

GOING DARK IS NO WAY FORWARD

Why should brands keep advertising in a crisis & what are the market trends in Europe & the US

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A stylized world map in light blue serves as the background for the entire graphic. The continents are clearly outlined, and the map is centered behind the main text elements.

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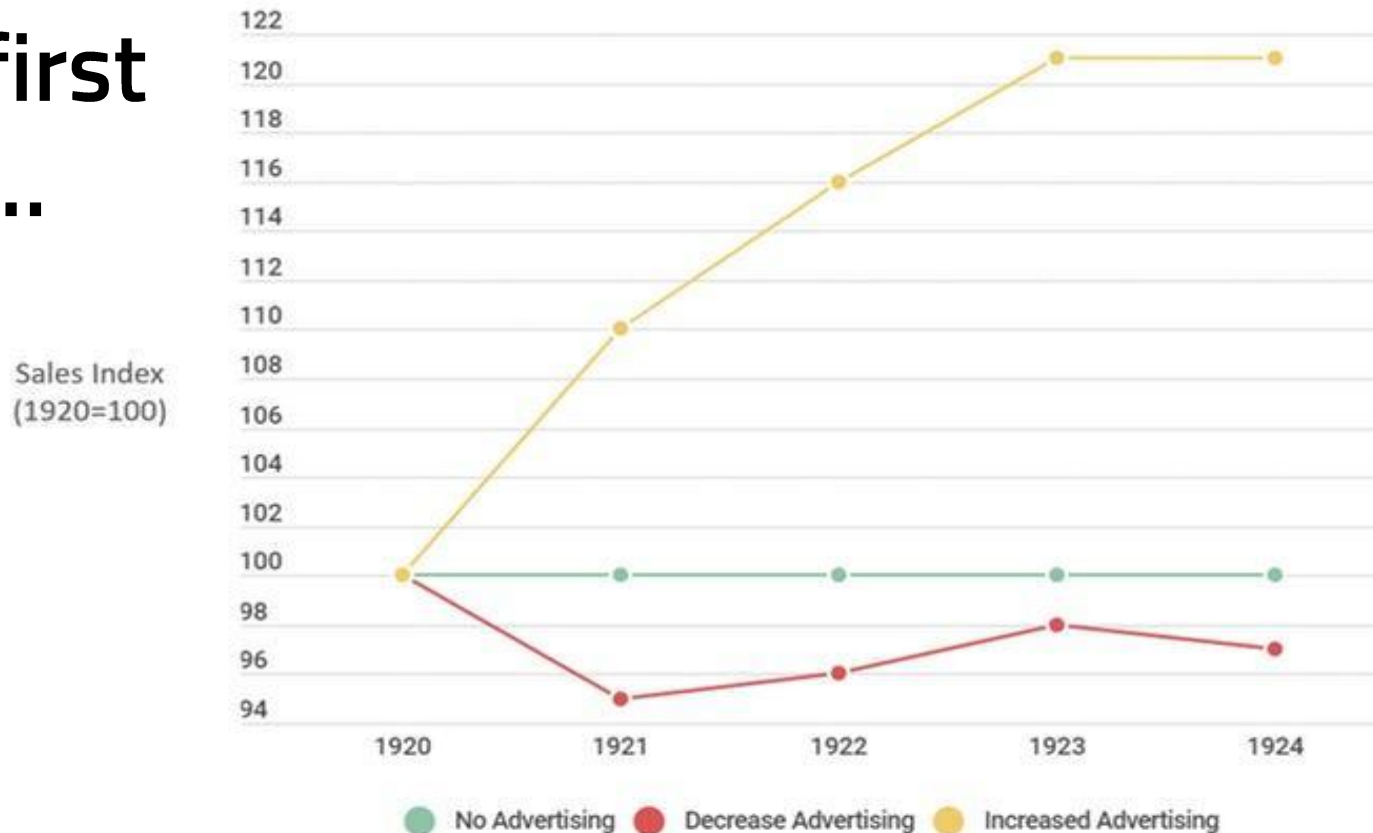
50+ MARKETS

155 RADIO/AUDIO & TV/VIDEO PUBLISHERS

LEARNING FROM PREVIOUS RECESSIONS:

Brands that keep advertising – win

From the first recession...

