



adform

THE CMO FOR ALL SEASONS

PART 1:

Marketing Leadership During the Time of COVID-19



Adform is inherently a positive company. We are 18 years young and born of the idea that there is always a better way to do things. We have a vision that acts to empower our clients, that is about doing the right thing, and that is dedicated to moving our industry forward as a whole.

Although we are “ad tech”, we are very much a business built to solve marketing problems in service of the CMO and wider marketing function. We are a champion of marketing as a core business discipline and driver of profitable long and short-term growth. The management consultant and author, Peter Drucker, probably defined this best, saying:

“Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business” Peter Drucker, Peter Drucker on Marketing, 2006

In the following white paper series, we examine how CMOs can navigate the marketing landscape as it continues to evolve dynamically. We believe in empowering ‘CMOs for all seasons,’ leaders who are ready to adapt and thrive amidst uncertainty and change.

PART 1
Marketing Leadership During the Time of COVID-19

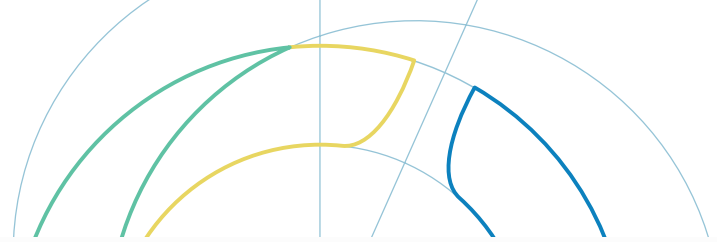
PART 2
The Evolving Role of the CMO – How Technology has Transformed Marketing

PART 3
Trust, Metrics, and Meaningful Measurement

PART 4
Enabling a Single Source of Truth – Connecting Data

PART 5
Technology is a People’s Business

PART 6
Keeping Sight of Creativity



Driving Growth Through the Coronavirus Crisis

If you are reading this, you may be familiar with Byron Sharp and his seminal work, “How Brands Grow.” Byron clarified years of misinformation and hyperbole about marketing, leaving the industry with no doubts as to what really worked as operating practice for brands. This work was based on validated research submissions that defined actual B2C marketing practice with real business outcomes, and has changed how marketers think about marketing.

It’s impossible to summarise the wealth of knowledge captured in “How Brands Grow,” but here are some of our favourite principles to share with any CMO or member of the marketing function:



Continuously reach all buyers of the category -
Both through communication and distribution – and avoid going silent.



Ensure the brand is easy to buy -
Communicate how the brand fits with users’ lives.



Get noticed -
Grab attention and focus on brand salience to prime the user’s mind.



Refresh and build memory structures -
Respect and reinforce the existing associations that make the brand easy to notice and easy to buy.



Create and use distinctive brand assets -
Use sensory cues to get noticed and stay top of mind.

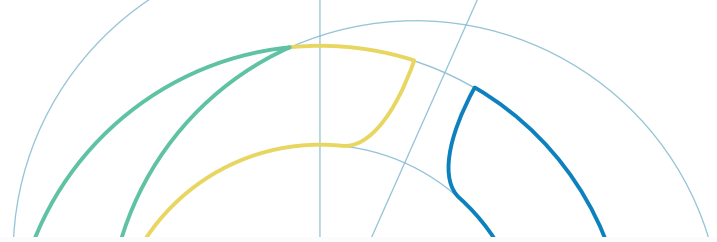


Be consistent -
Avoid unnecessary changes, whilst keeping the brand fresh and interesting.



Stay competitive -
Keep the brand easy to buy and avoid giving excuses not to buy.

So, if this is what good looks like – if this is what marketing practitioners should be aiming for – then what does this mean for how marketers should be responding to the rapidly evolving challenges that the COVID-19 virus presents us?



Change Is the Only Constant Right Now

In some ways, the pandemic has left marketers unable to predict audience and user behaviour. This results from the restrictions placed on their work and home life, on interacting with family and loved ones, and especially with a fear of the unknown.

However, a first report from Kantar’s COVID-19 Barometer - a survey of more than 25,000 people across 30 markets, undertaken in mid-March – offered some clear and fresh insights for marketers to consider:



Globally, **78%** of those surveyed expected companies to worry about their employees’ health, and to favour flexible working, followed by **62%** saying staff should be able to work flexibly.



