

KANTAR MARKETPLACE

Seven secrets to
advertising success
during a downturn

2023

Standing up to the **pressure**

People all around the world are worried. The aftermath of the pandemic, the ongoing increase in the cost of living, the ramifications of war, the toll of climate change on the planet. **There is no doubt that people all over the world are going through tough times.**

Meanwhile, consumers are challenged by decreasing purchasing power and are cautious with their budgets. Companies are also under pressure with their marketing spend and facing the challenge of maintaining visibility and brand power despite shrinking budgets.

Navigating **marketing spend** during uncertain times

Marketing spend: to cut or not to cut?

Advertisers have different strategies for coping with challenging economic circumstances. Some brands are slashing budgets, while others are planning increases to battle the recession. Kantar analysis¹ shows that a drastic cut in the advertising budget is never the solution. Since the 2008 economic crisis, savvy marketers have learned a thing or two. Experts advise that you should maintain your marketing investment, if possible.

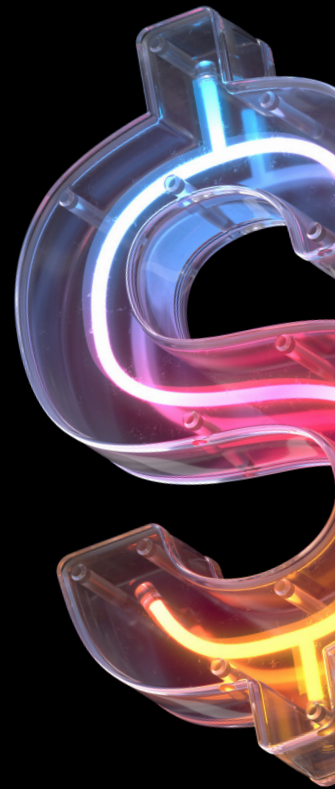
Choose your advertising strategy carefully.

This is sound advice, but it doesn't account for every situation. If your category is slowing down and demand is fading for a product group, growing market share might not necessarily equal profitability. You must therefore be fully aware of what's happening in the market, in your category, and most importantly, be attuned to the new set of circumstances for consumers so you can make the right decisions about your advertising.

The art of prioritising spend.

Consumers are very familiar with prioritising. Each person or family, finds their own optimal financial trade-offs; they save money in one area to spend more in others. As prices rise, this give and take intensifies. In fact, three-quarters of the global population admitted that they don't expect their incomes to keep pace with inflation, according to Kantar's latest [Global Issues Barometer study](#). People are taking steps to mitigate the shortfall. Businesses are also under pressure to manage these challenges and re-prioritise too.

¹Kantar, [Modern Marketing Dilemmas: How should marketers stand up to recession?](#), Dec. 2022



Seven tips to make your advertising budget **work harder**

Like your customers, you may be forced to prioritise if your advertising budget is under pressure. One advantage you have as a marketer is that you can work smarter and make your media dollars work harder for your brand. Your budget may be finite, but your creativity is not.

Based on in-depth analysis of our Link ad testing database, recent consumer surveys and decades of helping the world's biggest brands, here are seven advertising tips every marketer needs so their marketing triumphs when times are tough.

1

Don't go dark

"Stopping advertising to save money is like stopping your watch to save time."

Henry Ford

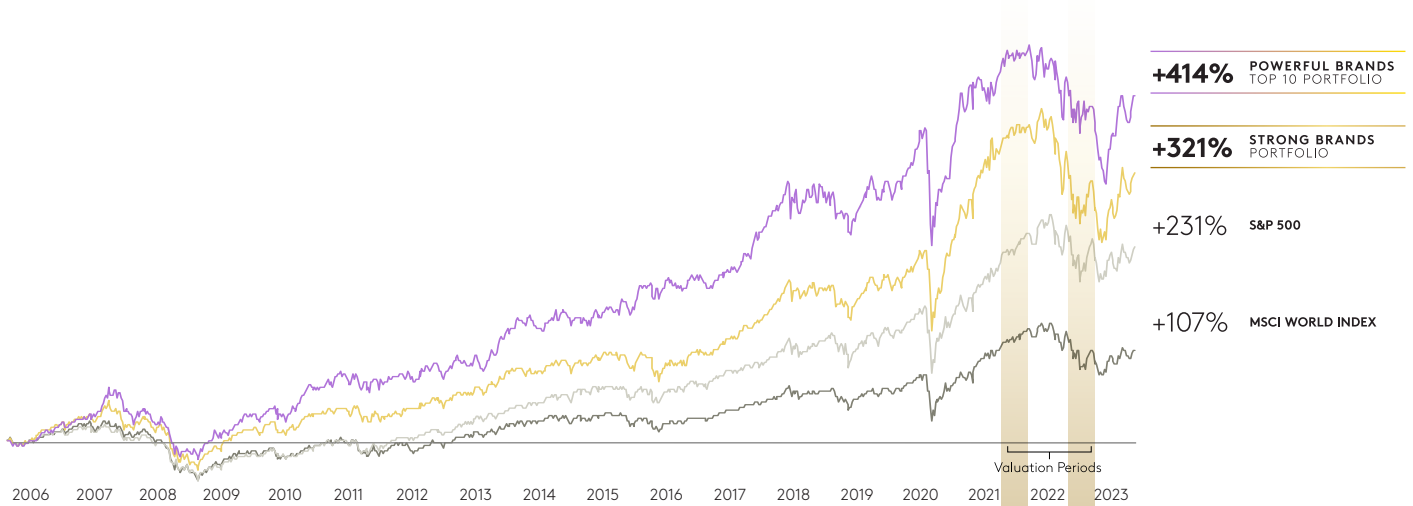
Completely halting your advertising damages long-term positive brand associations and long-term sales. This leads to even higher spend over the long-term to recover the losses. Marketing investment is like a tanker ship, with forward momentum being the brand's equity. If you turn off the engine for a short while, the inertia will keep the ship moving forward. But as it starts to slow down, it requires a lot more power to return the tanker to its former speed.