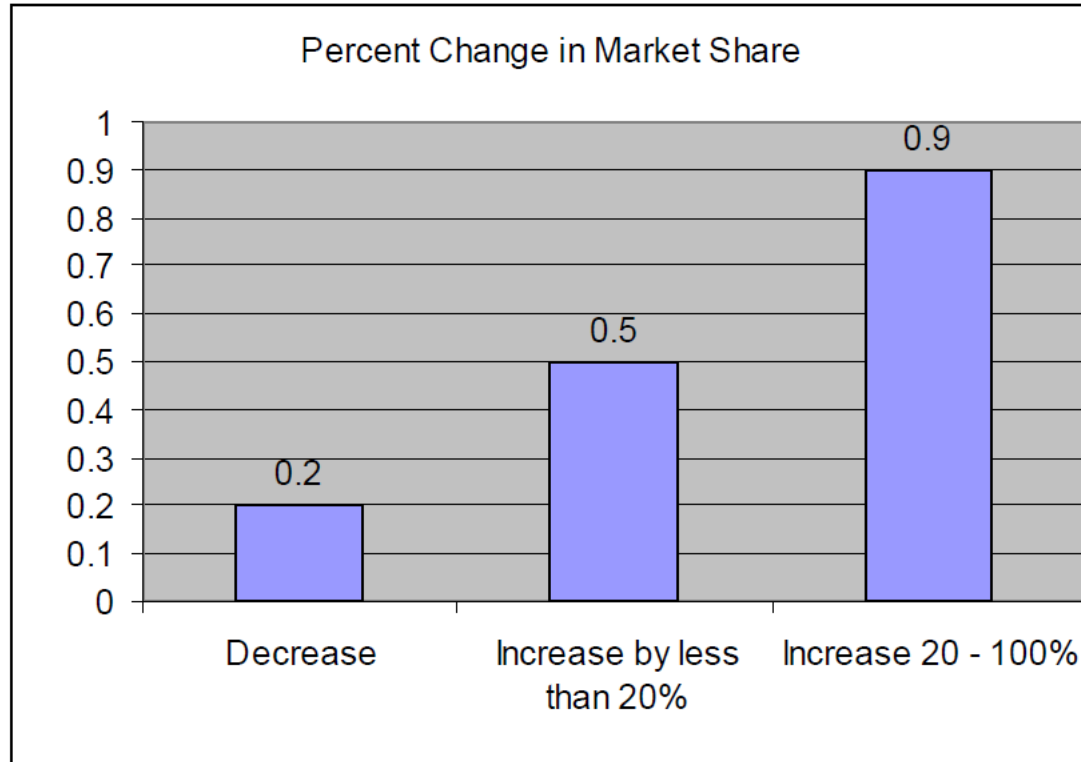


Vaile, Roland S. "The Use of Advertising During Depression"
Harvard Business Review 5, April 1927



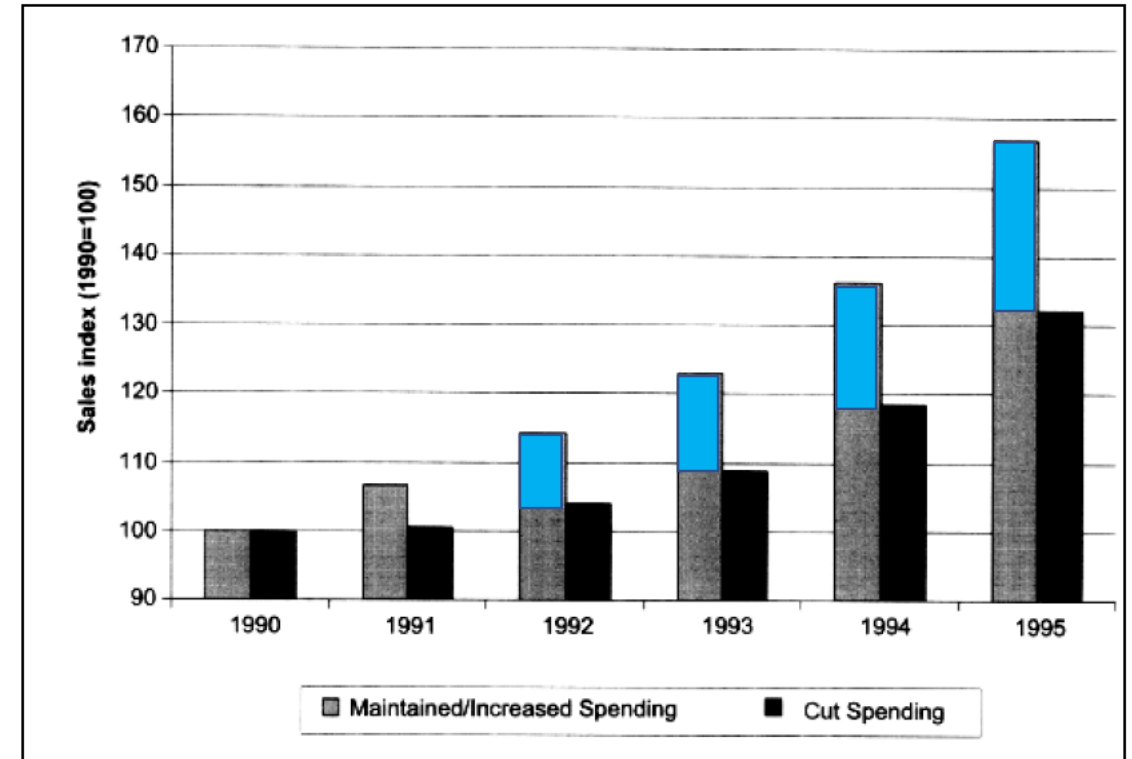
...through 1980 and 1990...

Figure 8: Point Change in Share of Market (SOM) by Advertising During a Recession



