INSTITUTE OF
COMMUNICATION
AGENCIES

Effectiveness
through crisis:
Learning from COVID

effie AWARDS
CANADA

think ^tv

Before we start.....

- All data is sourced from the ICA effectiveness database.

- All campaigns ran during the 2020 recession.

- Effects are ranked on a scale of 1 (no effect) to 6 (very large effect).

- Share of voice (SOV) is a competitive metric that measures brand advertising intensity.

    - It is the brand's share of total category media spend

Common marketing reactions to recession

- Cut spend

- Go short

- Tactical COVID messaging

NEW

Winners in recession are in the minority

In a 2010 Harvard Business Review study of three recessions.....

20%

of firms had regained pre-recession growth rates for sales and
profits 3 years after the recession had ended.

Analysis covered 4,700 public firms over 3 recession periods (1980-82, 1991, 2000-2002.)
Source: "Roaring Out of Recession", Harvard Business Review, March 2010 issue.

Post recession winners are those who master the balance between cutting costs to survive today and investing their capital in the right areas to grow tomorrow.

Implications for marketing communications:

- Keep investing in consumer-facing media

    - At a minimum, maintain share of voice

- Retain the balance of investment between brand building and sales activation

    - Sales activation to convert current "in market" demand

    - Brand building to take full advantage of the future economic recovery
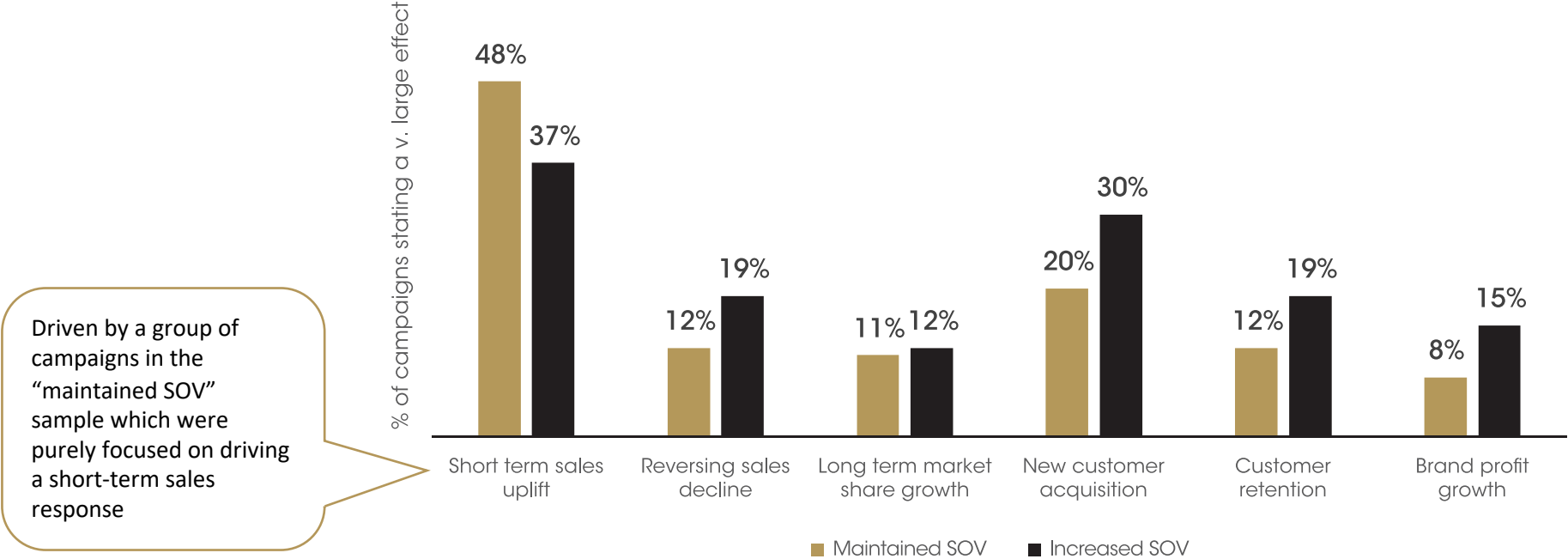
23% of campaigns which had an increase in SOV were funded with a lower budget

Media budget change	SOV	
	Increased	Maintained
Increased	32%	5%
Remained same	45%	65%
Decreased	23%	30%
Total	**100%**	**100%**

