

# KANTAR

# THE not SUMMIT 2020

## Maintaining balance in a time of adversity

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# Marketing works in many ways

Some are more complex than others

## Short term “performance”

Consumer searches



Search ad



Click



Purchase

**Fast**  
**Simple**  
**Easy to measure**

## Long term “brand building”

Consumer views TV spot



?



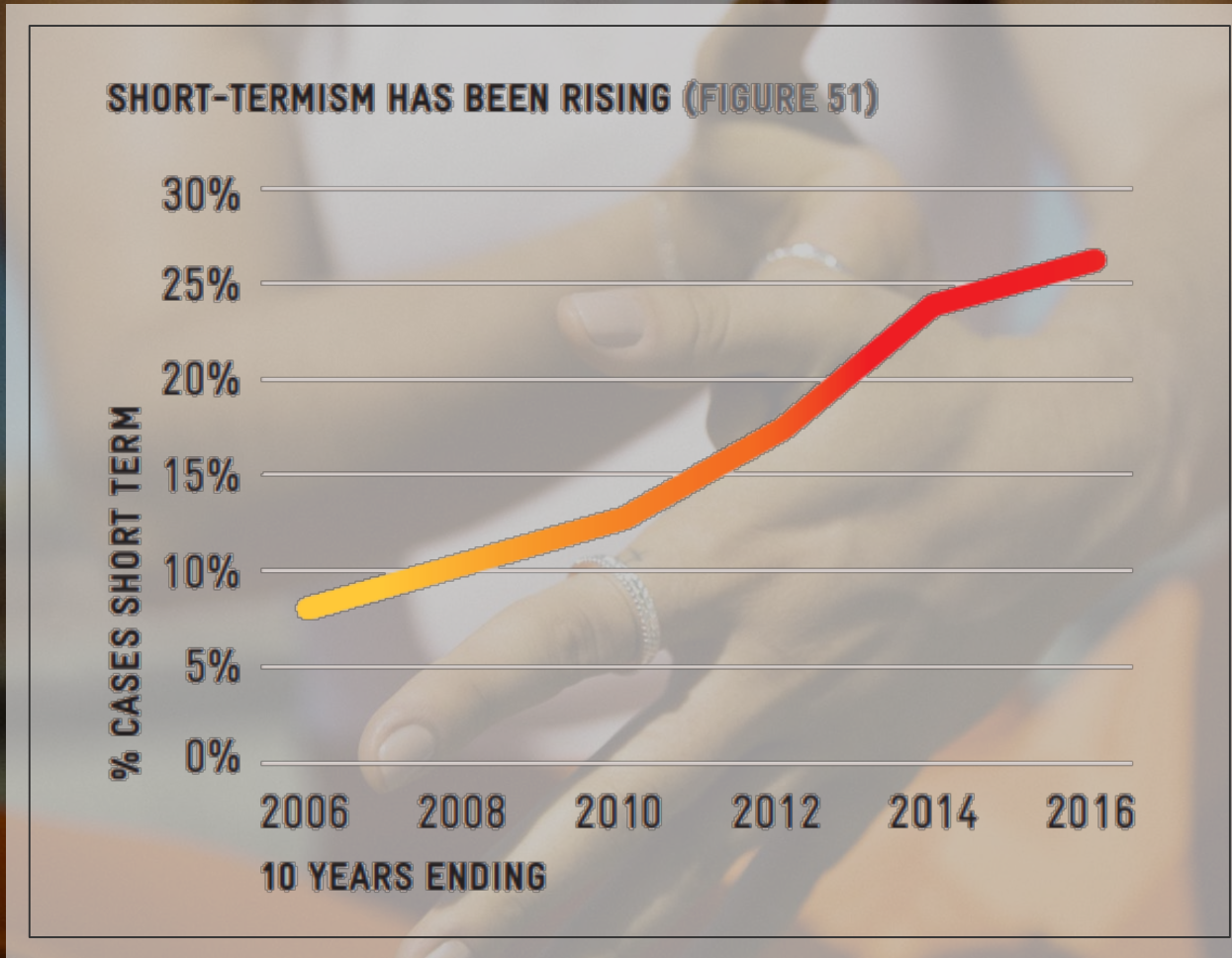
Purchase

**Slow**  
**Complex**  
**Hard to measure**



# Short term marketing is on the rise

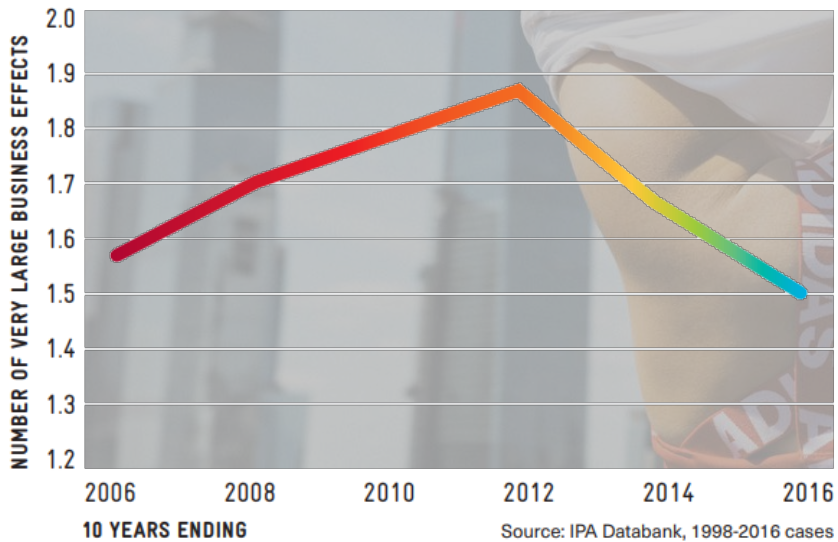
Simple, measurable return that manifests quickly



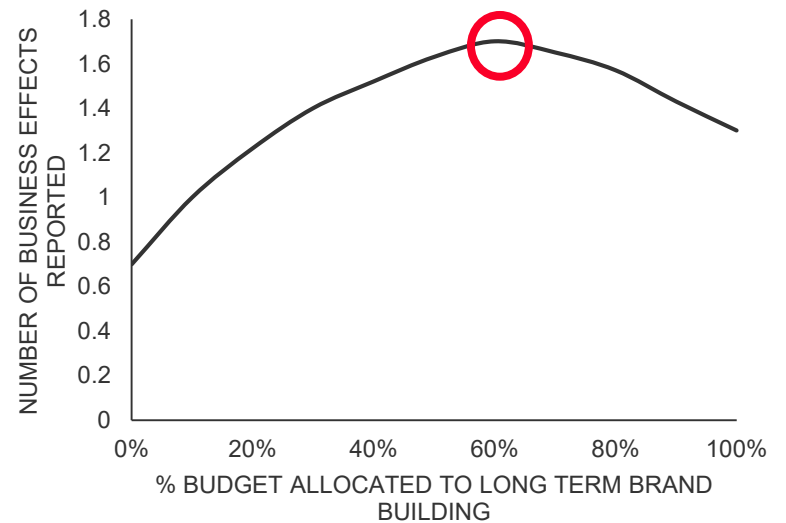
# Short termism is harming overall effectiveness

Balance is crucial

CAMPAIGN EFFECTIVENESS HAS FALLEN (FIGURE 47)



BALANCE BETWEEN LONG AND SHORT YIELDS BEST BUSINESS EFFECT





**Investment**



vs



**Cost Centre**





# Four things a CFO will ask before investing

1. Estimated return
2. How this return will be measured
3. Any risks associated
4. Time period of that return





# If marketing is an investment, then short termism is more understandable

Investment criteria	Short term “performance”		Long term “brand building”	
1. Estimated return	Clear dollar value	✓	Unclear, often cannibalized	✗
2. How this return will be measured	Click based attribution: clear and simple	✓	Econometrics: complex and difficult	✗
3. Risks associated	Few: closer to an exact science	✓	Lots: unpredictable given complexity	✗
4. Time period of that return	Short, sometimes almost immediate	✓	Lengthy: 6 months +	✗

A close-up portrait of a man with short, dark hair, wearing a black Adidas face mask. The mask has the Adidas logo and the word 'adidas' printed on it. The background is a plain, light gray color.