Biel and King (1990). WPP Center for Research

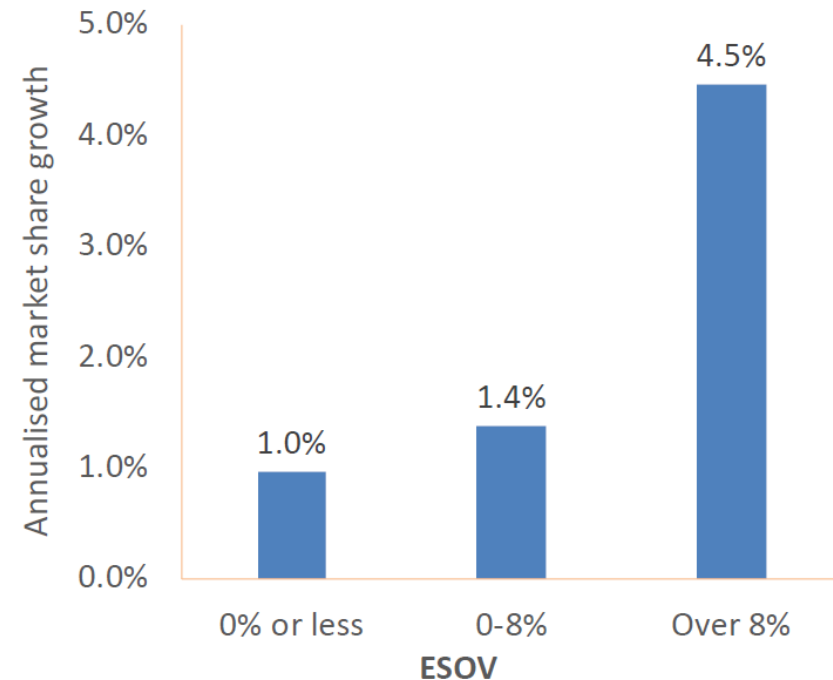
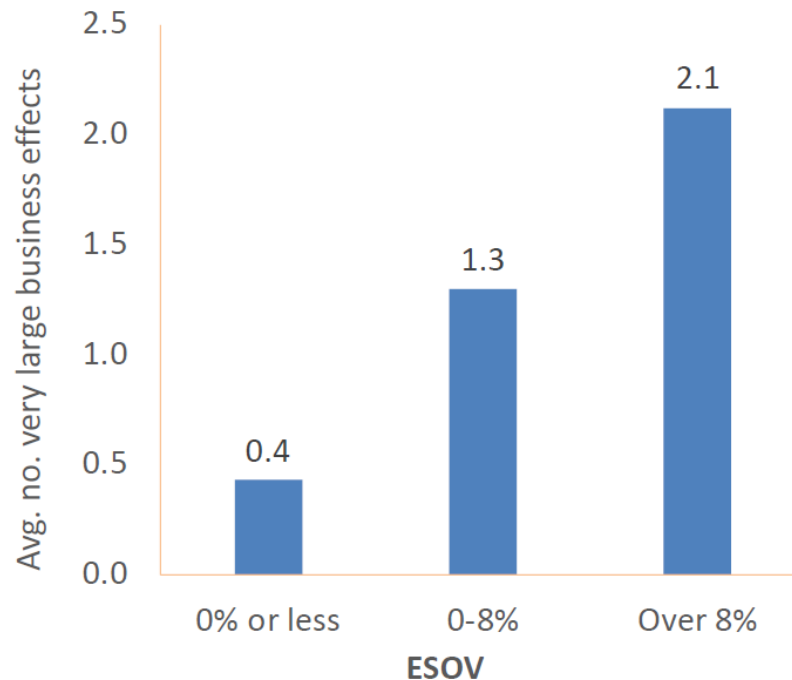
Figure 4: Sales Indices for 1990-91 Recession



Thomas Kamber (2002) Journal of Brand Management

...to the latest one in 2008

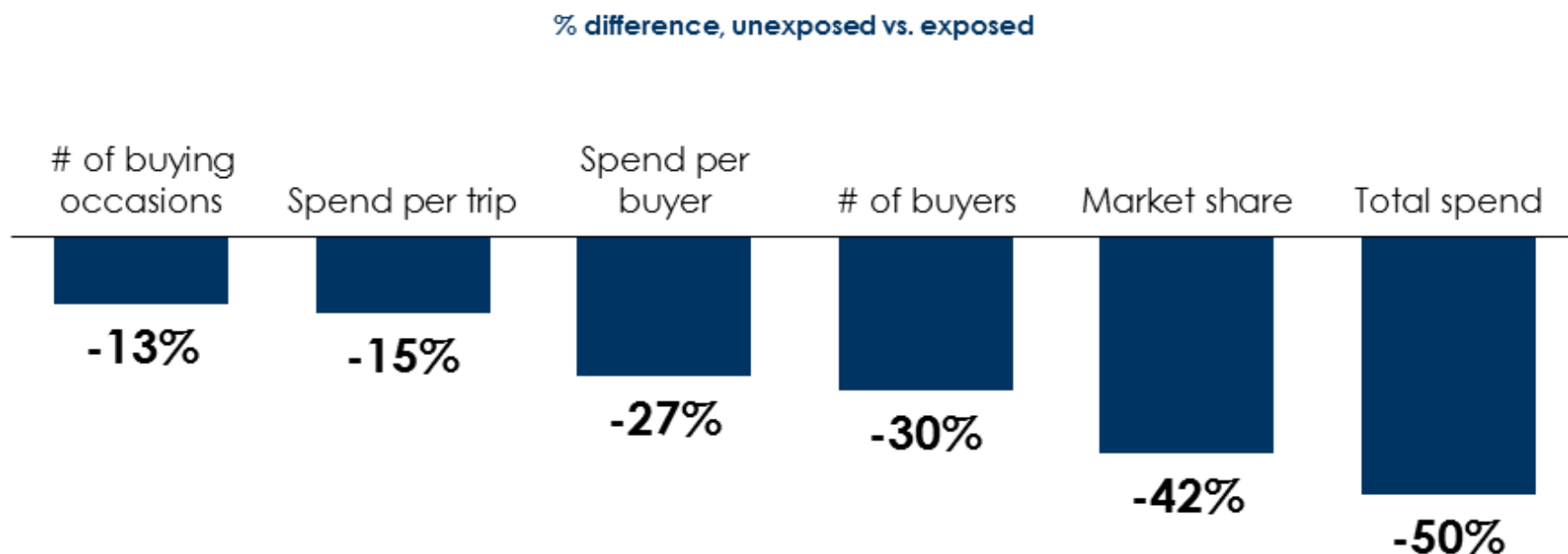
Investing in SOV drives strong growth during recession