Source: ICA effectiveness database, 2021

Increased SOV played a stronger defensive role in the recession, in addition to being more effective in driving customer acquisition and profit growth

Effects of SOV changes on key business metrics during the 2020 recession

Driven by a group of campaigns in the "maintained SOV" sample which were purely focused on driving a short-term sales response

% of campaigns stating a v. large effect

	Short term sales uplift	Reversing sales decline	Long term market share growth	New customer acquisition	Customer retention	Brand profit growth
Maintained SOV	48%	12%	11%	20%	12%	8%
Increased SOV	37%	19%	12%	30%	19%	15%

■ Maintained SOV ■ Increased SOV

Source: ICA effectiveness database, 2021

Retaining a more balanced approach between brand and activation was a more effective strategy regardless of budget size

Media investment	Avg no. of v. large business effects	% of media investment allocated to generating a short term/immediate response
Up to $1M	Zero	83%
	1+	69%
More than $1M	Zero	70%
	1+	61%

Source: ICA effectiveness database, 2021

Strategic choices matter

Continuation: these campaigns are either a continuation of the existing brand platform/assets or retained their previous balance of long and short investment.

- These campaigns were primarily focused in the Food, Beverage, Retail and Financial Services sectors.

Short term sales response or Tactical COVID: these campaigns were focused on either driving short term sales revenue or tactical COVID messaging.

- Short-term revenue focused campaigns were primarily focused on the Retail and Food sectors,

- Usage of tactical COVID campaigns was widespread across sectors.

Continuation campaigns outperformed short term/tactical COVID campaigns on virtually every business metric

Campaign effects on business metrics during 2020 recession

% of campaigns stating a v. large effect

	Short term sales uplift	Reversing sales decline	Long term market share growth	New customer acquisition	Customer retention	Brand profit growth
Short term/tactical COVID campaign	28%	11%	6%	17%	22%	6%
Continuation campaign	48%	19%	19%	29%	14%	14%

■ Short term/tactical COVID campaign   ■ Continuation campaign
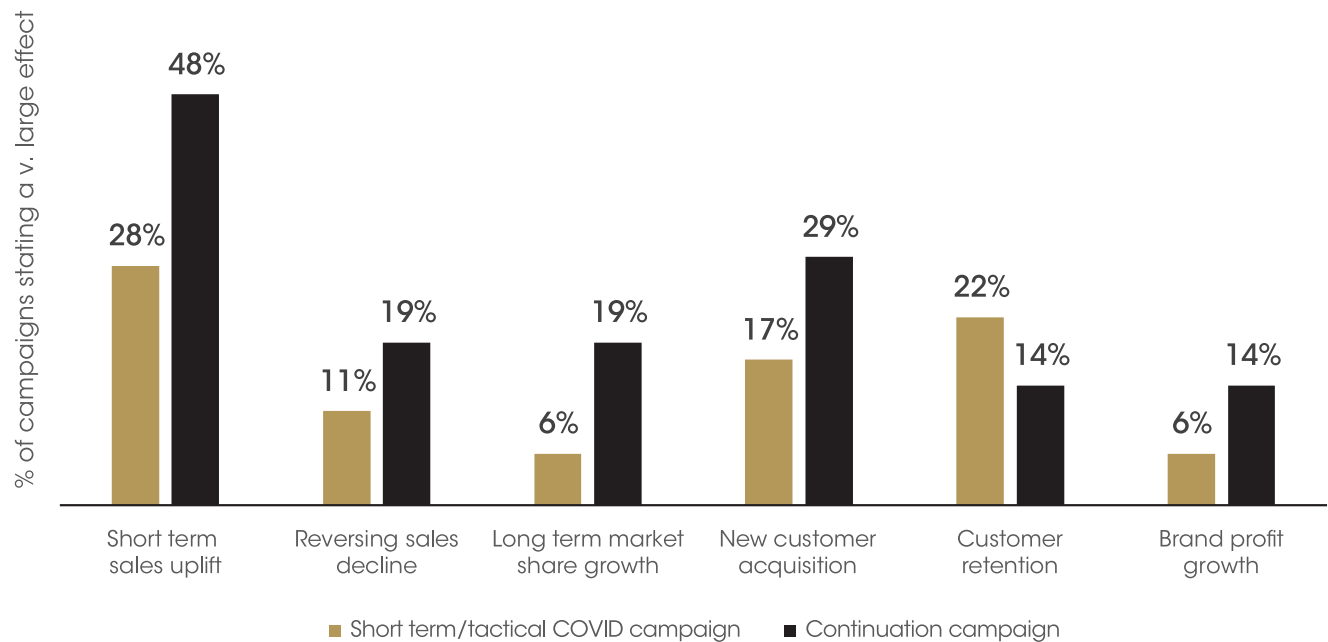
Source: ICA effectiveness database, 2021

