



Planning in the Face of Economic Uncertainty

**Recession is looming
Brands are thinking about
cutting budgets.**



Questions Brands Are Trying to Answer



**“Should we cut budgets
across the board?”
(equally across activities)**



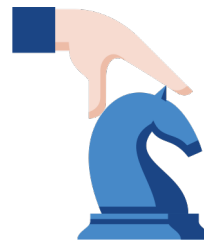
**“How much budget do I need to
offset the recession and still hit
my sales targets?”**



**“Which markets
should we cut
budget in?”**



**“What will happen next year if we hit a
recession and I keep my budget the
same, make a small cut, or make a large cut?”**

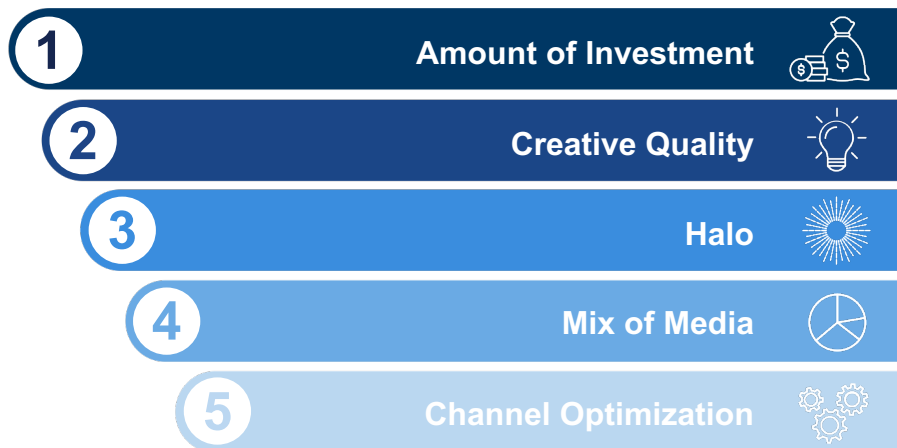


**“We’re facing heavy
competition; will we
lose share of voice?”**

Marketing is a Key Driver of Business Performance, and Amount of Investment is the #1 Driver of Success



Relative Importance for Business Impact



- ▶ Spend is the most important factor for impact.
- ▶ Creative is second only to investment levels.
- ▶ Halo also has a strong impact on performance.

Don't React, Adapt



Our ROI Genome
showed that brands
that increased media
investment during the
recession saw



Stronger ROI

60% of brands saw ROI improvements during the last recession – even the brands that increased marketing investment.



Business Growth

Brands who increased media investment realized a 17% growth in incremental sales.



Brand Building

Over half of brands that increased marketing investment saw ROI growth in back-to-back years.

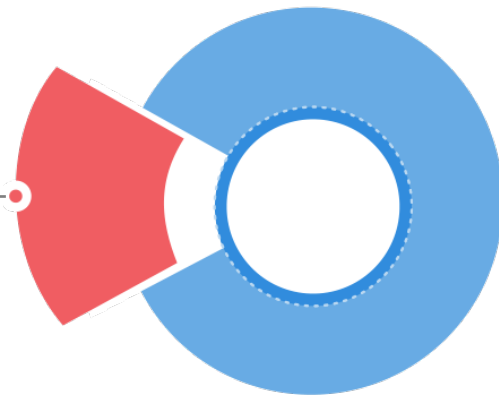
If competitors increase spend, you could lose 15% of your business



An average brand
could lose almost

15%

of its business



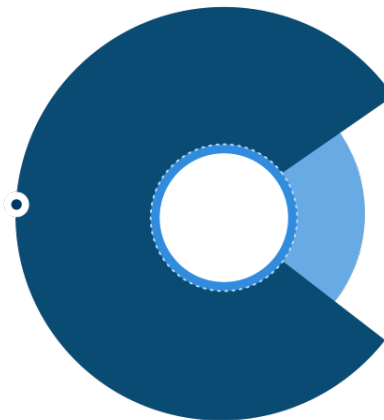
if a similar sized
competitor doubles its
marketing investments