ESOV=
SOV-SOM

Going dark is **risky** and **detrimental** to brands

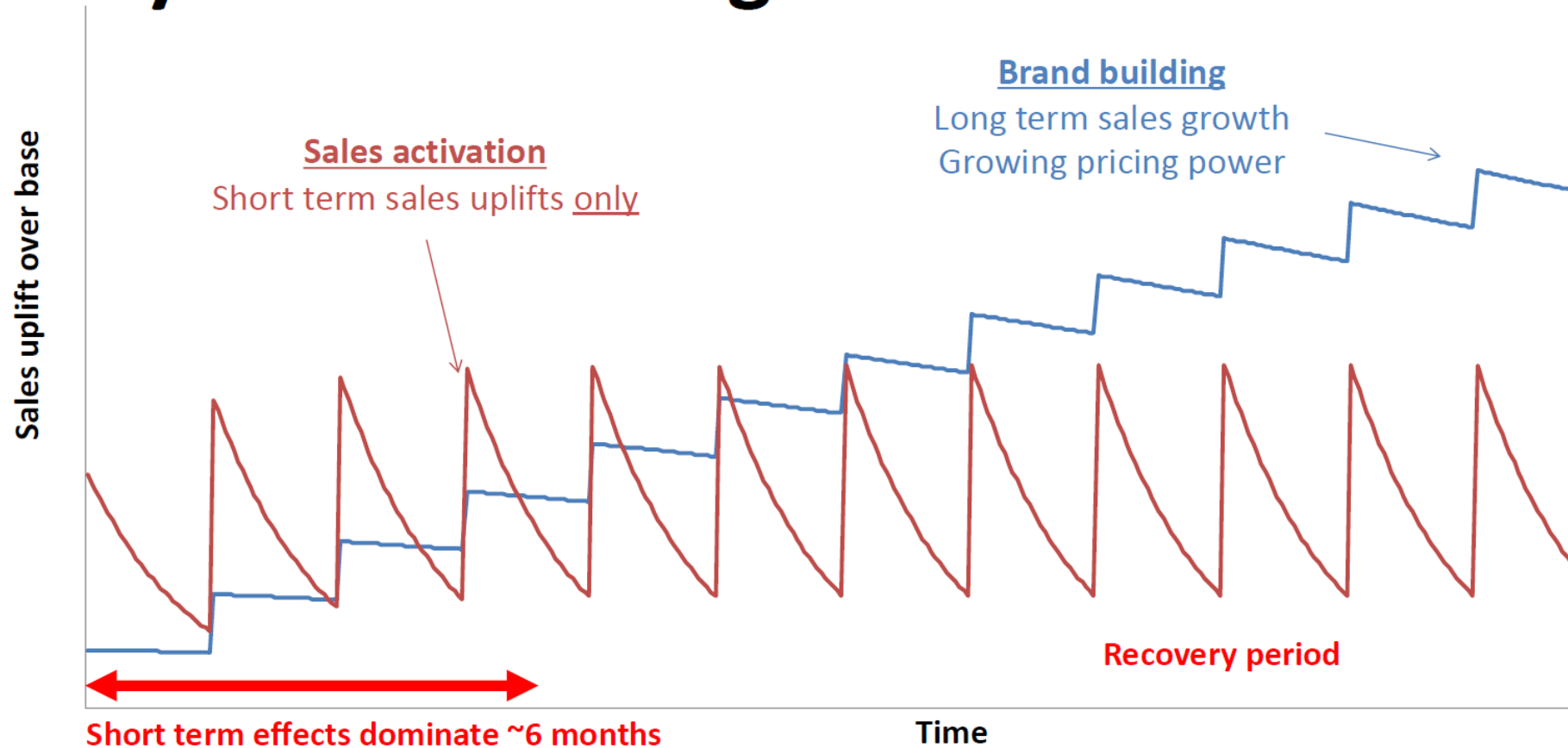
Don't cut ads: Sales fall when a brand stops advertising



How to read: Consumers not exposed to the radio campaign had less buyers, reduced shopping trips, less spend per buyer, and significantly lower purchases.

It's not only about the short term effect

Why brand building matters in recession



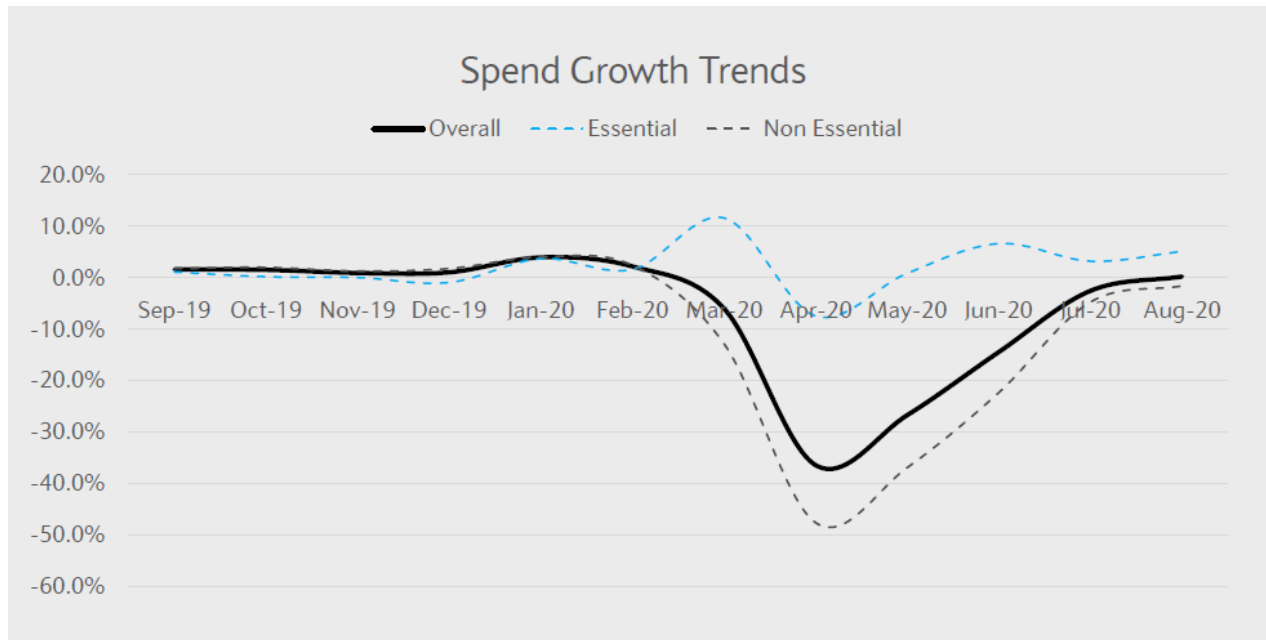
Why **RADIO** is the perfect medium to **drive sales** & increase your **SOV** now

