



From: Dennis Sprung
Sent: Thursday, April 16, 2020
Subject: Update to the Delegates

Dear Delegates,

The following is an update which I put together with contributions from Management.

Registration

Consumer demand for dogs is far surpassing supply, as has been documented in the popular press and verified by AKC Marketplace stats, AKC data on pet store sales, and anecdotal information gathered from AKC breeders. Of course, the supply of AKC dogs was set 15 to 18 weeks ago by decisions breeders made well before the COVID crisis. Fortunately AKC staff was well prepared and well positioned to support breeders and new puppy buyers interested in registration. Six years ago, AKC Registration Operations and the AKC Call Center began emergency preparedness drills focused on maintaining full operational capability despite weather-related office closures. Then in January 2015, these departments moved to a permanent work-from-home status in order to enable lease savings. Now, with many years of experience managing a work-from-home operation, these teams have been able to handle the COVID-19 crisis without any negative impact in service level, efficiency or effectiveness.

Summary of current results:

- April month-to-date Online Dog Reg volume is currently **+40%** over same period last year
- April month-to-date Online Litter Reg volume is currently **+30%** over same period last year
- AKC DNA volume has declined minimally thus far; all DNA samples are being received and processed as usual
- The AKC Customer Service Call Center is operating at full capacity with excellent service level performance, taking calls M-F from 8:30 am to 8:00 PM EST;
- Over the last 4 weeks, total customer contacts by AKC Call Center reps are slightly higher than the same period last year but Registration-related contacts are up **+30%**
- Though Foreign Registration has been down significantly for weeks, Registration Operators are starting to see an uptick in Foreign Registration Applications and foreign related emails.

COVID-19 Related actions and activities:

- The Director of AKC Investigations and Inspections has developed and tested a remote virtual inspection process for breeder records; he used this recently to complete a mandatory kennel record reinspection; he is now working on a new process for actual kennel inspections in the age of COVID-19 which, in conjunction with the virtual records inspection, will allow AKC inspections to be safely conducted as soon as travel restrictions are lifted
- Staff has collaborated on a number of articles and shareable documents to help breeders during the time of COVID including an article and guidelines to help breeders safely sell puppies from their homes; this appeared in the most recent breeder newsletters

Link to article: [Placing Puppies in the Age of COVID-19: Safety Advice for Breeders](#)

Link to new guidelines: [Guidelines for Breeders to Reduce the Spread of Coronavirus](#)

- As a result of the pandemic, we are extending the 2020 Year of the Breeder program that provides free litter registrations to Best Bred By In Show winners through December 2021

The recent successes in Registration would not be possible without the heroes in the AKC Support Services Department who still go into work every day to open the mail, scan registration applications, and print registration certificates and pedigrees. Hats off to them for their service and commitment.

Sports & Events

Across all sports we have recently experienced an increase to an average of 175 cancellations/postponements per day. This is in part due to the communication to all Performance Event clubs that the event application fee will be rolled forward to the next event, provided the club informs AKC that their event has been cancelled. In total, as of this morning close to 6,500 events have been cancelled. This represents almost 30% of the total annual number of events.



Tracking the Cancellation/Postponement of All-Breed Shows

As of Monday AM, April 13

<u>Time Period</u>	<u>Scheduled</u>	Canceled or <u>Post- poned</u>	<u>Percent</u>	As of Mon AM <u>April 6</u>	As of Mon AM <u>Mar 30</u>	As of Tues PM <u>March 24</u>
March 18 - 31	65	65	100%	100%	100%	100%
April	117	117	100%	100%	100%	97%
May	185	177	96%	89%	66%	55%
June	147	66	45%	32%	15%	11%
July	130	20	15%	10%	3%	2%
August	155	11	7%	7%	5%	3%
Total	799					

National Agility Championship – The NAC was originally scheduled for late March in Georgia. It was postponed. To-date, the staff has been unable to reschedule, so the decision has been made to cancel the NAC for 2020. Announcement to participants will be going out in the next few days. The 2021 NAC is scheduled for March in Tulsa, OK.

The **National Obedience Championship and Rally National Championship** is scheduled for late June. The decision has been made to reschedule these events to be held in conjunction with the AKC National Championship in Orlando in December. This will result in a bigger event in Orlando. Staff has determined that the room is available to accommodate the event. The Orlando Dog Training Club has graciously agreed to forgo their Friday obedience and Rally events to accommodate this move. Announcement to participants will be going out in the next few days.

The Virtual Trick Dog has been exceedingly successful and has also driven the submission of PAL applications and CGC tests as well as CP applications. We also offered this to Juniors and 4-H.

Staff invited superintendents to a meeting by conference call and discussed many related subjects. Superintendents advised us they have laid off significant amounts of staff and are working with skeleton crews, some with as few as 1 or 3 remaining.

Cash Flow

Cash flow remains a serious problem as a result of the economic repercussions of the pandemic which we are addressing daily. Application fees for non-held events will be credited to the club's next application, lowering future AKC revenue.

