MAKING THE CASE FOR YOUR BRAND (ESPECIALLY NOW)

May 2020 | partnerscreative.com

When asked about the 1990 recession, Sam Walton famously said, “I thought about it and decided not to take part.”

Of course, this isn't 1990 and all recessions aren't created equal.

When an enemy none of us can see or sense turns off the global economy like a light switch, how should marketing leaders react?

I won't presume to know your situation. Sometimes marketing cuts are exactly the right choice when faced with more dire alternatives.

But I do know that there *is* value in maintaining a presence with customers, even in the worst of times. And as you'll see on the next few slides, when companies are able to maintain marketing spend it helps them be resilient and recover — even *gain market share* — more quickly post-recession.

Feel free to use these slides as you make your decisions and discuss internally. And above all, stay safe.

Sean Benton

Creative Director, Partner

CMOs and other marketing and customer experience leaders, like every leader, are being asked to take a hard look at spend. This short guide covers two key areas of consideration as you do that.

1. The data

What does the past tell us about marketing in times of recession?

2. Your voice

What are key principles for speaking to the market and your people now?

THE DATA

What does the past tell us about marketing in times of recession?

The lessons of history

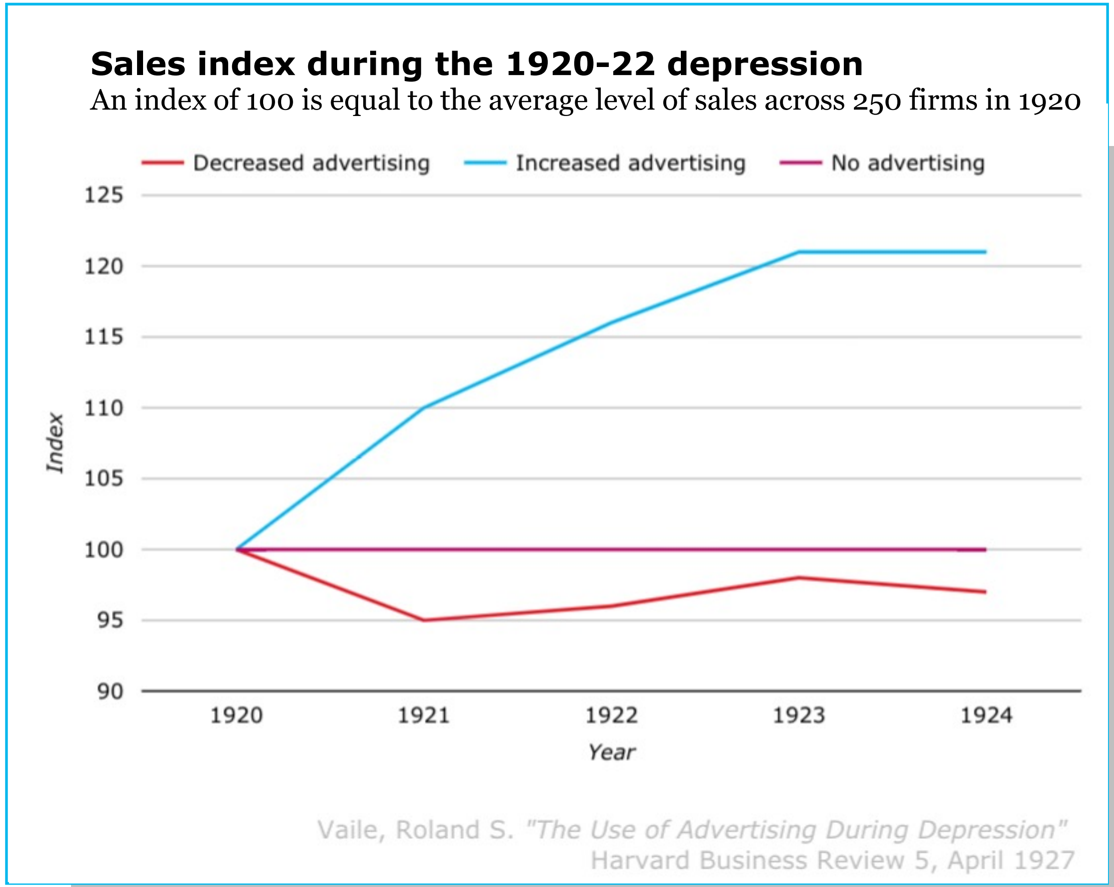
Mark Ritson, a respected marketer and former professor at the London Business School, wrote a compelling metastudy for MarketingWeek on how changes in marketing spend impact organizations in tough times.