Just **8%** of consumers expect brands to cut advertising, so there’s little risk of it being read as insensitive.



But of course, it’s not just what is said (in advertising or other marketing communications), but also how it is said too, with those surveyed suggesting that brands should focus on positive messaging. For example, about how the brand is helpful in the new everyday (**77%**), keeping them informed about the brand’s reaction to the new situation (**75%**), and offering a reassuring tone (**70%**).



Equally, a brand should know not what to do or say, with **75%** of respondents agreeing that a brand should not “exploit” the COVID-19 situation to promote the brand, and **40%** believing that brands should avoid humour.



Unsurprisingly, the same research showed how media consumption has shifted gears as more people stay home. Under “lockdown”, web browsing has grown **+70%**, linear TV viewing increased by **+63%**, and social media **+61%** - this all gives strong indicators of how to adapt.

So to answer our initial question – how do marketers react to these seismic societal, economic and political changes?

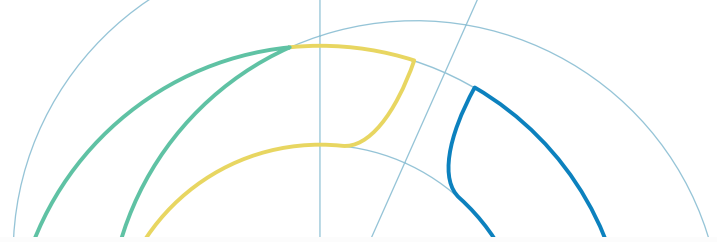
There Is No Easy Answer

Firstly, we wanted to acknowledge that many businesses face some difficult commercial decisions right now. Some of which are about preservation and survival, impacting the lives of their employees and families. Sometimes there is no easy or right choice to make. This is true for brands in hard-hit industry verticals like travel, entertainment and sports, as well as those with macro exposure. But what does this look like in reality? Spending through the Adform platform has already revealed how different verticals are reacting to the crisis, with travel spend down 82% between March and January. Arts and Entertainment, inclusive of movie theaters and various events has also seen a more than 40% drop. While other sectors such as Technology and Computing and Personal Finance are up 32% and 24% respectively. A recent survey conducted by Marketing Week / eConsultancy, indicated that most brands are delaying advertising spend, product launches, key hiring and even digital transformation investment – ironically though, at a time when those same brands need this investment most.

The inevitable temptation to cut budgets and investments like the ones illustrated is easy to understand. But equally, it is proven that those brands and businesses who maintain or increase their marketing efforts during times of crisis or economic downturn, will be stronger and more relevant into recovery. Conversely, those businesses that contract their marketing communication will find it harder to get back to their previous competitive position.

There's lots of examples to back this up, with Kantar finding that those brands that invested throughout the 2008 recession, recovered 9 x faster than those that did the opposite. Any CMO who has instigated a retraction in operations or marketing resources right now, must understand that their actions – although seemingly necessary in the short-term – will make it harder for the business to bounce back when more positive conditions prevail.

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Stay True to Your Principles

We believe that there's never been a better time to remember the basic principles of marketing outlined by Byron Sharp. As a foundation, these will remain assured and constant throughout these challenging operating conditions.

From a more operational perspective, we would advocate that brands also continue to develop their capabilities in harnessing the rich ingredients that make modern marketing so great and effective – technology and digital media remain essential enablers of these principles. This will present opportunities for test and learn approaches to the deployment and optimisation of media, data and content – something that can create exponential value to the marketing function now and in the future.

Of course, each brand and business operate within a unique set of market conditions, and so we have identified three points of interconnected guidance to help marketers navigate the many choices in front of them right now:

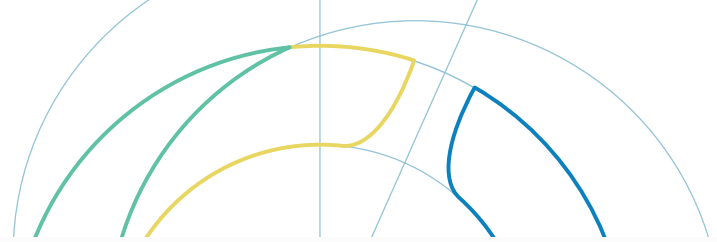


Listening and Learning Mindset

Audience and customer understanding are central to any marketing orientated business. It's how you will find the key insights, ideas, and permissions from the people that you are looking to address. This is critically relevant at a time where the impact of COVID-19 is having a significant – and still to be revealed – impact on the lives of individuals and families.