Short term/tactical COVID campaigns were a less effective use of marketing investment

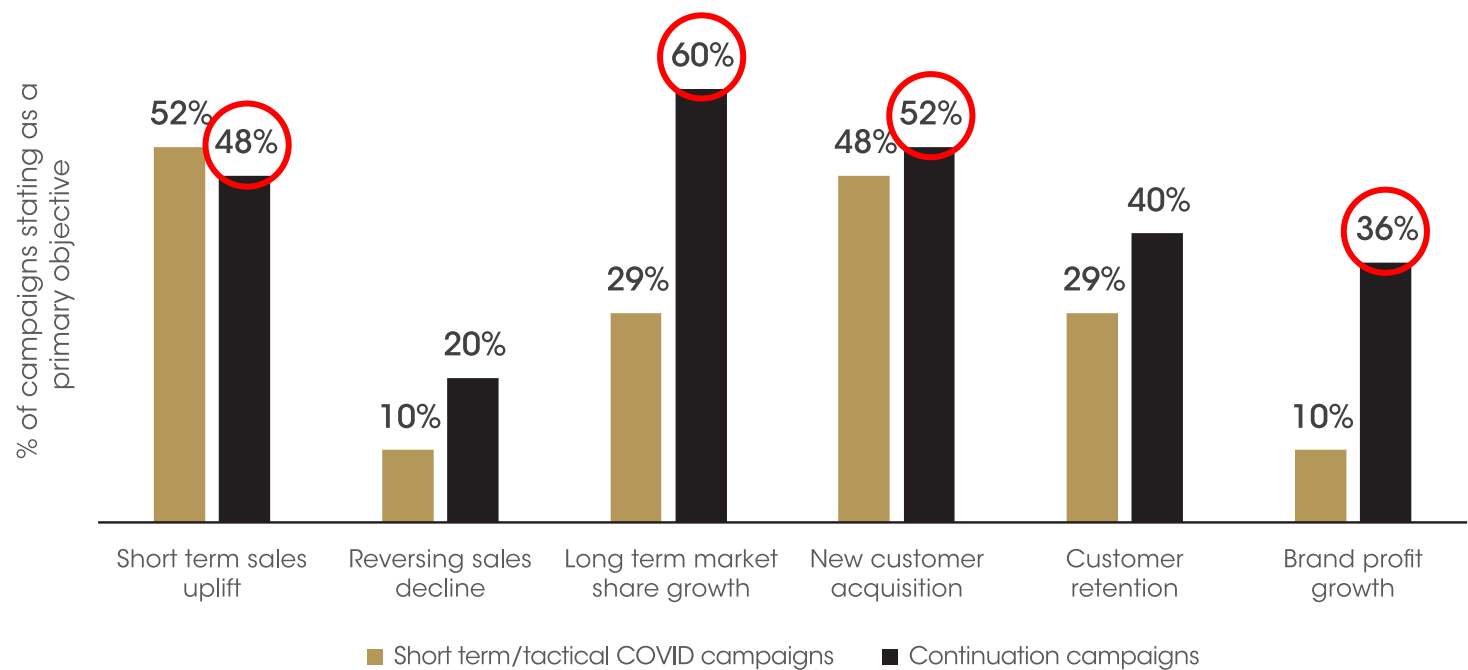**Average number of very large business effects**

	Continuation campaigns	Short term/tactical COVID campaigns
Increased SOV	1.6	1.1
Maintained SOV	1.3	0.7

Short term/tactical COVID campaigns supported by increased SOV were less effective than continuation campaigns which maintained SOV

