

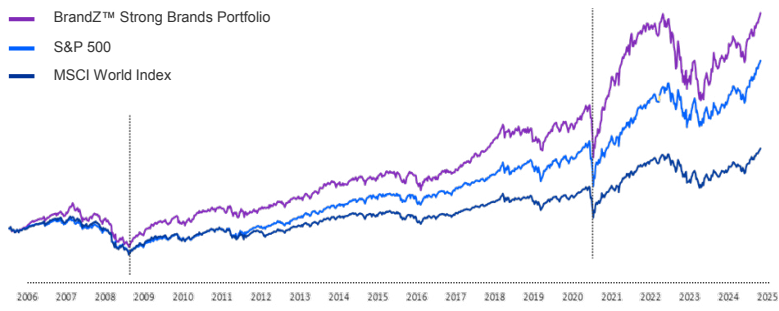
Tariff Turmoil

5 Actions CMOs can take now and how Kantar can help



1 BE MEANINGFULLY DIFFERENT TO MORE PEOPLE ENSURE YOUR BRAND IS STRONG ENOUGH TO WEATHER THE STORMS

- Strong brands (those that are more Meaningful and Different) decline less in uncertain times, and recover more quickly – outperforming those that aren't
- Meaningful is meeting consumers' functional and emotional needs. Does your value proposition need to evolve to stay relevant?
- Difference is standing out vs your competitors. Are your communications continuing to make you un-substitutable in peoples' minds?



Kantar BrandZ Portfolios vs S&P 500 vs MSCI World Index (Apr 2006-Mar 2025)

BRANDS
GROW BY BEING
MEANINGFULLY
DIFFERENT
TO MORE PEOPLE

Growth accelerators for winning marketers to operationalise effectively

PREDISPOSE MORE PEOPLE

BE MORE PRESENT

FIND NEW SPACE

BEHAVIOURS: CONSISTENT, CONNECTED, OPTIMISED

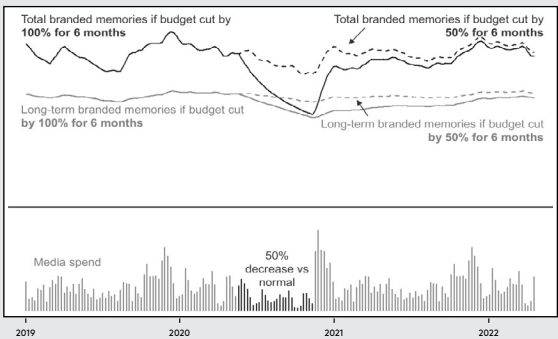
POWERED BY THE MEANINGFUL DIFFERENT AND SALIENT FRAMEWORK AND MOST MEANINGFUL DATA

© Kantar 2025

2 DON'T GO DARK SHORT-TERM ADSPEND REDUCTIONS HAVE LONG-TERM IMPACT

- Due to the diminishing returns of media investment, drastic budget cuts have exponential impacts on branded memorability (total branded communication awareness)
- A 50% reduction in media spend for 6 months has limited impact on brand memorability (both short and long-term)
- A 100% reduction has severe consequences – and it can take years to recover
- Revise your media spend with caution. Instead, consider reviewing your messaging to make advertising content appropriate for your consumers and your brand

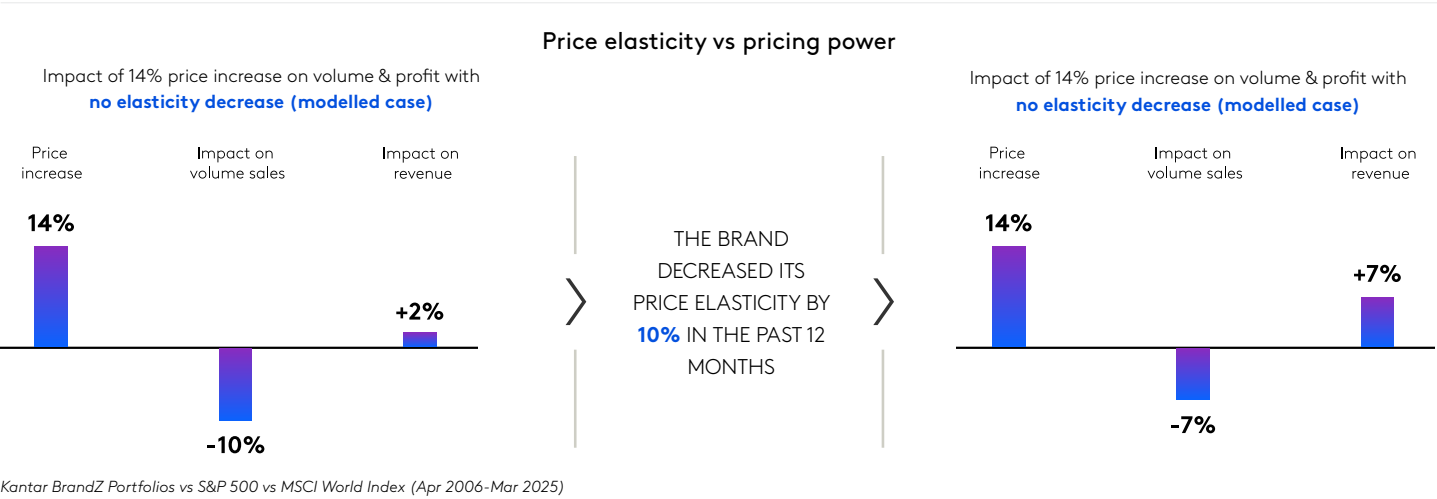
Severe **budget cuts** have **exponential effects** on media contribution