At a practical level, this can mean monitoring changes to customer values, as well as improving real-time listening to detect shifting customer sentiment. But this is also about attitude – being open and reactive to changing needs or motivations, which can be quite extreme at times of crisis, ranging from fear (of losing a home or job) through to a greater need for family and belonging.

Mattel has provided a great example, saying that they “recognise the unique challenges that parents and caregivers are facing right now, both working and playing from home,” and subsequently developed the Playroom a one-stop shop with activities, tips and content from Mattel brands such as Barbie, Fisher-Price and Thomas & Friends. Nike similarly listened and recognised early that it's audiences would want to maintain fitness at a time of lockdown, and has opened up premium programming on its Nike Training Club app free of charge.



Clear Bold Leadership

Being clear about what you stand for and delivering this through assertive action feels like a requirement right now. Embody and live your brand values and purpose, delivering this through a lens that inspires confidence and logic to the situation. The way that Marriott, Comcast, Levi's, Lush and Apple have chosen to speak with empathy and commitment to both customers and employees has been admirable, leaving no room for doubt on how they intend to operate in the market. Some of the best marketing right now is about simply showing your teams that you care and have their interests at heart, both now and over the longer-term.

Managing and addressing teams – whether this be furloughing or shifting roles and resources to reflect changes in demand and requirement – is critical for any marketing leader. Making a bold statement of leadership to the market is another expression of understanding and action at a time of uncertainty. Unilever have done this in two ways - pledging €100m in value of products such as soap, sanitizer, bleach and food for charities to benefit consumers and pledging €500m in cash-flow relief for suppliers and retail customers where early payment can help ease financial concerns “for our most vulnerable small and medium-sized suppliers.”

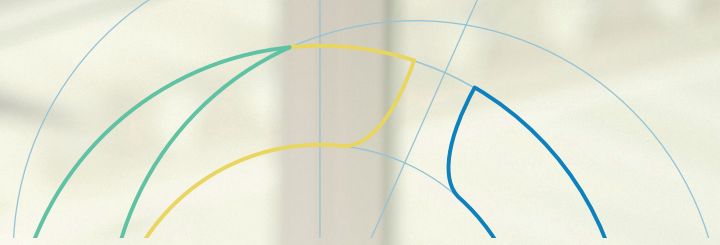


Long-term Thinking

According to Kantar, 7 in 10 families are expecting a fall in household income due to the Coronavirus. With this change in financial circumstance and mentality, it is very likely that considerations will move towards essential rather than discretionary purchases.

Specific industry variances aside, this is a period where brands should look to focus more resources on longer-term brand building activities – activities that critically deliver the right tone of voice, message and behaviour to reflect the sentiment of customers and audiences through these challenging times. Combining this marketing approach with an objective to maintain share-of-voice and share-of-market, can realise a longer-term improvement in profitability that will have outweighed any short-term savings delivered by a cost-cutting reaction.