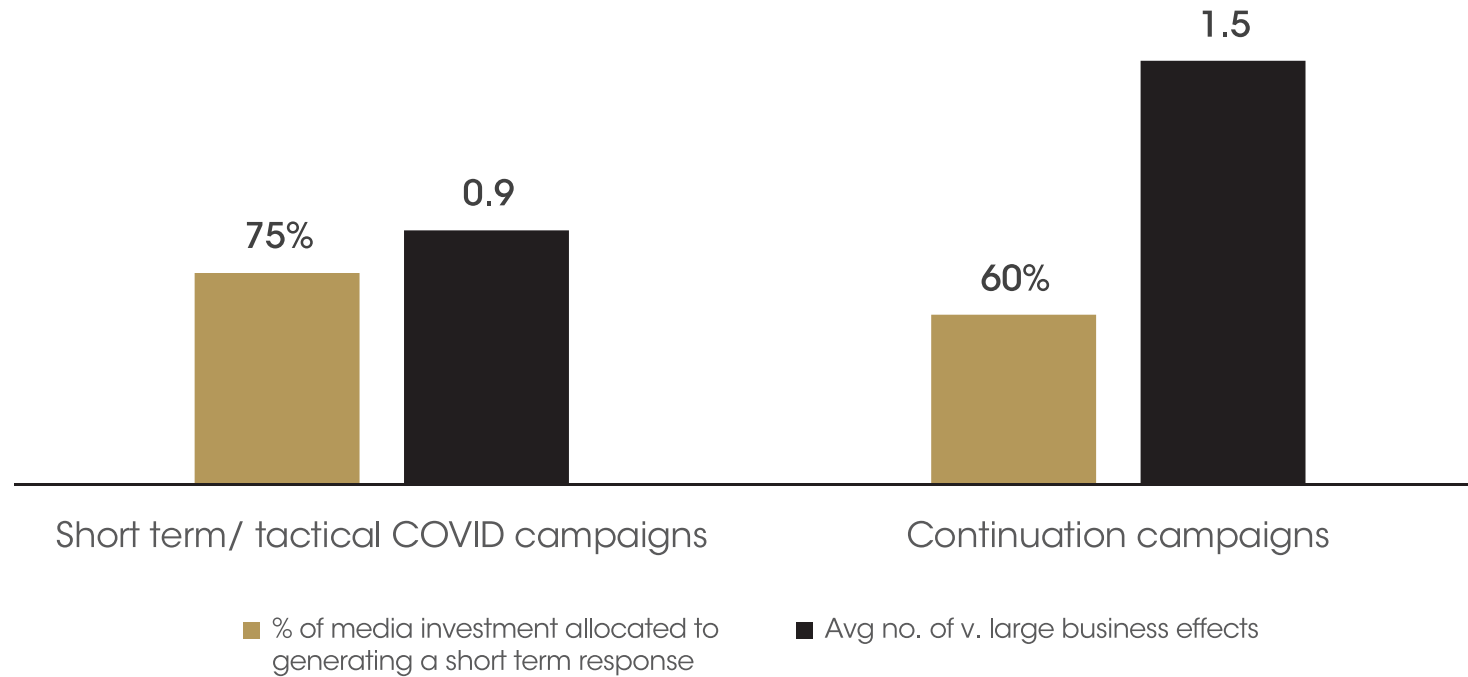Source: ICA effectiveness database, 2021

Continuation campaigns were balanced across short- and long-term objectives

Campaign objectives during 2020 recession by campaign type

% of campaigns stating as a primary objective

| Short term sales uplift | Reversing sales decline | Long term market share growth | New customer acquisition | Customer retention | Brand profit growth |

- Short term/tactical COVID campaigns
- Continuation campaigns

Source: ICA effectiveness database, 2021

Continuation campaigns had a better balance between long & short investment, delivering a higher overall level of effectiveness

Short term/ tactical COVID campaigns: 75%, 0.9
Continuation campaigns: 60%, 1.5

■ % of media investment allocated to generating a short term response   ■ Avg no. of v. large business effects

Learning from COVID…

- COVID **has** accelerated some behavior changes and the digital transformation of businesses.

- COVID **has not** changed the fundamental principles of marketing effectiveness.

It is (still) more effective to:

- Continue to build on the foundations that have already been laid.

- Balance campaign objectives and marketing investment across **both** the short and long term.

    - Convert current demand **and** create future demand.

Thank you