

ECI Media Management's

Top 10

Insights for

Marketing During Economic Volatility

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Since the start of the pandemic, marketers have been forced to confront one obstacle after the other – obstacles with no playbook or plan to provide direction. The first half of 2022 has been no different. The convergence of high inflation, increased cost of living, supply chain issues, the war in Ukraine, semiconductor shortages and the ongoing presence of Covid-19 are impacting consumers and businesses across the world. Consumers are tightening their belts, which means that brands are creating and implementing recession strategies. Many will be wondering if restructuring, including budget costs, is the only option.

While media coverage of the global economic situation seems unrelentingly negative, there are some positive indicators, if you look for them. The US economy, for example, has regained all jobs lost during the pandemic, less than three years after the pandemic was declared. Increased oil production is driving down fuel prices, the travel and tech industries are seeing a sharp rise in demand, and events such as the FIFA World Cup and the U.S. midterm elections will impact on the broader economy.

A well-respected CEO for one of the largest tech companies once said, 'You cut costs in good times to prepare for the bad, you invest in growth in bad times preparing for the good. It's counter-intuitive. That's how winners differentiate.' So what can marketers do to optimize media budgets, achieve the highest media value and maximize ROI in this volatile economic climate? Our experts and analysts share their insights and takeaways on marketing in uncertain times.

1. Continue to invest in marketing

Why it's important: As an American statesman once said, 'The man who stops advertising to save money is like a man who stops the clock to save time' - and that still holds true today. Previous recessions have shown that advertisers that maintain spend throughout a downturn recover more rapidly when the market rebounds, while those that go dark take much longer – around five years – to recover, and will lose market share. The key is to maintain a balance between short-term, cost-effective activities and long-term brand equity strategies across all paid and owned media channels for sustainable growth.

Consumers will undoubtedly rethink their day-to-day spending, but it won't come to a stop – even on luxuries. Evolve your messaging, positioning and price points, whilst continuing to invest in marketing: this will give your consumers reasons to stay loyal to and buy from your brand.

2. Acquire extra share of voice

The impact: With many advertisers scaling back their activity, ad spend will certainly slip over the coming months. When market demand is slowed, media owners will be motivated to offer improved pricing and added value in the form of packages – especially major media companies with their diverse content portfolios. That makes now an opportune time for bold marketers to increase share of voice and improve cost efficiency metrics; cost efficiencies will improve and benefits will be felt well into 2023. Negotiating for flexibility will be crucial.

Focus on platforms that have robust first-party data that allows for precision targeting, reducing inefficiencies and delivering higher attribution and conversions.

Ask your agency to assess the new ad-supported streaming services coming from major players such as Netflix (early November), Disney+ (December), and HBO Max (launched in June 2021). The latter's content library will expand exponentially when integration with Discovery+ is completed in the summer of 2023.

A clear strategy and bold yet disciplined decisions will give you first-mover advantage, paving the way for longer-term success.

3. Adapt creative messaging to the times

Be mindful: As mentioned above, consumer behaviors are evolving and shifting. During the downturn, they will be laser-focused on discounts and value, so effective marketers will adapt their messaging accordingly.

Serve your ads dynamically using responsible data targeting, and focus on platforms that allow behavioral and contextual targeting at scale, real-time optimization and operational flexibility. Automation and data are leverage points for personalized messaging across various touchpoints in the sales funnel.

4. U.S. advertisers, prepare for the November midterm elections

Get ready: The U.S. midterm election cycle is in full swing and the stakes are higher than ever. Election Day is November 8th. Current estimates are projecting \$9.7 billion will be spent on political ads. Between the election and Christmas season, competition for premium and non-premium inventory for all media channels will be more challenging during this very short window.

Be prepared to pay for higher rates and CPMs and plan accordingly. Challenge your agency and media partners to work harder for your business. This is their time to shine and demonstrate their planning and negotiation capabilities.