Don't cut brand budgets, because it drives demand



**Brand messaging
outperforms
performance
messaging**

80%
**OF THE
TIME**



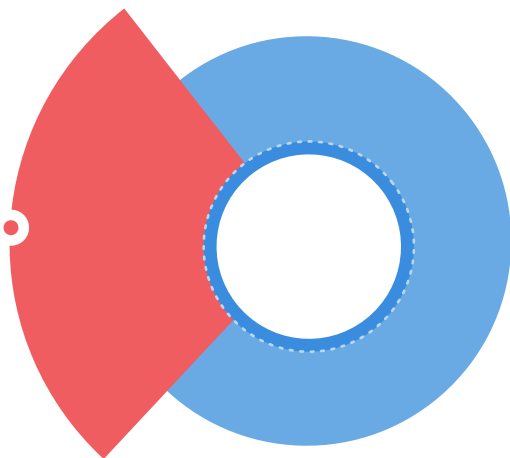
While we have often seen higher response from Equity/Megabrand messaging, results depend on a number of factors such as value and perceived value of the promo, the way brand vs. product are communicated, and how much branding comes through – Equity & Megabrand can come through in Product/Promo messaging.

Be wary of performance metrics such as Last click

Consider cascading & synergistic impacts e.g. search is influenced by other marketing



30% of Paid
Search Clicks are
due to other
marketing
activities



Drivers of Clicks %



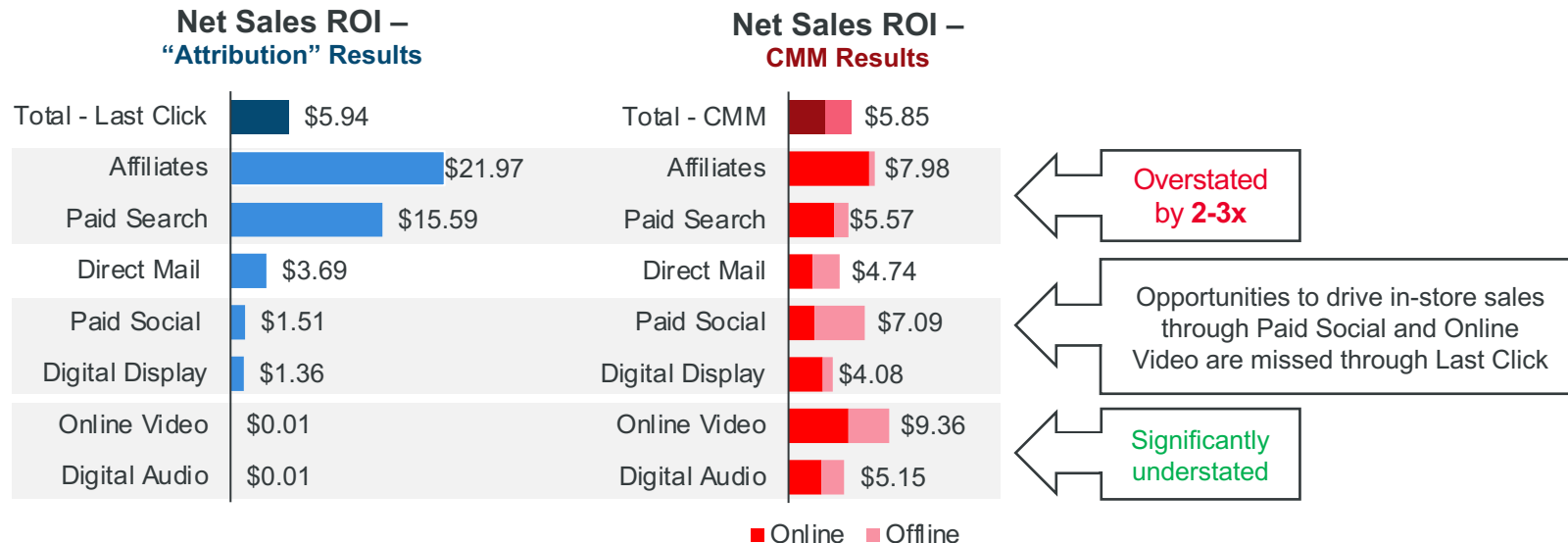
Source: Analytic Partners ROI Genome – Global Cross-Industry Sample



