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# VERTICAL

MARKET INTELLIGENCE  
GROUP

## Not All Brands Shutting Down Advertising

AMZN, FB, GOOGL, PINS,  
SNAP, TWTR

Phil Leggiere  
(802) 258-0754

[phil@vertintel.com](mailto:phil@vertintel.com)

Michael Foster  
(347) 566-0936

[mike@vertintel.com](mailto:mike@vertintel.com)

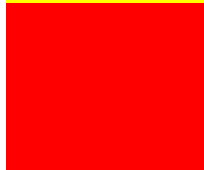
### BULLISH



AMZN, DIS  
GOOG, FB, TWTR, FOX, CBS  
ROKU



PINS, TWX, VIA,  
TTD



SNAP

CRTO

### BEARISH

**Though ad supported platforms across the board will see significant declines off normal levels in the next several months, that drop may be less steep than historical analogies with past recessions suggest.**

- While some high-profile brands are effectively shutting down media promotions, the lessons of 2008-2009 suggest brands' ROI, although suffering short-term will greatly improve their post-recession rebound, according to 4A's CEO if they remain engaged in ad platforms.

VMI attended an AdAge sponsored virtual chat event for ad agency managers and other industry participants on March 26, which featured a discussion with Ad Age Senior Editor Jeanine Poggi and Marla Kaplowitz, President and CEO of the 4A's, on how brands are attempting to adjust their advertising in the wake of COVID.

The main takeaway: unlike previous economic recessions' traditional tactic of radically pulling back ad budgets, moving to the sidelines and waiting for better times may not be viable for most brands. "This is not a time for brands to retreat," explained Kaplowitz. "The clear lesson of 2008- 2009 recession is that brands which stop connecting with their customers will find it much harder to come back once the recession ends."

That won't mean business as usual. Outlining the current thinking of 4A's brand members, Kaplowitz explained that most understood that many traditional modes of both direct response-focused ad campaigns and brand awareness building would be of little use, if not entirely counterproductive in the current environment.

Nonetheless, “Consumers want to hear from brands, there is a need out there,” Kaplowitz said, citing recent 4A’s research which found that only 15% consumers are not interested in hearing at all from brands in the current situation, with a great majority wanting to, especially among younger demographics. What consumers don’t want is a hard sell. “Spam is always bad, but this is the worst time possible to spam,” she said. “It’s important to retain connections and relationships with customers, but all messaging must be based on support and relevance.”

Kaplowitz gave several examples of effective approaches to advertising during the crisis so far. “It’s very important to talk about the human factor behind your company,” she said, citing a grocery campaign featuring its own workers on the front lines providing people stuck at home with services and food. She also called out In-Bev, whose normally sports-focused Budweiser ads have been replaced by campaigns that use the analogy of baseball teams to call out the heroism of front-line workers during the crisis, touting healthcare workers, for instance as “The Angels.”

Another approach is humor. “Some brands are doing well with light social posts,” she observed, “especially if it’s a good fit with your brand. A sense of levity helps people relieve pressure.”

A very important kind of messaging is support for workers and philanthropy. Kaplowitz cited a DTC coffee marketer which is enlisting customers to provide a “tip” to furloughed restaurant workers. Brands can also promote support for philanthropies raising funds for medical supplies and services but not in a self-serving way. A boutique Gin brand, for instance, is focusing their messaging on asking consumers to donate to bartender relief funds.

“You want to be talking to customers you already have a relationship with,” Kaplowitz cautioned. If I went on a cruise ship five years ago, the last thing I need is for a Cruise line to be emailing or pitching an ad at me to buy 2020 discount cruises.”

“Media consumption is going to be up in areas like social, daytime TV, and news,” she added. “These are opportunities to connect if it’s less about product and more about social responsibility. This will also be a big moment for OTT and should prove relatively resilient for social media. You won’t have the same kind of cadence of promotions and direct response advertising. All that actually creates more space for brands to connect.”

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