

# We Disrupt



OCT 2nd, 2023

**Thriving under  
economic uncertainty**

**TBWA** The  
Disruption<sup>®</sup>  
Company



**It's a risky world for  
marketers right now.**

But probably not in the way you're thinking.

# PERMACRISIS

---

## **NOUN**

An extended period of instability and insecurity, esp one resulting from a series of catastrophic events

*Collins Dictionary*

---

Enemy #1

# SHORT-TERMISM



Enemy #2

# CAUTIOUSNESS





**Slowing economy**



**Budget cuts**

**Weakening financials**



**Budget cuts**



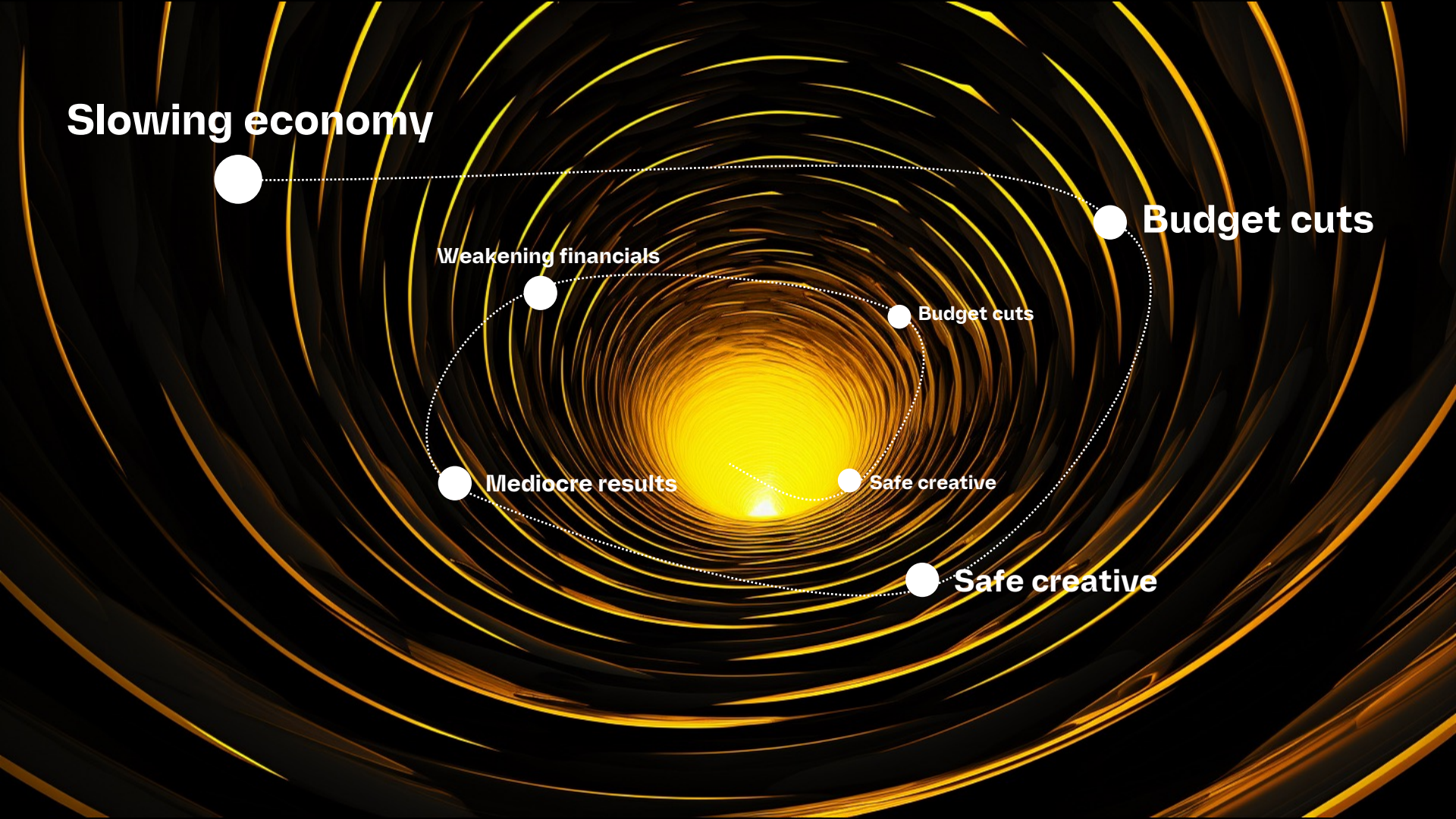
**Mediocre results**



**Safe creative**



**Safe creative**



# 01.

# PROTECT BUDGETS

---

**Or why a recession should be considered  
an opportunity for the client**

# GOING DARK IS DETRIMENTAL TO THE BRAND

---

60 % of brands going dark for more than 6 months suffer in either brand use or brand image (Millward Brown, 2008).