Case Study: Last Click and similar simplistic measurement can lead to misinformed decision making



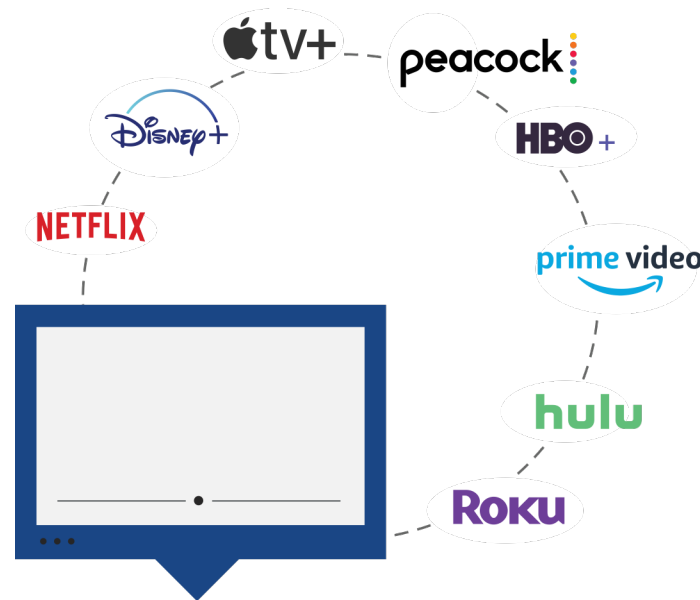
Client X: Omnichannel Apparel Retailer



Streaming Video / CTV has a stronger return on investment than other advertising spend



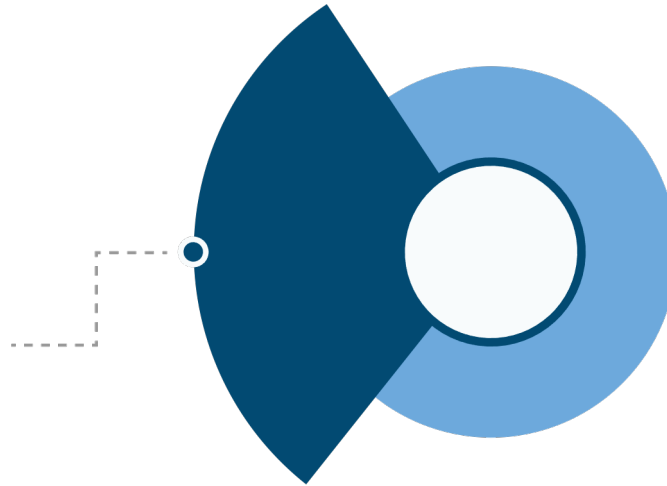
Spend on CTV has a
30% stronger ROI
than other advertising spend.