Here's what Ritson turned up.

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/

Study of 250 firms coming out of the 1920-22 depression:

Increased spend, increased ***revenues***



Vaile, 1927:

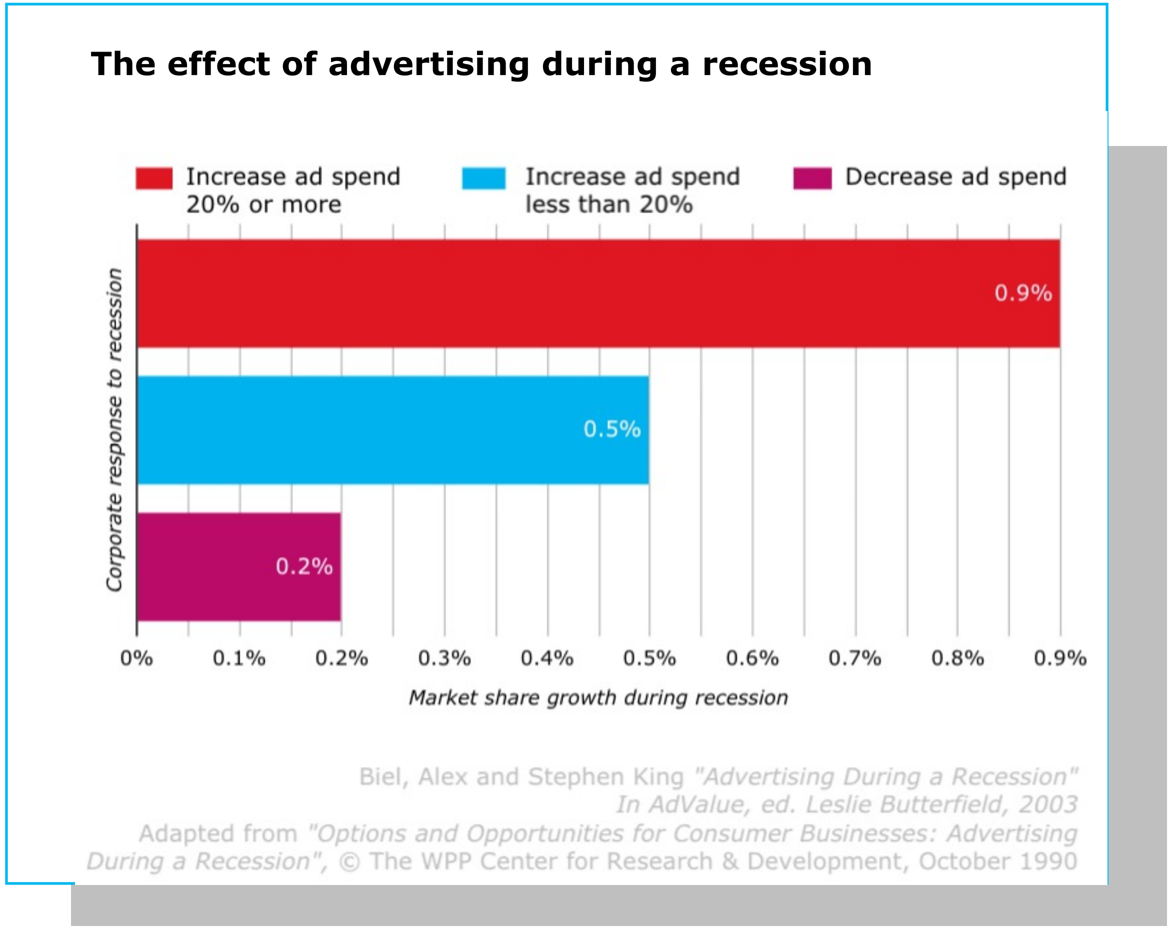
- ***Firms that increased spend saw dramatic revenue growth upon emerging from a depression.***

- Those that spent the same or less saw flat or negative growth.