When brands stop advertising for a year or more, sales often decline y-o-y on following the stop (on average, -16% after year one, -25% after year two). (Hartnett et al. 2021)

---



# EVEN CUTTING BACK HURTS BUSINESS

---

In the latest recession, brands that cut back on spending saw their sales contract on average by 18 %. (Analytic Partners 2022)

long-term benefits from previous activities will mitigate short-term negative effects and downplay the perceived consequences. But they are real. (Data2Decisions 2008)

---

# CUTTING BACK IS A LOST OPPORTUNITY

---

Brands that boosted their spending in the last recession saw a 17% increase in incremental sales. (Analytic Partners 2008)

Increasing marketing expenditure leads to increased market share and return on capital employed coming out of the recession. (Malik Pims 2008)

Investing to increase share of voice drives long-term profit growth. (Field 2008)

---

# 02.

# FOCUS ON THE BRAND

---

**Or why it pays to invest in upper funnel activities**

# LOWER FUNNEL TACTICS ARE A SHORT-LIVED COMFORT

---

Focusing on lower funnel tactics (search, display, social media) beat the upper funnel by 25% in the short term but lose by 60% in total impact. (Analytics Partners 2022)

---

# BRAND BUILDING IS THE BEST PROTECTION AGAINST RISING PRICES

---

Instead of focusing on promotions that easily lead to margin-killing doom spirals, focusing on brand building allows priming longer-term purchases, minimizes price sensitivity and reduces pressure on pricing. (Field 2021)

---



# TOP FUNNEL BUILDS THE CLIENTELE OF THE FUTURE

---

Even as much as 95% of b2b buyers are not in the market for new solutions at a given time. Thus most advertising should be focused on turning them into future buyers through broad reach. (Romaniuk et al. 2021)

The same goes for consumers who are tightening their belts in the cost of living crisis. Focusing in broad-reaching brand awareness campaigns results in bigger overall business impact in the long run. (Field 2021)

---

03.

# CHAMPION THE WORK

---

Or how creativity gives more bang for the buck

# CREATIVITY IS AMONG THE BIGGEST CONTRIBUTORS TO EFFECTIVENESS

---

Up to 47% of the sales contribution of an advertising element is attributed to the creative.  
(Nielsen 2017)

Creativity is the top 2 driver of effectiveness among 5,900 Effie entries measuring  
campaign effectiveness. (Ritson 2019)

Creative quality is the biggest lever of advertising profitability for low budget marketers,  
#2 for all. (Dyson 2014)

---

# GO FOR THE BOLD STORY INSTEAD OF THE HARD SELL

---

During the covid-19 slump, brand-building ads that elicit positive emotional responses performed slightly better than pre-pandemic. On the other hand, classic sales activation ads focused on making the "hard sell" performed slightly worse than pre-pandemic. (Wood 2021)

Emotional, fame-building creativity maximises the available budget and results in 60% larger business effects in terms of penetration, value sales, and profit than other campaigns. (Puri 2022)

---

# LOOK FOR THE OPPORTUNITIES WITH SMALLER MEDIA SPEND

---

If there is no possibility to maintain ad spend, brands should seek to maintain their visibility among consumers in other ways, such as relying on own media, direct email, and PR. (WARC 2022)

Using creativity as a lever, such channels can make even diminishing budgets work.

---



# So, what about those risks?

By now you should have a hunch.

# RISKS

- 01 Excessive hard sell creativity
- 02 Excessive reliance on sales activation
- 03 Insufficient investment

# REFERENCES

---

Analytic Partners, 2022. Cannes Lions Sessions. Cited in *Why advertisers need to keep spending in a recession – and other effectiveness insights from Analytic Partners*, WARC 2022.

Data2Decisions, 2008. IPA Seminar presentation. Cited in *Advertising in a Downturn – A Report of Key Findings from an IPA Seminar*. IPA 2008.

Dyson, P. 2014. *Top 10 drivers of advertising profitability*. Admap Magazine, September 2014.

Field, P. 2008. *Marketing in a downturn: lessons from the past*. Market Leader, Issue 42, Autumn 2008.

Field, P. 2021. *Advertising in a recession*. WARC.

Hartnett, N., Gelzinis, A., Beal, V., Kennedy, R. & Sharp, B. 2021. *When brands go dark: Examining sales trends when brands stop broad-reach advertising for long periods*. Journal of Advertising Research, Vol. 61, No. 3, 2021.

Malik PIMS, 2008. Cited in *Advertising in a Downturn – A Report of Key Findings from an IPA Seminar*. IPA 2008.

Millward Brown, 2008. IPA Seminar presentation. Cited in *Advertising in a Downturn – A Report of Key Findings from an IPA Seminar*. IPA 2008.

Nielsen, 2017. *When it comes to advertising effectiveness, what is key?* The Nielsen Company.

Puri, G. 2022. *Crossing the Chasm – How true creativity enables great leaps in effectiveness*. EACA Effectiveness Knowledge Centre 2022.

Ritson, M. 2019. ThinkTV event presentation. Cited in *The top ten drivers of marketing effectiveness from the Effie Awards – and beyond*. WARC 2019.

Romaniuk, J., Sharp, B., Dawes, J. & Faghidno, S., 2021. *How B2B brands grow*. The B2B Institute.

WARC, 2022. *What we know about advertising in a recession*. WARC Best Practice.

Wood, O. 2021. *What should ads look like in the times of recession?* The B2B Institute 2021.

---

# THANK YOU

TBWA