Kantar BrandZ data² clearly shows that brands that continue to invest outperform others and bounce back more quickly after financial and economic crises. A recent Kantar Profiles poll also demonstrates that people want you to stay connected with them. Only 5% of people think that companies should stop advertising during a downturn, and this sentiment is what set the post pandemic winners and losers apart.

²Kantar BrandZ, S&P Capital IQ, April 2006-Feb 2022

KANTAR BRANDZ PORTFOLIOS VS S&P 500 VS MSCI WORLD INDEX



Source: S&P Capital IQ and Kantar BrandZ, April 2006-Feb 2022

Only 5% of people think that companies should stop advertising during a downturn, and this sentiment is what set the post pandemic winners and losers apart.

2

Get the basics right

While every ad is different, there are some prerequisite ingredients for a creatively effective advertisement, such as strong engagement. This holds true over time and through both bear and bull market conditions. However, creative effectiveness becomes even more important during a downturn because you'll often need to do more with less.

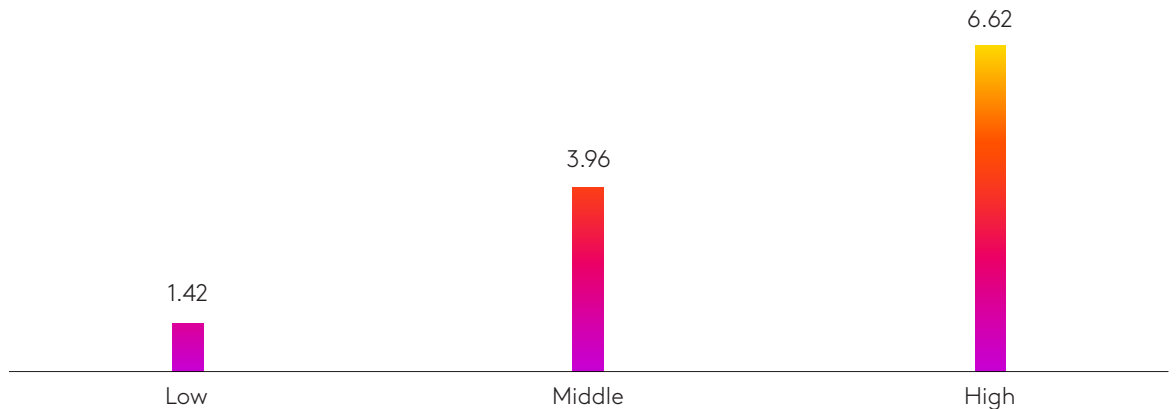
A recent joint study from WARC and Kantar³ shows that better creative is the single biggest driver of getting noticed, and it ultimately delivers over **4x greater return on marketing investment**. High creative quality will drive significantly better outcomes for your business.

There are many different factors that contribute to advertising success, but our database demonstrates that the **single biggest factor for success is strong branding**. Your brand should be intrinsic to the story you are telling as demonstrated in this award-winning example from Heineken, Cheers to all. It is almost impossible to tell the story of this ad without mentioning the brand; Heineken is present in every scene, tackling gender stereotypes with a humorous tone throughout.

³Kantar, [The art of proof: How creative quality drives profit](#), Feb 2023

AVERAGE RETURN ON MARKETING INVESTMENT PROFIT WITH OVERALL CREATIVE QUALITY

Source:
Kantar's Link
and WARC ROI
database



"Never stop testing, and your ads will never stop improving."