3 GET A GRIP ON YOUR PRICING POWER

TARIFFS MAY FORCE YOU TO REVISE YOUR PRICING STRATEGIES

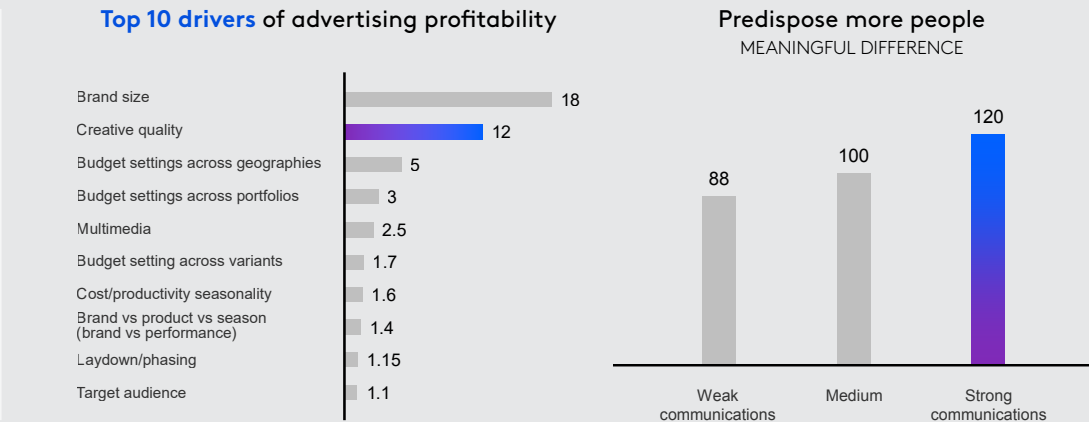
- How much you can charge for your product or service is driven by consumers’ perceptions of your brand being Meaningful and Different
- But it’s the job of a CMO to drive margin, even when revenue growth is tough
- In the luxury market, for example, perceptions are everything – maintaining a realistic price premium shouldn’t be a guessing game
- There is a strong correlation between Pricing Power and price elasticity
- Beware of price promotions – or if you do them, handle extremely carefully. Brands that over-discount are 20% less price elastic



4 MAKE YOUR CREATIVE COUNT

USING YOUR BRAND’S SUPERPOWER

- CMOs need to be nimble in the way their brands communicate how they meet consumer needs
- Ensure your messaging is still right for the times. e.g. Upweight ‘provenance’ messaging, or why your brand is worth it



Source: Meaningful difference data from BrandZ UK 2020 ‘Reviewing the Top 10 Drivers of Advertising Profitability’ by Duncan Southgate (Kantar) and Paul Dyson, August 2020

5 FIND NEW SPACE FOR YOUR BRAND

TARIFFS MAY FORCE CMOS TO LOOK ELSEWHERE FOR GROWTH

Brands that are meaningfully different AND have innovative behaviours grow 2x vs those that don’t.

Think laterally if there are growth challenges with existing brands, variants and markets. Find new space that is incremental, for example:

- Innovate to meet new consumer needs
- Develop new variants or price architectures to adjust to new requirements
- If you are a larger or more well-established brand, stretching into new related categories, or even new territories

Source: Kantar BrandZ 138 brands valued in 2019 and 2023
Innovative behaviours: Shaking things up and/or well-designed products