- ✓ More listeners and hours spent listening (radio & online audio)
- ✓ Fewer competitors in an ad break
- ✓ Fast & easy to get on air – flexibility to change message
- ✓ Affordable & safe mass reach medium (incremental reach)
- ✓ Bigger market share now and faster growth during recovery



Consumers are ready to spend, so should you

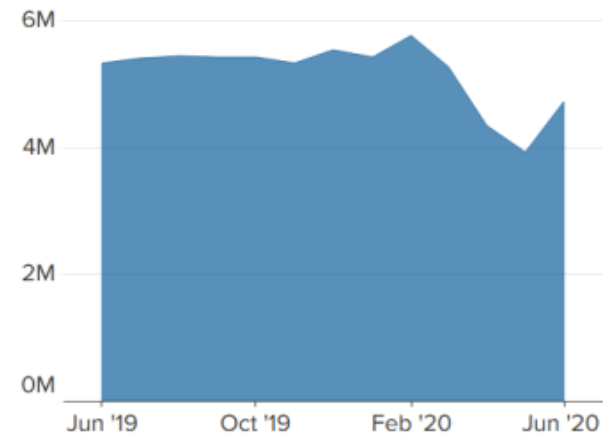
UK: Consumer spending grew by 0.2% year on year in August, the first rise since February this year



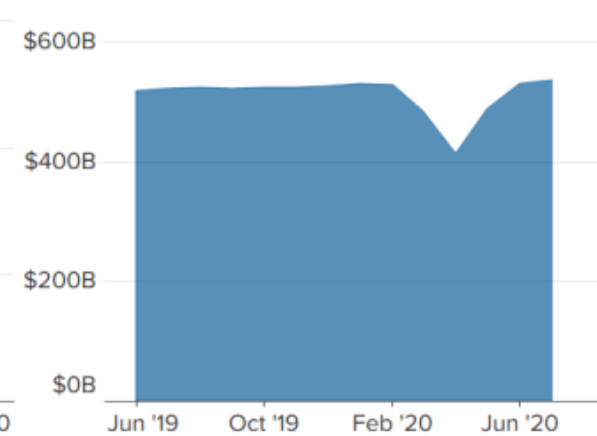
Source: Barclays, UK Consumer Spending Report, Sep 15, 2020

U.S. home and retail sales recoveries

Existing Home Sales (Units, as of June)



Total Retail Sales (Dollars, as of July)

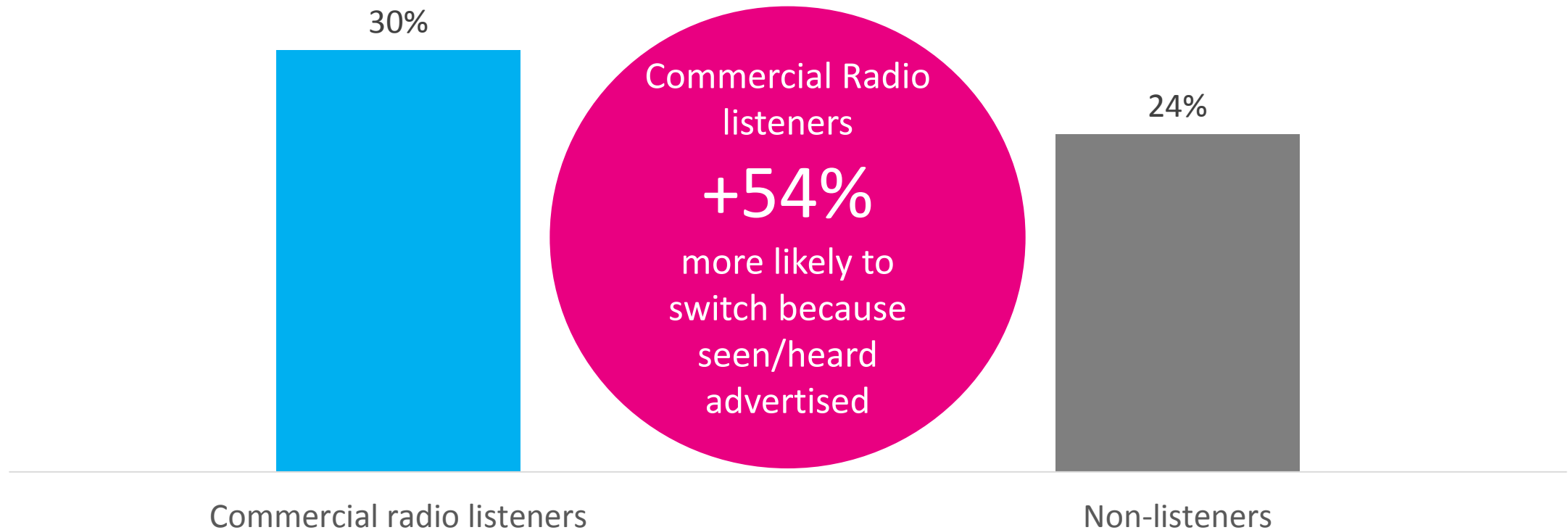


SOURCE: Federal Reserve Bank of St. Louis. Data is seasonally adjusted and the most recent available for each series.