David Ogilvy

3

Stay close to changes in your audience's priorities

It's clear that creatively effective communications accelerate brand growth, even in a crisis. To be effective, it's crucial that your creative communications connect to and resonate with your audience. As consumers are challenged with personal budget cuts, they are also more aware of how brands are spending their budgets. Understand your audiences' needs, be sensitive, show empathy, and avoid appearing tone-deaf by misreading what matters to them.

Getting direct feedback from consumers is the best way to ensure you understand how their needs are evolving, and subsequently, that you can apply this to your advertising effectively. In the words of David Ogilvy "Never stop testing, and your ads will never stop improving". This attitude is especially important when you are operating in the highly changeable environment of an economic downturn.

Test more with ultra-fast AI-powered creative effectiveness predictions

Clearly understand the potential of your own or competitor digital and TV ads **in as few as 15 minutes** using Link AI. Combining brand lift, creative and behavioural predictions and based on the world's largest database of ad tests you get reliable highly actionable insight. And using artificial intelligence means when time or budgets are tight you can assess ads that would normally go untested.

4

Use the power of emotion

When people are under pressure, sensitivity in advertising is key. People often don't want to be explicitly reminded of the challenges they are facing, and over half of the consumers surveyed in a recent Kantar Profiles poll⁴, said that brands should offer a positive perspective.

Kantar uses Affectiva's emotion AI technology to understand how consumers are engaging with an ad. This technology uses facial coding to detect changes in facial expressions such as smile, brow furrow or raised eyebrows. What we've found is that people don't respond differently to ads in a time of crisis. By analysing facial coding data during both the pandemic and more recent economic downturn, we found that people's emotional response remained consistent with responses during periods of prosperity. So, carry on doing what you're doing – but be sensitive. Again, if you aren't sure, check.

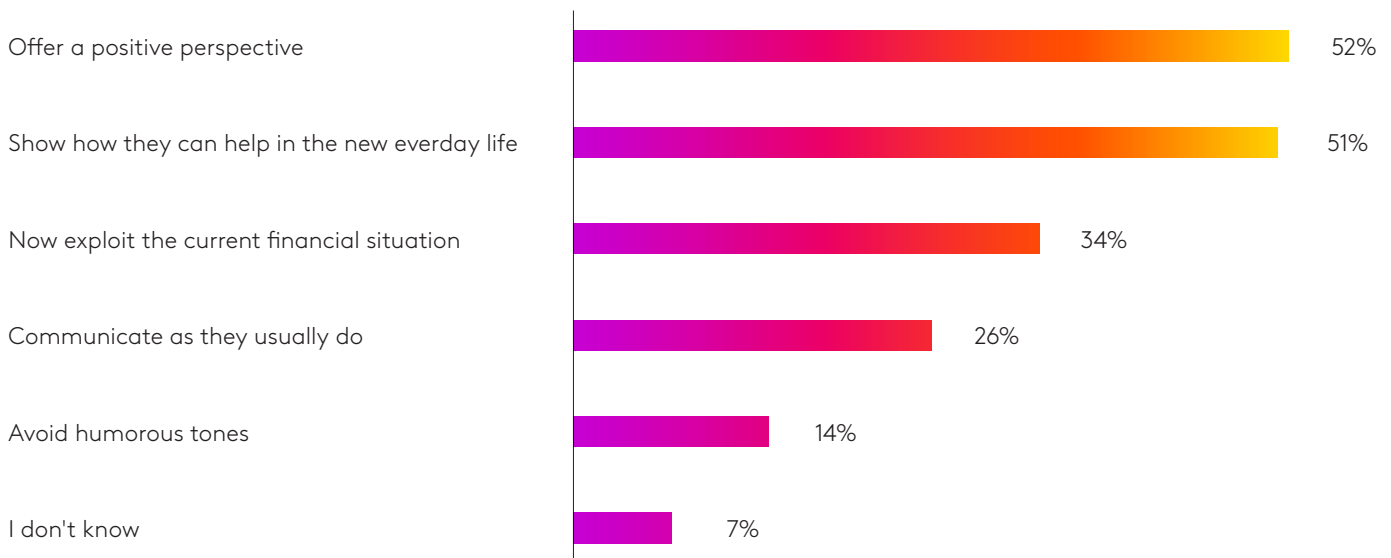
⁴Kantar, [Get your creative communications right in challenging times](#), February 2023

Maximise ad impact with the world's most flexible creative testing approach

Make the most powerful ads possible with in-depth diagnosis of exactly what is and isn't working – and why. LINK+ allows you to test and optimise throughout the creative lifecycle from storyboard to finished film, focusing on the KPIs that matter to your campaign. Create strong digital, TV and static ads that can increase sales impact and build brand value with **insights in as few six hours**.

