoid physical stores during the pandemic. Plant-based meal company Splendid Spoon is one of those receiving demand.

The subscription service was launched more than seven years ago by founder and CEO Nicole Centeno—a pivot from her career at Condé Nast—with the goal of providing healthy, easy meals that assuage food anxieties. We recently spoke with Centeno about strained supply chains, social media engagements and how Splendid Spoon is handling the changes caused by COVID-19.

More consumers are turning to meal kits during the coronavirus pandemic. Have you seen demand over the past few weeks?

Yes, and we have chosen to be really nimble from the marketing and product side throughout this time and post-coronavirus. The business was structured to deliver food right to customers at home. Previously, we were focused on busy, on-the-go consumers, but we're definitely focusing more on helping people stay healthy while they're sheltering in place.

To accommodate the current situation, we now allow customers to do more bulk-order purchasing, which we didn't before. Consumers' fear of not being able to get what they need when they need it wasn't present prior to the crisis. It was OK to receive just an order every week or every other week, and they trusted that it would come. Now we see a lot more stockpiling behavior. That's an area that we are able to fit into well for our customers. We have created bulk-order boxes and have definitely seen a big uptick in our existing customers ordering more food.

Are you seeing an uptick in new customers as well?

Yes, and we have experienced roughly 20% to 25% growth over the past month. But there have been fluctuations in the ad market, so we've been focused more heavily on our existing customers and making sure we can deliver to them.

With some of the brands that sell toilet paper or other essential items online, the demand planning for them has gotten pretty intense. We've taken note of that, prioritized our existing customers, and chose not to pour additional dollars into marketing at this time. We are seeing the increase in the dollar value of our existing customers and want to make sure that we can continue to provide them with a product they already know and trust.

It's interesting that you say that. Over the past few weeks, there have been so many ads coming from meal kit companies, whose supply chains are not really prepared for this high increase in traffic.

It's a balance, right? It's not going to help us in the long run if we have issues with raw materials, the products we make, or the product that's being packaged and sent out. That would create a poor experience.

But also, there's a lot of anxiety and pressure for the folks who are leaving their homes to work. We consider ourselves as part of the [essential business] ecosystem, and we respect our partners and their labor to serve our products. So, we don't want them to be overworked to meet demand.

What about logistics? Have you experienced any speed bumps as more consumers turn to ecommerce for food orders?

We haven't seen any more than the typical bumps. Actually, just before the coronavirus, we had spent a lot of time working with our fulfillment centers to ensure not just that the product was getting onto trucks in a timely manner, but also that everything was packed precisely. Additionally, we now have something called a "perfect check metric," which has shown us the improvements made on a lot of our delivery metrics.

Many brands are leveraging social media as a way to engage with customers. How are you doing that, not necessarily to drive sales, but more from an engagement perspective?

We don't really see those community tools as sales drivers necessarily. We see them as a way to give our customers a break, something to laugh at or a vehicle for connection.

On Facebook, that happens a lot in our private community, where we have customers who are sharing different recipes and different tips for staying healthy while quarantined. It's all about mental and physical health. Recently, we hosted a wellness week on Instagram. Every day, we featured an interesting professional or thought leader in the physical and mental wellness space—so experts talking about things like gut health and probiotics. We also had one of our favorite yoga instructors lead a class. Those sort of activities are part of the social platform's power right now.

Social has also been a way for us to augment things, like our give-back program. I think with so many people being out of their daily norms and not feeling connected, providing ways for communities to connect is important. And [our efforts] have been well received by our audiences.

What's next for Splendid Spoon?

Over the next few weeks, we will need to take a step back and determine what has garnered responses and has real staying power going forward. We'll also rethink some of the trade-offs of initiatives we had planned pre-coronavirus.

We're really big believers in an omnichannel strategy. Some of those initiatives have shifted. For instance, we had planned to launch some pilot programs with offices and fresh vending this month. Obviously, with folks continuing to be at home, that's not going to happen. Those timelines have shifted.

What's nice about what we're experiencing now is that our brand's north star remains the same. We're taking care of people through food. Things like our product launches, the new flavors for the coming seasons and launching new formats remain really important—regardless of whether a customer is eating at a desk, in an office or in their childhood bedroom, like myself.