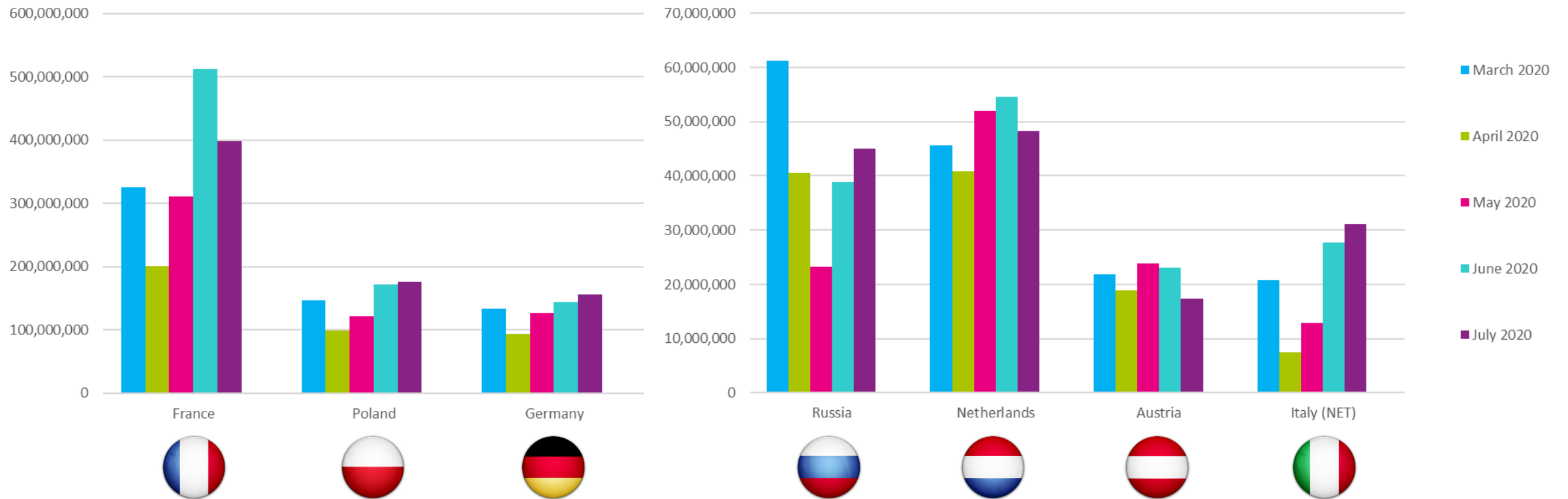
Consumers are ready to experiment – be careful not to lose them to the competition

% tried new brand since lockdown began in March



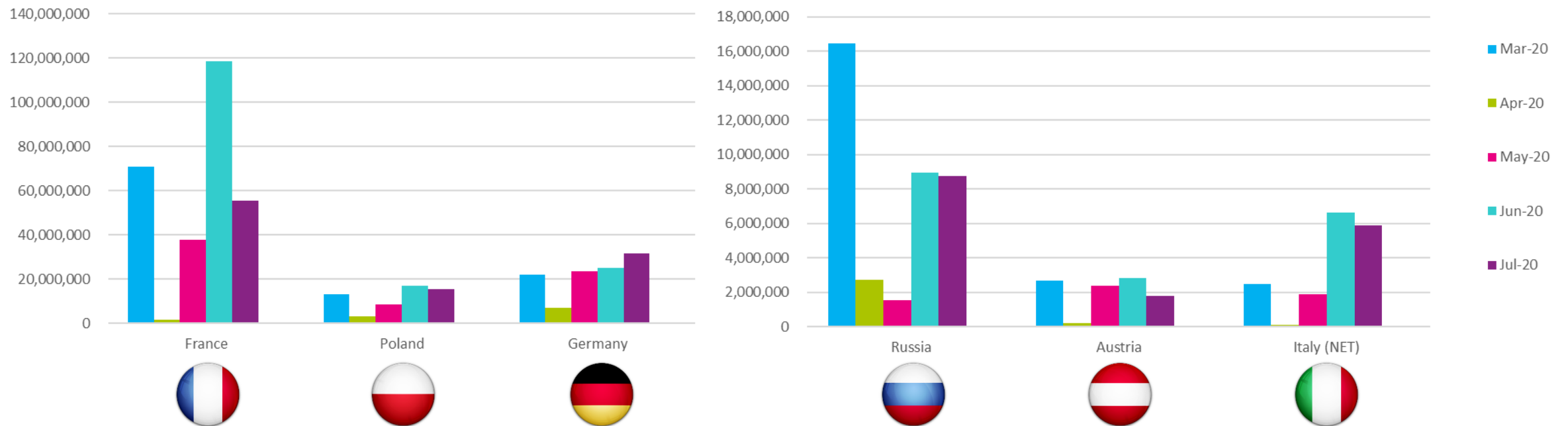
Signs of recovery for most markets

Gross **radio adspend** (EUR)
March to July 2020



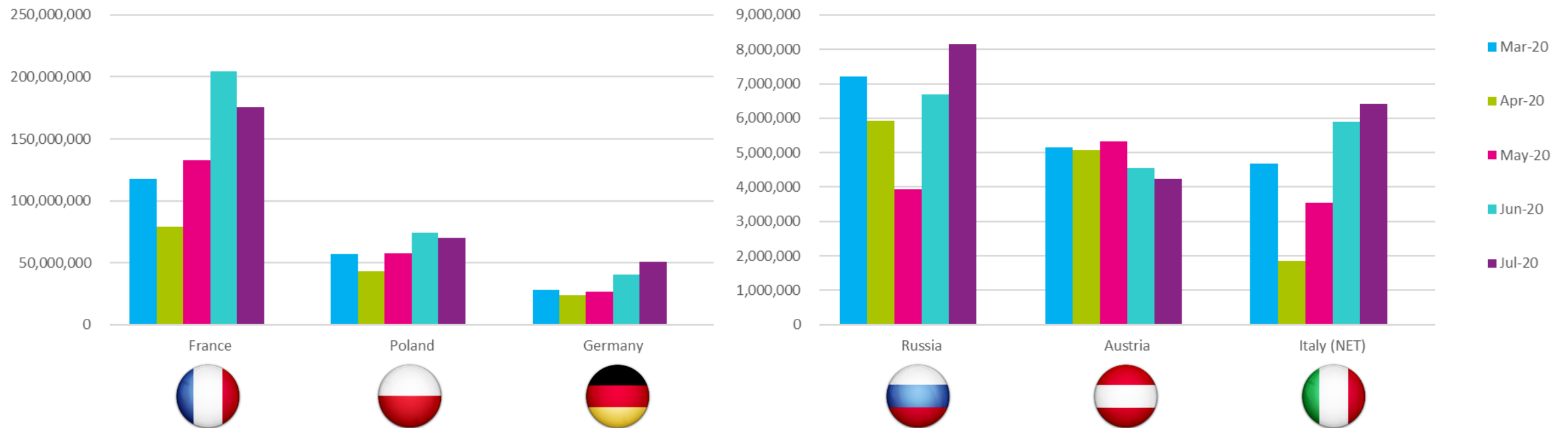
Sectors that dropped in the Spring are coming back