In addition, we learned in 2008 that we are not recession-proof so one must plan that entries will be slow to resume due to less disposable income. This is opposed to the level we were at in 2019 when we set a record for the highest number of entries in our history, over 3,300,000.



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Government Relations

We completed a letter to the Government explaining the reasons to include 501(c)4's in future bills to provide multiple avenues of financial assistance.

The AKC Government Relations team has been providing extensive outreach to state governors, administrators and and lawmakers across the country to ensure that pet food and crucial supplies, along with care/kenneling facilities, be deemed essential to ensure the health and safety of pets, their owners, and essential workers who may need alternate pet care options during the pandemic. AKC GR conducted outreach to key constituencies to urge their engagement on this issue as well.

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AKC GR's COVID-19 Resources webpage is providing daily updates on the status of constantly changing executive orders, legislative statuses and access rules for businesses and other pet supplies and services. GR is also providing advocacy and assistance with respect to assuring federal, state and local policies that allow AKC to maintain minimum basic operations in New York and North Carolina during shelter-in-place and other business closure orders.

Public Education

- As of April 14, 2020, 2,549 people have taken the Conformation for Beginners course.
- Since the launch of the 50% Breed Course discount on April 2nd, 737 breed courses have been purchased. This is an 1,100% increase in net sales compared to the net sales in the 13 days prior.
- The Judges Education Webinars served/will serve 1,056 judges this week with five webinars. As of yesterday, 1,918 judges have attended Judges Education Webinars.
- Upcoming breed seminars scheduled are German Pinscher, Manchester Terrier, Lowchen, Canaan Dog and Barbet.
- We have now received submissions for 240 dogs and 540 requests for PupPals.
- We continue to collaborate with Communications to share PupPals with hospitals and the program will now be shared with doctors and patients at Elmhurst Hospital in Queens. We are still communicating with hospitals in New York, New Orleans, Detroit and other hard hit communities.
- Public Education completed an interview about AKC PupPals which will air on Dog Center next week. In addition, the program was featured in Modern Dog Magazine.
- The AKC Virtual Patch Program launched this week and virtual patches have already been sent to several children.
- Our weekly tips for teachers and parents began yesterday via the Learn about Dogs Facebook page.
- The AKC "At Home with My Dog" Art Contest began Monday, April 13th, and is open to both children and adults.

Communications

- The Department is actively promoting AKC PupPals program to NYC hospitals; Response is favorable
- Actively pitching Dr. Klein as a resource for pet related COVID-19 stories; Secured placements in [NY Daily News](#), [ABC 13 Nashville](#) with Men's Health and CBS LA pending
- Pitching AKC as a Resource for Dog Owners during COVID-19; There is ongoing strong interest from parenting websites
- Also pitching the new AKC Virtual Patch Program

Sponsorship & Media Metrics

Sponsorship and media sales are being tracked diligently. We are working with each AKC sponsor and advertising brands purchasing media to provide their deliverables. At the same time we are monitoring and optimizing active campaigns along with providing reports, updating creative including in many cases messaging relative to CV-19, pivoting media plans & schedules and contractual changes due to affected programming such as the live stream of scheduled shows.



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Overview AKC Media Metrics --- AKC providing information & entertainment during the unprecedented CV-19 crisis:

AKCtv increase in March 2020

- + 4.0M Users
- + **74% increase MoM**
- o 3.2M Plays
- + **68% increase MoM**

- AKCtv # App installs to date
 - o 21,290 App installs ytd
 - o 5,674 App installs in March

- AKC.org usage increase in March
 - o 9.8M Users
 - + **25% increase MoM**
 - o 13.0M Sessions
 - + **23% increase MoM**
 - o 21.4M pageviews
 - + **13% increase MoM**
 - o 86M ad impressions
 - + **23% increase MoM**
 - + **50% increase YoY**

AKC.org top 3 accessed locations or pages

1. <https://www.akc.org/expert-advice/news/can-dogs-get-coronavirus/>
 - a. 1.5M pageviews
2. <https://www.akc.org/>
 - a. 823K pageviews
3. <https://www.akc.org/expert-advice/lifestyle/top-100-boy-dog-names/>
 - a. 602K pageviews

Marketplace

- New consumers continue to flock to MarketPlace
 - o Marketplace exceeded 10M pageviews
 - o Marketplace account signups are +78% versus same time frame last year

Week Ending	New Consumers
3/14/2020	4,612
3/21/2020	5,980
3/28/2020	9,556
4/4/2020	12,640
4/11/2020	14,223
as of 4/14/2020*	5,528
total	52,539
	+78% versus YAG

E-Commerce

For the first quarter, revenue has increased against budget. In early March there was a significant slowdown so we met and brainstormed ways to engage our customers with compelling campaigns during this time.

At my Business Roundtable yesterday Sheila presented “The Future of Service Dogs... Providing Leadership and Protecting Responsible Use” and Kirsten presented the Marketing Department’s branding campaign. 127 staff participated.

Every department remains open for our core and the public. Most thankfully, we are not aware that any staff have tested positive for Covid-19.