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/
Source: https://www.warc.com/content/paywall/article/hat/the-use-of-advertising-during-the-depression/14167

Study of 390 firms listed on the PIMS database during recessionary periods:*

Increased spend, increased ***market share***



Biel & King, 1990:

- ***Maintaining or increasing ad spend built market share during and post-recession.***
- Simply staying in market contributed to small market share growth.
- Cutting ad spend had no effect on short-term profitability.

- Profit Impact of Marketing Strategy.

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/
Source: https://www.taylorfrancis.com/books/9780080471877

Analysis of 40 studies of advertising impact on sales during and after recessions around the world:

Increased spend, increased ***share of voice***

"When the economy expands, all firms tend to increase advertising. At that point, no single firm gains much by that increase. The gains of the firms that maintained or increased advertising during a recession … persist … (This is) a simple, but strong, refutation of the theory for cutting back on advertising during a recession."

— 2009 post-recession study
by Tellis & Tellis

- ***When everyone else cuts spending, your marketing spend gains disproportionate voice.***

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/
Source: http://www.journalofadvertisingresearch.com/content/49/3/304

Study of 4,700 public companies before, during and after recessions of 1980, 1990 and 2000:

The key is balancing ***investment with efficiency***

PREVENTION-FOCUSED MOVES \ PROMOTION-FOCUSED MOVES	MARKET DEVELOPMENT	ASSET INVESTMENT	BOTH
EMPLOYEE REDUCTION	**GOOD** SALES 4.6% EBITDA 6.6%	**BAD** SALES 3.9% EBITDA 3.3%	**WORST** SALES 3.3% EBITDA -5.2%
OPERATIONAL EFFICIENCY	**GOOD** SALES 7.1% EBITDA 4.2%	**GOOD** SALES 8.4% EBITDA 8.4%	**BEST** SALES 13.0% EBITDA 12.2%
BOTH	**BAD** SALES 5.2% EBITDA 2.1%	**BAD** SALES 5.2% EBITDA -0.5%	**GOOD** SALES 9.2% EBITDA 4.6%

Gulati, R., Nohria, N., and Wohlgezogen, F. *"Roaring Out of Recession"*
Harvard Business Review, March 2010

- ***Ability to gain efficiencies in some areas while continuing to invest in others – like marketing and advertising – is a key differentiator.***
- This strategy was followed by the 9% of companies that emerged from recession in better shape than when they entered it.

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/
Source: https://hbr.org/2010/03/roaring-out-of-recession

The data says …
spend the *<u>same</u>* or *<u>more</u>*, not less.

> But why would keeping budgets the *same* still show *positive* impacts in recession?

2009:

During the Great Recession, total U.S. media ad spend ***dropped 17.5 percent.***

2020:

"Less able marketers will now cut their ad budgets because their boss told them to or because they actually think that the savings from killing a campaign will be superior to any impact that advertising would have generated."

– Mark Ritson

Source: https://www.emarketer.com/chart/234946/us-total-media-ad-spending-2008-2012-billions-change
Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/

That's where *excess share of voice (ESOV)* comes in.

ESOV: Speed growth by staying the course

As Ritson points out, competitors that cut budgets will effectively ***hand you ESOV***, assuming you maintain or increase budgets.

In so doing, they ***hand you future market share.***

> *"For 30 years we've known that … a 10% share of voice will probably enjoy a 10% share of market."*
> *– Mark Ritson*

> *"All things being equal, a brand whose share of voice (SOV) is greater than its share of market (SOM) is more likely to gain market share."*
> *– The Nielsen Company*

Source: https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/
Source: https://www.nielsen.com/us/en/insights/article/2009/budgeting-for-the-upturn-does-share-of-voice-matter/

Whether to continue investing in marketing is one question.

As the preceding slides demonstrate, doing so can help create long-term advantage.

> *How you do it* is another.

YOUR VOICE

What are key principles for speaking to the market and your people now?

Finding your voice in challenging times

None of us predicted what lay in store for 2020.

At times like these, it's critical to balance ***staying true*** to your brand while ***being sensitive*** to the transformational realities that affect your markets, customers, suppliers and talent.

We believe it's important right now to pay heed to
three guiding principles …

Be present.

Be you.

Be mindful.

Your voice:

Be present.

People have emotional connections to brands. And thanks to social media and digital connectivity, brands are more present in people's lives than they have ever been before.

Which means consumers are watching and paying attention.

Following are a few things to keep in mind about ***being present.***

Being present:

Participation matters.