5. Be media agnostic

What to watch: With consumers reducing their spend on social activities, they're more likely to consume more content at home – and that makes TV and CTV effective channels for investment. Although higher viewership would normally mean higher prices, this increase will be kept in check by additional inventory from new ad-supported offerings from premium streamers such as Netflix and Disney+. These platforms will also allow access to audience data that weren't available before.

Objectively compare with all applicable media owners, and then assess and examine what they are offering. Don't just go with the best deal or media rates, but with the best-projected ROI performance. Focus on operational flexibility whilst maintaining neutrality and objectivity.

6. Allocate budgets for testing and learning

An opportunity: Test new channels, especially from emerging players, as well as new approaches. CTV platforms in particular are expanding and evolving right now, and will be looking to attract long-term advertisers with attractive deals. Set low bases that will follow market increases – the resulting efficiencies and strategies will pay off in the long run for year-on-year advertisers.

7. Minimize waste

Why it matters: Clearly, when times are tight and everyone is looking for cost efficiencies, it makes sense to ensure that as little spend as possible is lost to excessive frequency or uninterested audiences, for example. Minimizing waste is always a major factor in maximizing ROI – but during tough times it's even more crucial to concentrate your effort and budget into channels that give you the best return on your investment.

Identifying channels that allow for precision targeting and high measurability will help you to maintain efficiency. Examine your data and carefully allocate investment where waste can be kept to a minimum.

8. Continue to invest in quantitative and qualitative research

Zoom in: When you're driving in an uncertain, rapidly changing landscape, you need to look at the map even more closely than normal. Likewise, keeping a close eye on quantitative and qualitative research data will help keep your marketing on track in a volatile economy.

Increase how frequently you look at your data and performance, and include long-term and short-term business, marketing and media KPIs.

9. Assess agency relationships

Go deeper: Another way to create value is to ensure your agency partner is working effectively on your behalf. They should be demonstrating that they value your business, recommending cost containment opportunities and investing your budget in meaningful ways. Ideally, they should have optimization programs and other ways to operate efficiently and should reinvest any financial benefits back into your media strategy.

Evaluate your agency contract terms and team structures to ensure that they are in line with changes in the marketplace and your evolving media strategy, and assess your compensation structure so that it aligns with your business metrics.

10. Get expert, impartial advice

The bottom line: Deciding on the right course of action during a downturn is an unenviable task. But one thing is clear: it has never been so important to ensure that your marketing spend is working as hard as possible to drive higher media value.

Partner with an impartial, independent marketing and media consultant who can forensically analyse your marketing activity and advise you based on their findings, their in-depth knowledge of the marketplace and their industry expertise, so that you can optimize your spend and prepare for a recession.

If you'd like to discuss how best to navigate the challenging times ahead whilst still driving higher media value for your brand, please contact us on valued@ecimm.com

About ECI Media Management

ECI Media Management: Higher Media Value

Technology is transforming the media landscape at an unprecedented pace. But in the right hands, change can be a force for good. ECI, the market's fastest growing global media management company, leverages these changes to help you drive **higher media value** from your advertising investment.

A modern, forensic approach

Ever since our formation we have championed a modern approach to media and financial auditing. As pioneers in the field of digital auditing, we include sophisticated analysis of programmatic activity in our audit model, and we pride ourselves on a forensic, fact-based approach which harnesses the power of our world-class talent and proprietary technology. Along with our innovative benchmarking capabilities, we are confident in our ability to empower our clients to drive **higher media value** and media-led impact on business performance.

Cutting-edge services

Capitalizing on today's dynamic, fast-paced media landscape to drive **higher media value** requires data-driven decision-making, global experience and a deep understanding of the latest technologies. At ECI we are proud to be able to offer these and so much more, including TV auditing, financial compliance auditing, pitch management, KPI setting and management and contract consultancy.

Global experience, local expertise

We are proud of our client portfolio, which contains some of the world's largest and leading advertisers. Our network of owned offices and leading affiliates supports them where they need us, across the Americas, Europe and Asia Pacific. We offer them high-level media intelligence and rigorous benchmarking and, ultimately, the insight, experience and savvy to ensure that their advertising investment and agency relationships drive **higher media value**.

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