Streaming TV is underutilized & represents opportunity



CTV should be at least
10% of total ad spend
and could be as high as
30%



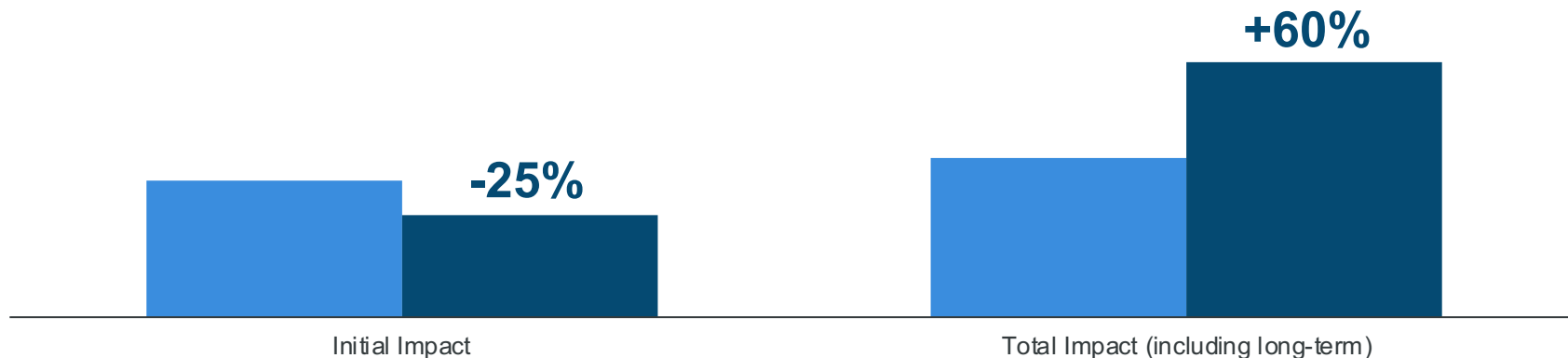
Overinvesting in Lower Funnel tactics limits growth in the longer-term



Marketing Strategy Efficiency and Business Impact

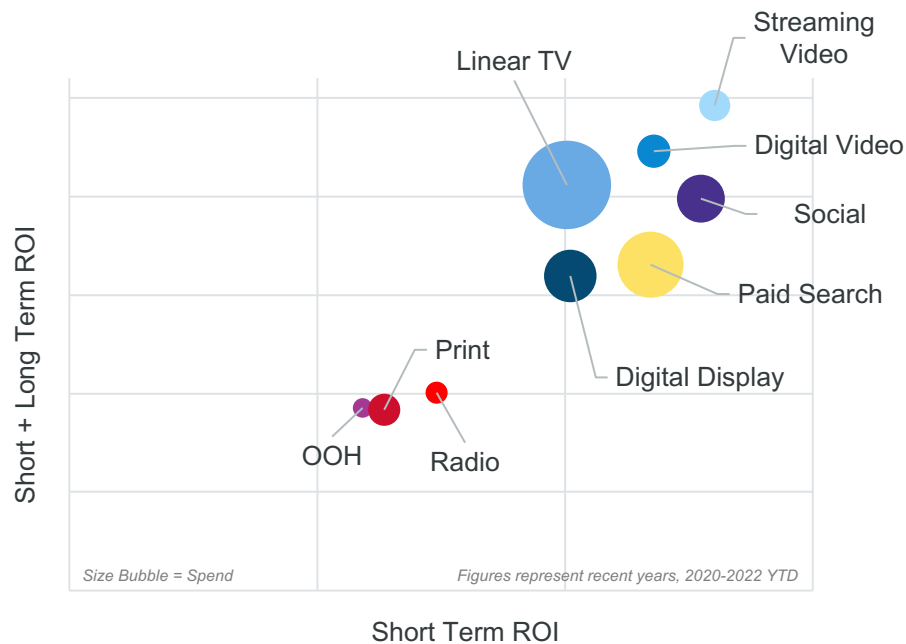
■ Lower Funnel Focus

■ Upper Funnel Focus



*Figures represent recent years, 2018-2022
Strategy = Channels, Approach & Messaging*

On average, Video performs better when considering longer-term impacts



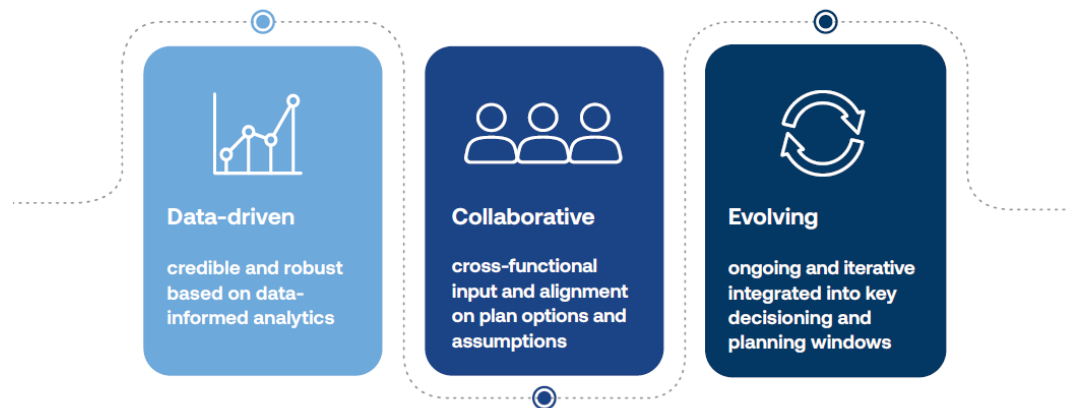
Inform decisions with transparency & tradeoffs