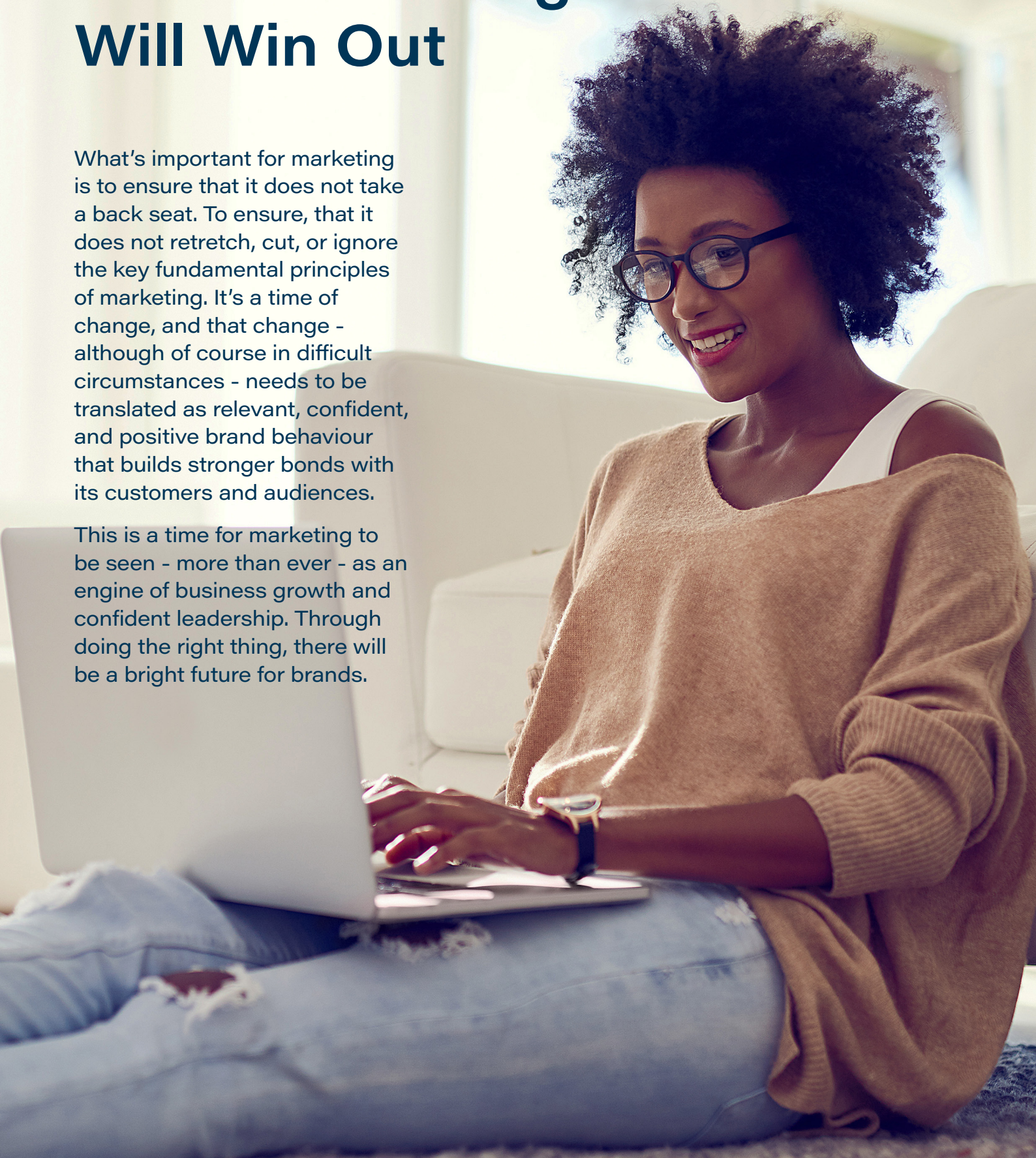
ABInBev, Brewdog and Heineken making hand sanitiser; Hugo Boss, Burberry, and LVMH making protective masks and clothing; Dyson, Mercedes and McLaren making ventilators and breathing aids. These are perhaps examples that are difficult to replicate for the majority of brands, but they do exemplify the acts and actions of brands that have understood how they can combine cause, commercial enterprise and charity to build long-term brand value.



Brave Marketing Will Win Out

What's important for marketing is to ensure that it does not take a back seat. To ensure, that it does not retrench, cut, or ignore the key fundamental principles of marketing. It's a time of change, and that change - although of course in difficult circumstances - needs to be translated as relevant, confident, and positive brand behaviour that builds stronger bonds with its customers and audiences.

This is a time for marketing to be seen - more than ever - as an engine of business growth and confident leadership. Through doing the right thing, there will be a bright future for brands.





With more than 18 years of expertise in digital advertising, Adform is the technology partner for strategically executing advertising campaigns across the world's leading digital media platforms. Powered by Odin, its premier AI for paid-media activation, Adform's media agnostic approach empowers the bidding and execution of digital campaigns across traditional and emergent channels including, online display, video, audio, connected TV and digital out of home. Through its Integrated Advertising Platform, Adform's advanced measurement, reporting and analytics tools help advertisers and agencies maximize the impact of their campaigns while leveraging exceptional activation, dynamic creative optimization, and cross-device capabilities. Headquartered in Copenhagen, Denmark, Adform has 26 offices with global market coverage.

Learn more at www.adform.com