**COVID-19 is accelerating this imbalance**

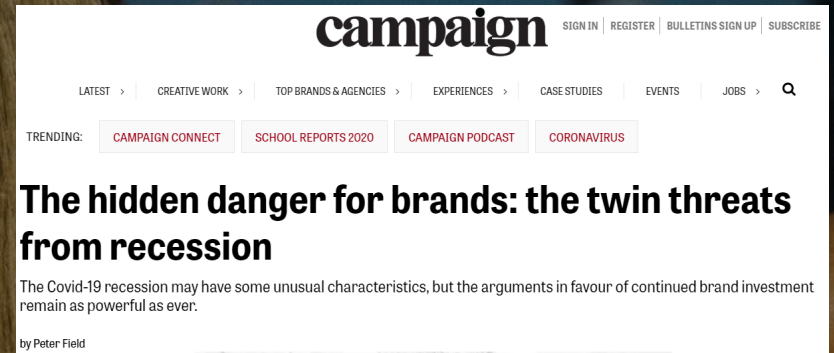


# A lot of industry commentary has encouraged brand investment

“Although it’s wise to contain costs, failing to support brands or examine core customers’ changing needs can jeopardize performance over the long term.

Companies that put customer needs under the microscope, take a scalpel rather than a cleaver to the marketing budget, and nimbly adjust strategies, tactics, and product offerings in response to shifting demand are more likely than others to flourish both during and after a recession.”

How to Market in a Downturn,  
Quelch & Jocz, Harvard Business Review



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## The hidden danger for brands: the twin threats from recession

The Covid-19 recession may have some unusual characteristics, but the arguments in favour of continued brand investment remain as powerful as ever.

by Peter Field



Subscriber Exclusive 

## The best marketers will be upping, not cutting, their budgets

*It may seem like a paradox, but recessionary periods actually provide fertile grounds for marketers to grow their brand’s market share if they’re prepared to think long-term.*

By  **Mark Ritson** | 6 Apr 2020

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# Easier said than done

Many advertisers are cash strapped and need income now

Investment criteria	Short term “performance”		Long term “brand building”	
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# Who loses out if short termism continues?



1. Advertisers



2. Media owners with inventory more suited to brand building



3. Ultimately the whole industry, as brands become weaker, performance media stops performing and marketing spend falls



# Measurement is paramount for balance

Incentives and education play a role too

Investment criteria	Issue for long term brand building	Solution	
1. Estimated return	Unclear, often cannibalized	Standardised measurement and testing	Marketing education
2. How this return will be measured	Econometrics – complex, lengthy and difficult		
3. Risks associated	Lots – unpredictable given complexity		
4. Time period of that return	Lengthy – 6 months +		



# This starts with the advertiser

But it is a responsibility for the whole industry

## Measurement and testing

### Advertisers

Invest in and help iterate solutions. Be open to changing investment strategy

### Agencies

Move clients towards measurement of real business metrics, don't rely on vanity kpis

### Media owners

Standardise and align on common measurement and data framework

## Incentives and remuneration

### Advertisers

Long term incentive schemes for employees, agencies and partners

### Agencies

Be open to sharing outcome based risks with your clients

### Media owners

Build long term partnerships with advertisers, don't just cash in the quick win

## Marketing education

### Advertisers

Educate wider organization, particularly financial controllers

### Agencies & media owners

Push back on advertisers chasing the short term – help to educate marketers on how marketing works

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## Thank you

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