Scenario Planning Strategies



- ▶ Must include marketing & non-marketing
- ▶ Showcase impact of spending
 - incremental gains/losses
- ▶ Optimize for short & long-term
- ▶ War-game competitive actions
- ▶ Invest in brand
- ▶ Maximize halo
- ▶ Leverage channel synergies
- ▶ Plan, Monitor, & Adapt

Principles of Successful Scenario Planning



Brands that leverage analytic decisioning grow 5x more

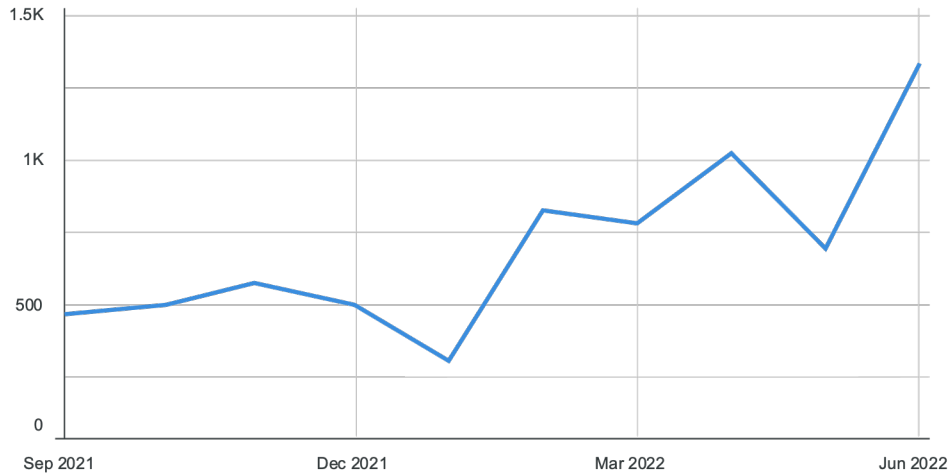


Scenario planning is up 2x this year

Analytic Partners | ROI Genome



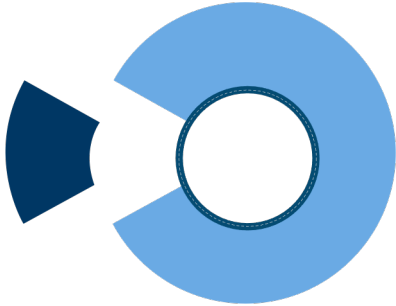
Scenarios Run in Analytic Partners GPS Enterprise



Brands that adopt measurement programs drive **5X the growth** versus those that don't

Case Study 1

Scenario planning helped restore budget



In June, C-level asked to cut 30% of the 2H 2022 budgets



Evaluated if they should cut budget equally across all activities



Budget was restored, convinced execs and finance to maintain budgets

Case Study 2

Simulated different environmental factors to forecast revenue for next 3 years



CFO looking to cut marketing budgets (10% and \$30MM)



Forecasted best, most likely, and worst-case scenarios on flat budget, small budget cut, and major budget cut



Decision in progress



Thank you

Analytic Partners is a proven global leader in measurement and optimization. Our adaptive solutions integrate proprietary technology powered by the latest data science delivered through our platform and high-touch consulting. We enable deeper business understanding to support better, faster decisions.

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