You've seen the examples. Distilleries making hand sanitizer. Telecom companies providing free bandwidth for remote-schooling students.

These pivots are the right thing to do. They are also ways for brands to ***show connection and relevance, and to genuinely give back to the customers and communities that support them***.

Short term, that equals a comfort.

Long term, it can equate to a more loyal customer base.

Army photo by Sgt. Joe Parrish

Being present:

Absence speaks volumes, too.

Consumers may not want to be hounded with offers, but that doesn't mean they don't expect you to be part of the conversation or maybe even part of the solution.

People expect brands to be part of their lives — in good times and bad — and nothing is more a part of life than what we're all experiencing together right now.

Put another way, *"Good friends don't disappear in bad times."*

Photo by Drew Beamer on Unsplash

Being present:

Shifting can be maintaining … or even growing.

In marketing, people can become focused on ad spend. But right now it's important to focus on the context of engagement itself.

For example, if you rely heavily on conferences for lead generation, how can you build tools or strategies to replace that presence in the coming months?

Investing more time in new areas might help you maintain or grow presence, even if spending cuts are required.

Photo by Quentin Dr on Unsplash

Your voice:

Be you.

Whether you’re a global brand or a local nonprofit, your most loyal longtime customers and your most enthusiastic new customers choose you in part because they like you.

People invest their time and emotional connection in other “people.”

Here are a few considerations about ***being true to yourself.***

Being you:

Consistency is a welcome form of stability.

We all have a friend who makes us laugh. And when you're in a tough position and need a laugh, you call on that person.

The same is true of brands. We turn to them because we trust that they'll deliver what we already have experienced from them.

So while you must be mindful of tone, you must also ***be mindful that your brand has created a distinct set of expectations***. Living up to them in familiar, expected ways can be a comfort to your customers — something we can all use right about now.

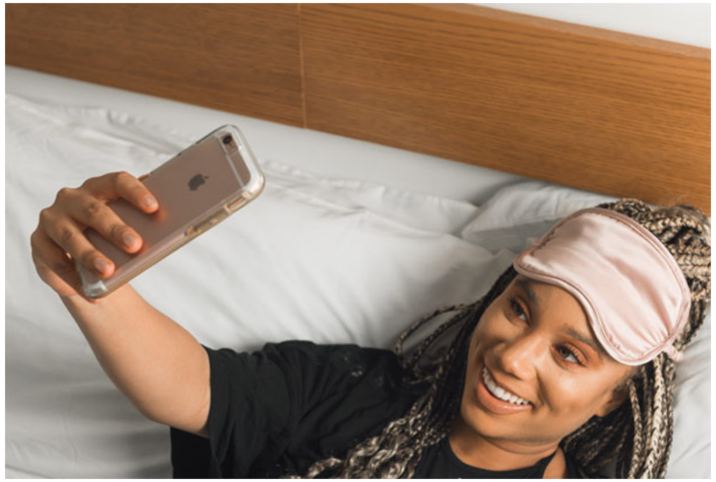


Photo by The Creative Exchange on Unsplash

Being you:

But also know when not to participate.

As comedians say when they tell a sensitive joke about a piece of news and no one laughs … *"Too soon?"*

You have to be you, and you need to be present, but just because your customers engage with the crisis in emotional ways (good and off-color), doesn't mean you should join them.

Rather than weigh in, ***follow what's happening and find ways to join the conversation by being who you are*** — funny, serious, comforting or just plain smart.

Photo by Taylor Deas-Melesh on Unsplash

Your voice:

Be mindful.

For most organizations, its people are the living faces of its brand. What you do now, why and how you do it will resonate for a long time to come.

Also, in most organizations there is considerable overlap and a shared interest in aligning market-facing activities with internal organizational imperatives.

Here are some ways that you, as a marketer, can help your whole organization ***be mindful of the importance of talent*** in overall reputation and marketing.

Being mindful:

Remember that marketing & culture are two sides of the same coin.

Your people embody and share your brand like no one else. You have a key role to play alongside human resources and operational colleagues to ensure that your people remain informed, engaged and focused on delivering your brand.

Ultimately, everyone in your business is a marketer and represents your brand.

Help them find ways to contribute to the brand. Use this time to build skills, tackle back-burner projects, pitch in on new initiatives.