HOW SHOULD BRANDS ADVERTISE IN THE CURRENT FINANCIAL CRISIS?

Source: Kantar Profiles network poll – 11 markets



5

Don't be afraid to be funny

Humour is a great way to build an emotional connection, and in fact 86% of people think the use of humour in advertising is appropriate in the current economic and social atmosphere⁴. Seventh Generation's ad for recycled toilet paper uses humour brilliantly to communicate its sustainable message.

⁴Kantar, [Get your creative communications right in challenging times](#), February 2023

The ad evokes more smiles throughout for Considerers, including during the 'save the trees' call to action at the end. This segment of consumers are important to brands with a sustainability message because although Considerers are on the fence about whether they can make a difference through their choices, if you can reach them effectively they will change their purchasing behaviour. For Seventh Generation, humour is a really useful tactic to get their message out to a broader audience.

86% of people think the use of humour in advertising is appropriate in the current economic and social atmosphere⁴.

THE HUMOUR ENGAGES SUSTAINABILITY CONSIDERERS MORE THAN BELIEVERS

■ Considerers ■ Believers



6

Spend as big as you aspire to be

While you can't spend your way to success, brands with a share of voice (SoV) greater than their market share tend to grow. Conversely, brands with a SoV smaller than their share of market (SoM) tend to decline¹. Most companies spend 8%-12% of their revenue on marketing. But this benchmark is easily broken by businesses aiming higher.

ByteDance, the parent company of TikTok, spent **\$19bn (31% of its revenue) on marketing last year** going after the market share, they want rather than settling for what their growth trajectory indicated¹. They have reaped the rewards of this boldness and grown incredibly quickly as a result.

Evidence confirms that media spend plays a crucial role in gaining and losing market share. This data truth is even more valid during a crisis, when your spend will likely be filling awkward silences from your competitors.

¹Kantar, [Modern Marketing Dilemmas: How should marketers stand up to recession?](#), Dec 2022

Evidence confirms that media spend plays a crucial role in gaining and losing market share. This data truth is even more valid during a crisis.

7

Always be different and meaningful

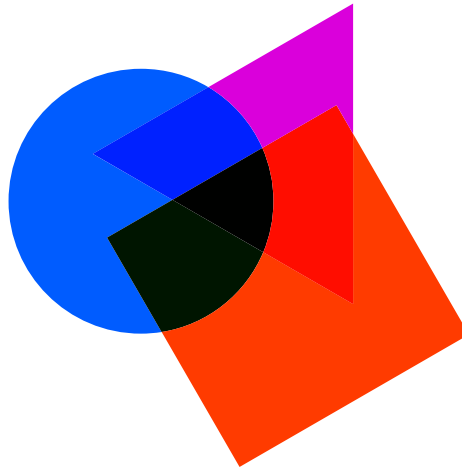
As consumers look to cut costs, higher-priced brands have a more difficult time defending their price position. To command a premium price, brands must be meaningful and different in the eyes of their audience. Communication that clearly delivers a meaningfully differentiating message will help to defend the brand choice of your brand in the current environment.

This Cadbury Dairy Milk ad is a great example of the power of meaningful difference in action. The skilful emotive storytelling brings together many of the principles already discussed. The heart-warming narrative between a father and daughter with just a few spoken lines, demonstrates an innate understanding of people which is highly relatable throughout the world. As a result, this ad won first place for digital advertising in this year's Kantar Creative effectiveness awards.

MEANINGFULLY DIFFERENT FRAMEWORK

Different

The extent to which some brands are seen to offer something that others don't and lead the way



Salient

The mental availability of the brand: how quickly and easily it comes to mind when making a purchase or usage decision

Meaningful

The extent to which brands build a clear and consistent emotional connection and area seen to deliver against consumer needs

Best practices in **good times** and **bad**

In most markets, the challenges of decreasing budgets and tighter spending controls are likely to continue – at least for the short to mid-term. Sometimes, you may need to fight to persuade stakeholders that your marketing plans are worth the investment.

Whilst the seven secrets are important to heed when facing economic headwinds, keeping them in mind is also a great discipline that will help brands to succeed and prosper when less challenging conditions prevail. To implement all these best practices requires the confidence in your choices and genuine confidence can only come from arming yourself with the consumer insights that will help you see through the uncertainty of current commercial context.

Stay on top with smarter advertising

Bold advertising strategies require decision-quality insights. Book a demo of Kantar Marketplace today to find out how you can build ads that will help you outperform your competition no matter what market conditions you are facing.