BIZCOMMUNITY

Practical tips for marketing in times like these


By Herman Degener

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If your daily grind is remotely related to the marketing segment, you'll probably agree that there is more 'how to market in a recession' research around than you can shake a stick at! Who does one turn to in times like these for advice, especially when there's a cacophony of opinions? The short answer is a trusted advisor, and Warc is one such advisor.

Photo by Startup Stock Photos from Pexels.

Recent research from Warc forms the basis of this blog post which aims to provide a sense of comfort (in that we’re all in this together) and advice that is sound and practical. As Isla Prentis from our Tirisano Consulting division pointed out in her sobering post *A lesson in humanity*, we are all in the same storm, but in different boats.

There is no one-size-fits-all solution here, no panacea. However, by weathering the same storm there are some useful nuggets of advice from the intellectuals over at Warc which I feel will provide a slightly elevated sense of ‘we’ve got this’ after reading them. So without further ado, here are five actions to take now as an advertiser:

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1. Review your lockdown playbook

The burning question in South Africa, and globally for that matter, is will lockdowns intensify again to combat future outbreaks of Covid-19? Using lessons learnt from the past can help a brand prepare for further recurrences. One of the big themes of the current lockdown has been acts over ads, but can brands sustain an altruistic approach?

Dale Partridge’s book *People Over Profits* suggests this is a sustainable business strategy in a world of collaborative consumption, and perhaps one way to try and balance the two is for brands to invest in real actions, which consumers might applaud on social media (offline actions drive online conversations).

2. Keep advertising, if you can

There is plenty of evidence from almost a century's worthy of research to validate the notion that brands who maintain ad spend in recession, will prosper post-recession. Cutting too hard has a long-term impact on sales, market share, growth and ROI. Those who maintain their spend not only proposer post-recession but also recover quicker as a result.

The advice to keep advertising won't apply to all brands, however as the hardest-hit companies will be focusing on saving jobs and business continuity. Here are a few tips for those brands that are fortunate enough to keep advertising:

- Don't panic and stop brand advertising unless you absolutely must. Media costs are lower and there's less noise from competitive brands in your sector.

- Maintain brand campaigns unless it jars with public mood. Use emotional, warm advertising that fits (and lifts) the public mood.

- Look for tactical opportunities to create goodwill with customers: tap into first-party data and seek to enhance the customer experience. Remember it costs five times more to gain a customer than to retain one. Random acts of kindness in times like this are certain to drive immense positive sentiment and earned media for your brand.

3. If you have to reduce adspend, use other levers to remain visible

Even outside of recessions, there are always levers to pull that are low cost, high reward opportunities for brands. One is the use of first-party data (as alluded to above) to keep customers informed, remind them of seasonal events, and even to drive referrals and good old positive WOM (word of mouth). In addition, brands can also:

- Use owned assets to communicate: it's often less expensive to target your social media page's followers than compete for new audiences. Noting the reality of low organic reach when a brand posts an update on social media, invest in ensuring your messaging is seen by more of your opted-in audience before investing in acquiring new audiences.

- Consider PR and partnerships to generate earned media: consider partnering with other brands or influencers who have a mutual interest in solving a particular problem, with each bringing their own expertise or capital to the collaboration.

- Leverage your brand's equity to collaborate with your own audiences and relevant influencers to help solve an original content challenge. This is particularly useful when focusing your limited resources in the build-up to key selling seasons.

4. Look for signs of new habit formation

The Covid-19 pandemic and subsequent lockdowns have given rise to all manner of new consumer behaviours, chief among them being online. This is especially prevalent amongst older consumers who are adopting online shopping. The time it takes to form a new habit and the time we've been in lockdown are not mutually exclusive, so there are definitely opportunities for consumers to try new brands and/or products. This is because the pandemic mirrors the psychological traits where people are more likely to try new brands when they go through a life-changing event, such as marriage, a new job or the birth of a child.

A strong initial experience can help cement these new habits. This could range from free delivery of goods bought online, unexpected bonuses for new customers (akin to my point above about making your existing customers feel extra special is always a winning strategy), or information about how your brand is helping frontline workers during the crisis.

All these actions can create a positive memory for new and existing customers alike which they will recall as and when we enter recovery.

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5. Innovate, or die (and no, discounting is not innovation)

As the saying goes ‘necessity is the mother of invention’, and never before in the modern era has innovation, or ‘out of the box’ thinking, been so needed both on the supply and demand side (no I’m not talking about the programmatic media buying ecosystem). Warc cautions that discounting is not innovation and it can lead to long term damage to your brand plus it creates downward pressure on margins. Rather rethink what value your brand creates for consumers; here are some key questions to ask when revising price in a recession:

Factor	Key questions
Category	• Discretionary vs essential? • Variable consumption vs binary on/off purchase? • Emotional benefit, e.g. status, reward? • If we make this cheaper, will people use more?
Brand	• How does my brand deliver value? • What can we strip out, or make optional? • What's the role of loyalty or recognition? • Are these decisions consistent with our brand values and principles?
Segmentation	• Who needs us most, and why? How can we help them? • Can we work with our best customers to create solutions? • Where is the income and profit we should work hardest to retain? • Are we rewarding the right customers or the most demanding ones?
Short Vs Long Term Timescale	• Beyond business survival, are we keeping an eye on long-term consequences of today's actions? • Could anything we are doing embarrass us, or our employees, if it were public? • Can we accelerate any planned action for mutual benefit?

Source: "Pricing in a recession: four factors for setting strategy" Fiona McAnena, WARC Guide, May 2020 WARC

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In closing

Given the current or at least inevitable recession, being driven by a pandemic and not an economic event, the impact is being felt across the entire value chain, from supply through to demand. Even where there has been demand, many brands have simply not been permitted to service it.

As the cliché goes ‘this too shall pass’.

**For a copy of the Warc document "The Warc guide: Marketing in the Covid-19 Recession", which informed this Blog post, please free to drop me an email at herman.degener@mediashop.co.za.*

ABOUT HERMAN DEGENER

I am a passionate marketing and communications solutions architect, with experience spanning more than a decade in the print, out of home and digital strategy sectors. Coming from a traditional media background, I am well-positioned to understand the challenges facing many marketers in a world one digital. I have worked on the media owner, agency and client-side, and as such, I create holistic solutions to solving today's marketing challenges.

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