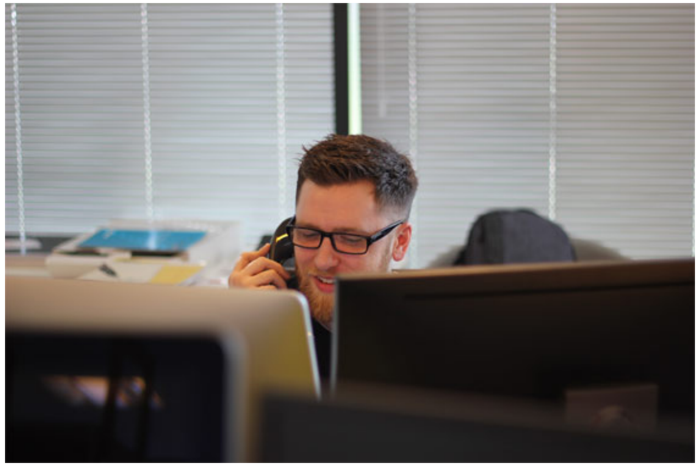


Photo by Berkeley Communications on Unsplash

Being mindful:

Be proactive in defending your employer brand in difficult times.

What you say and do in the market can't be out of alignment with what you do with your own people during this challenging time. It will be remembered and have an impact on how both customers and potential new customers perceive your business.

So be sure to ***keep an eye on the interaction between your brand and your talent communications*** internally and externally during this time.

Photo by NeONBRAND on Unsplash

By investing in these initiatives, you're helping your brand stay **present**, stay **tuned in** and remain a **relevant and positive** contributor to your people, customers and communities.

And you're showing your customers that **you are who they think you are.**

Want to talk it through?

We invite you to set up a one-on-one consultation with Kevin Keohane, strategy director at PartnersCreative. Just click the link below and let us know a little about the challenges you're facing in your marketing, internal engagement or other communications initiatives.

We'll email you a Zoom meeting invitation to talk with Kevin. These consultations are at no cost.

Kevin Keohane has helped create award-winning, effective brand and talent solutions for companies including Deloitte, AstraZeneca, KPMG and Coca-Cola, as well as small NGOs and government departments on multiple continents. Among his many accomplishments, Kevin was instrumental in repositioning Ernst & Young as EY using purpose-led positioning.

Click to schedule a conversation with Kevin.

One last thing you can do …

It's never been more important for marketing leaders to keep up with the latest thinking. If you don't already, consider subscribing to MarketingWeek and following Mark Ritson's work. Special thanks to both for inspiring us to put together this deck.

You can read Ritson's full column here: *https://www.marketingweek.com/mark-ritson-marketing-spend-recession-coronavirus/*

We would also like to acknowledge the following sources:

Journal of Advertising Research: http://www.journalofadvertisingresearch.com/content/49/3/304

Harvard Business Review: https://hbr.org/2010/03/roaring-out-of-recession

The Nielsen Company: https://www.nielsen.com/us/en/insights/article/2009/budgeting-for-the-upturn-does-share-of-voice-matter/

Emarketer: https://www.emarketer.com/chart/234946/us-total-media-ad-spending-2008-2012-billions-change

Cover photo by Zack Xavier on Unsplash

Additional resources for marketers

For additional perspectives on marketing through difficult times, here are a few other good reads and data sources:

"Brand marketing through the coronavirus crisis" *(Harvard Business Review)*
https://hbr.org/2020/04/brand-marketing-through-the-coronavirus-crisis?referral=03759&cm_vc=rr_item_page.bottom

"How to market in a downturn" *(Harvard Business Review)*
https://hbr.org/2009/04/how-to-market-in-a-downturn-2

"Brands & COVID" *(BBH – download)*
https://drive.google.com/file/d/1cJl7j0bNx41YkDf_ODAg3eGRb387Z_A5/view

"Looking Back at the Great Recession, as the World Faces a Coronavirus Pandemic" *(Emarketer)*
https://www.emarketer.com/content/looking-back-great-recession-coronavirus

"What marketers and agencies might expect if a recession happens" *(Ad Age)*
https://adage.com/article/cmo-strategy/what-marketers-and-agencies-might-expect-if-recession-happens/2195251

"7 Strategies for B2B Marketing during a Recession: The Definitive Guide" *(Marketo)*
https://blog.marketo.com/2008/06/7-strategies-fo.html

Thank you.
And stay safe.

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