Gross radio adspend (EUR) – **AUTOMOTIVE** sector
March to July 2020



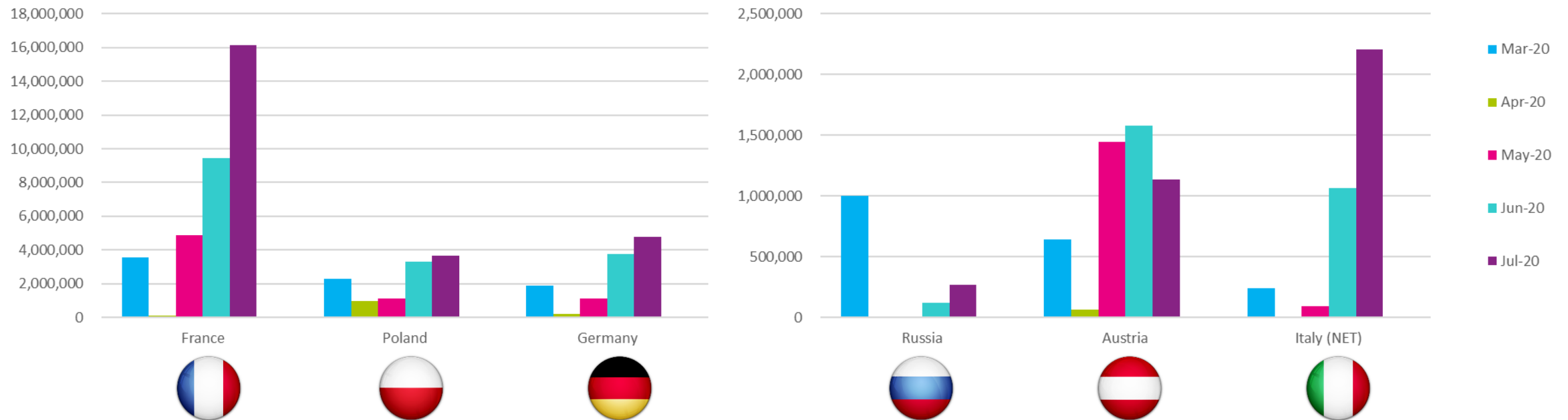
Sectors that dropped in the Spring are coming back

Gross radio adspend (EUR) – **RETAIL** sector
March to July 2020



Sectors that dropped in the Spring are coming back

Gross radio adspend (EUR) – **TRAVEL/TOURISM** sector
March to July 2020



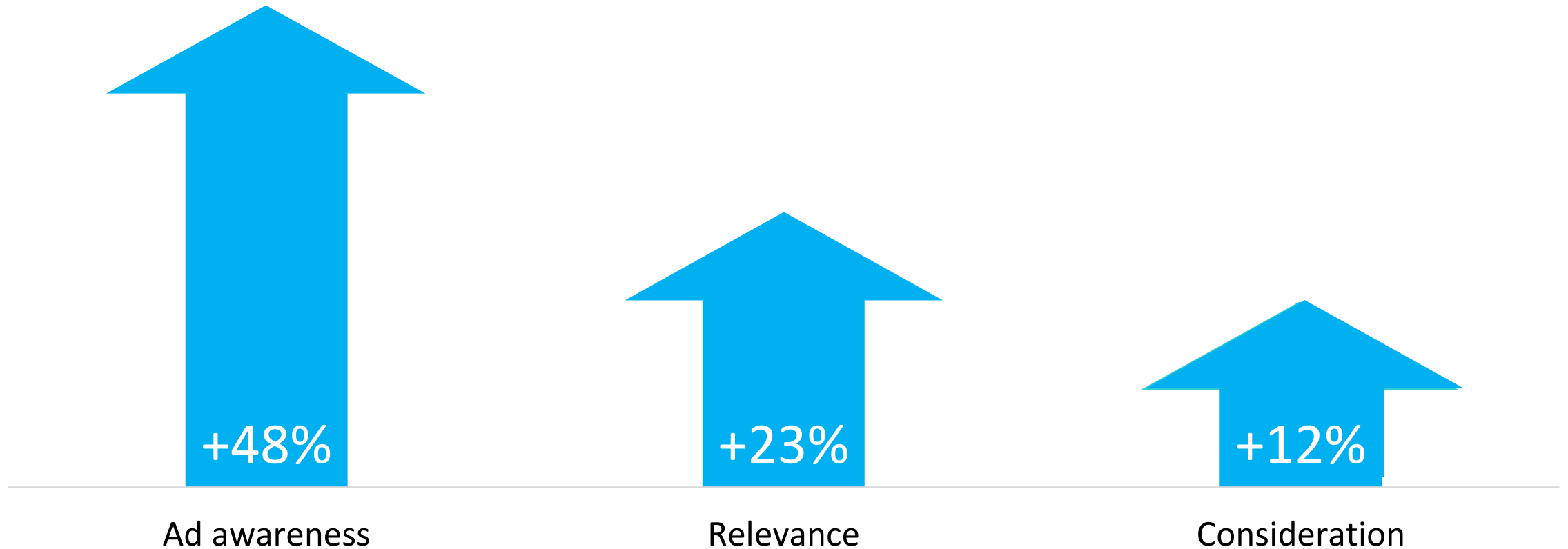


Need to **cut costs** and **drive sales**? Choose **RADIO!**

- ✓ Radio's reach and TSL are as strong as ever
- ✓ Radio is the most cost-effective mass medium for brand building and call-to-action campaigns
- ✓ Radio drives traffic to the web

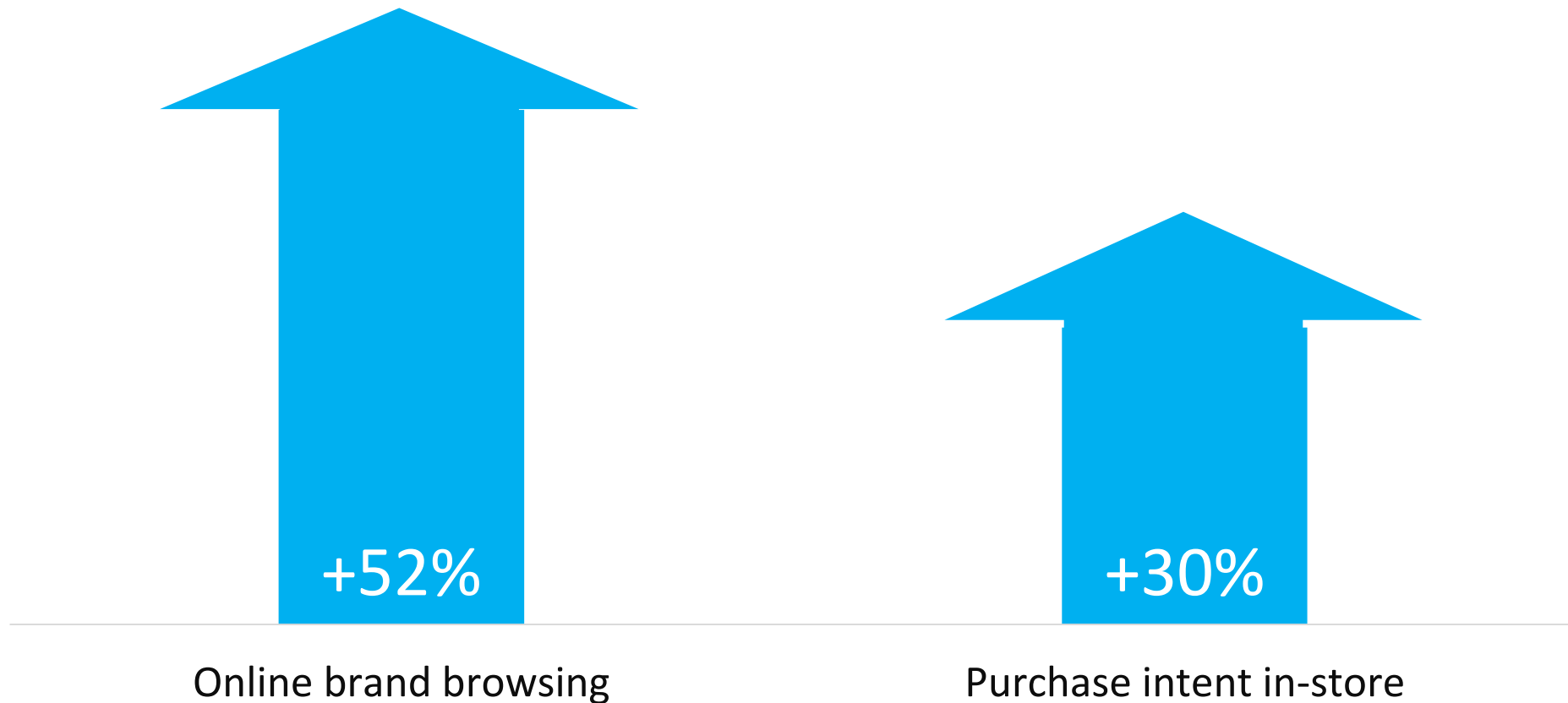
Radio boosts campaign cut-through...

Uplift effect of including radio in the media mix for advertisers



Radio can help advertisers respond to changes in shopping behaviour

% uplift effect of radio advertising



Brands that tried **Radio** during lockdown got great results



200%

YoY SALES INCREASE

For an outdoor brand trying
radio for the 1st time



+191%

Online Traffic

For a camper van promotion



+11%

Brand Awareness



+12%

Purchase Intent

For motor oil brand adding radio to
their online & TV campaign



In Summary

- ✓ The rules of recession have not changed, brands that keep advertising benefit on the short term and grow on the long term
- ✓ Radio is a cost-effective medium that allows you to drive sales and increase SOV



In Summary

- ✓ Consumers and adspend are bouncing back – maintain SOV to prevent them switching to the competition
- ✓ Adding radio to media mix boosts overall campaign cut-through and drives on-line and in store shopping behavior





THANK YOU!

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Further reading

“Advertising in Recession – Long, Short or Dark?”

Field P, LinkedIn April 2020, <https://business.linkedin.com/marketing-solutions/blog/linkedin-news/2020/advertising-in-recession-long-short-or-dark>

“Advertising in a Downturn”

IPA 2008, <https://ipa.co.uk/knowledge/publications-reports/advertising-in-a-downturn/>

“What Coronavirus Could Mean for the Global Economy”

Carlsson-Szlezak P, Reeves M, & Swartz P, HBR March 03 2020

“A Critical Review and Synthesis of Research on Advertising in a Recession”

Tellis G & Tellis K, JoAR April 2009

“Advertising through a recession”

Campbell M & Polman C, Ebiquity April 2020

“The best marketers will be upping, not cutting, their budgets”

Ritson M, Marketing Week 6th April 2020

“COVID-19: A right-brain reset for advertisers”

Wood O, System1, <https://system1group.com/blog/covid-19-advertisers>

“Roaring Out of Recession”

Ranjay Gulati , Nitin Nohria and Franz Wohlgezogen, HBR March 2010

What Should Ads Look Like in the Time of Recession?

Orlando Wood, System1

<https://business.linkedin.com/marketing-solutions/blog/content-marketing-thought-leaders/2020/what-should-ads-look-like-in-the-time-of-recession->