



NBCUniversal

Business Implications of Advertising in Challenging Times

MARCH 2020

We have been asked numerous times over the past few weeks for case studies and historical information regarding the business implications of advertising in challenging times and the impact on brands.

In this time of social and economic unrest, the following outlines some of the learnings we have gathered for your information.

Brands can stay engaged with their consumers with appropriate messaging during this time of crisis

Utilize creative messaging that:

- Establishes consumer trust
- Evokes empathy and goodwill
- Projects an image of corporate stability
- Supports public cause

At key moments in history, we can see the impact that advertising has during tough times

1920s – “Great Depression”

Kellogg’s doubles its advertising budgets and unseats Post as the market leader in the cereal category



1970s – Recession

Toyota sustained ad spending heading into the recession and gained significant share



1990s - Recession

Pizza Hut and Taco Bell saw sales growth then both increased ad spend in response to McDonald’s cutting theirs



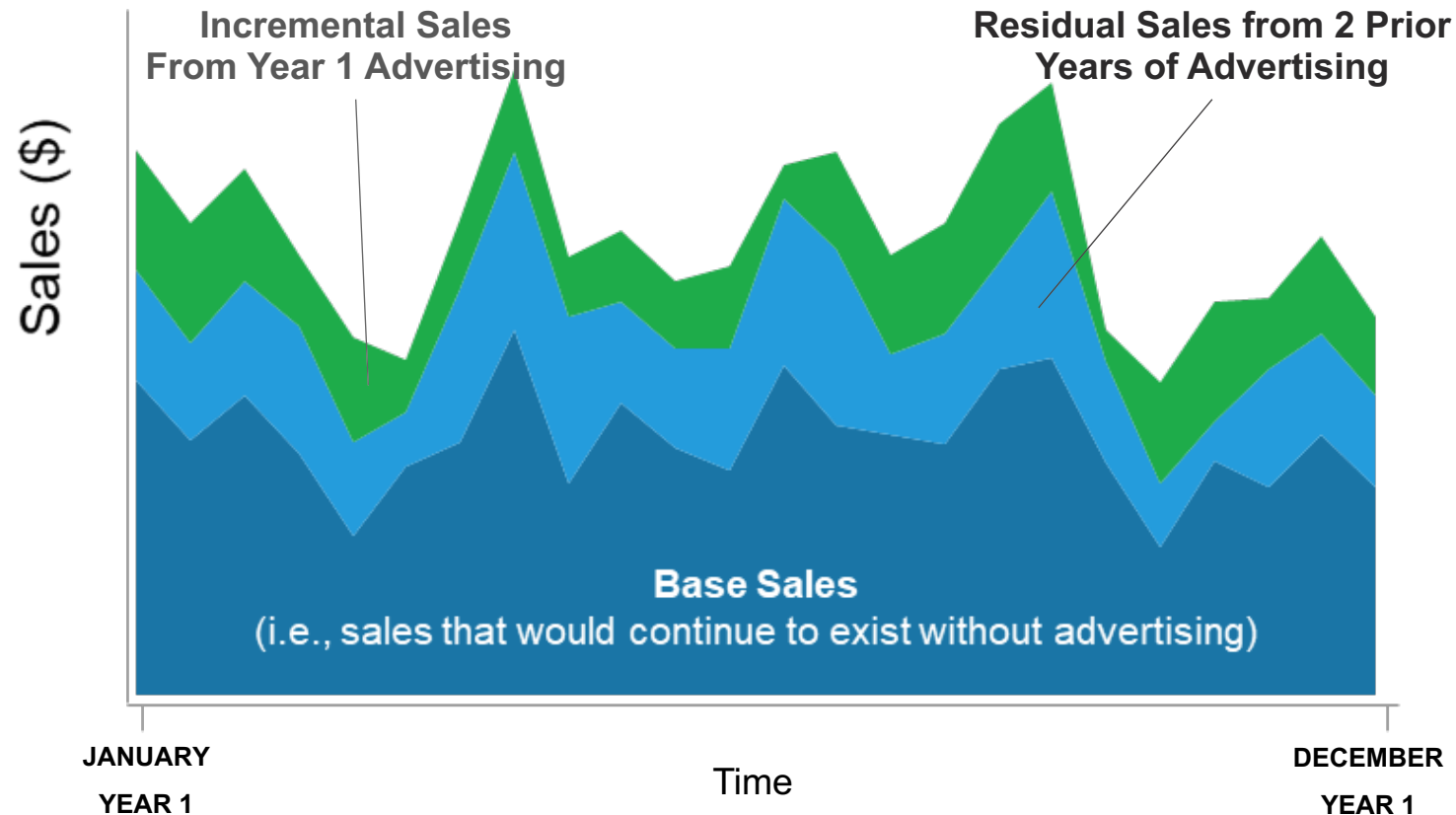
2000s “Great Recession”

When other advertisers cut advertising budgets, Amazon grew sales via new product launches and increased ad spend

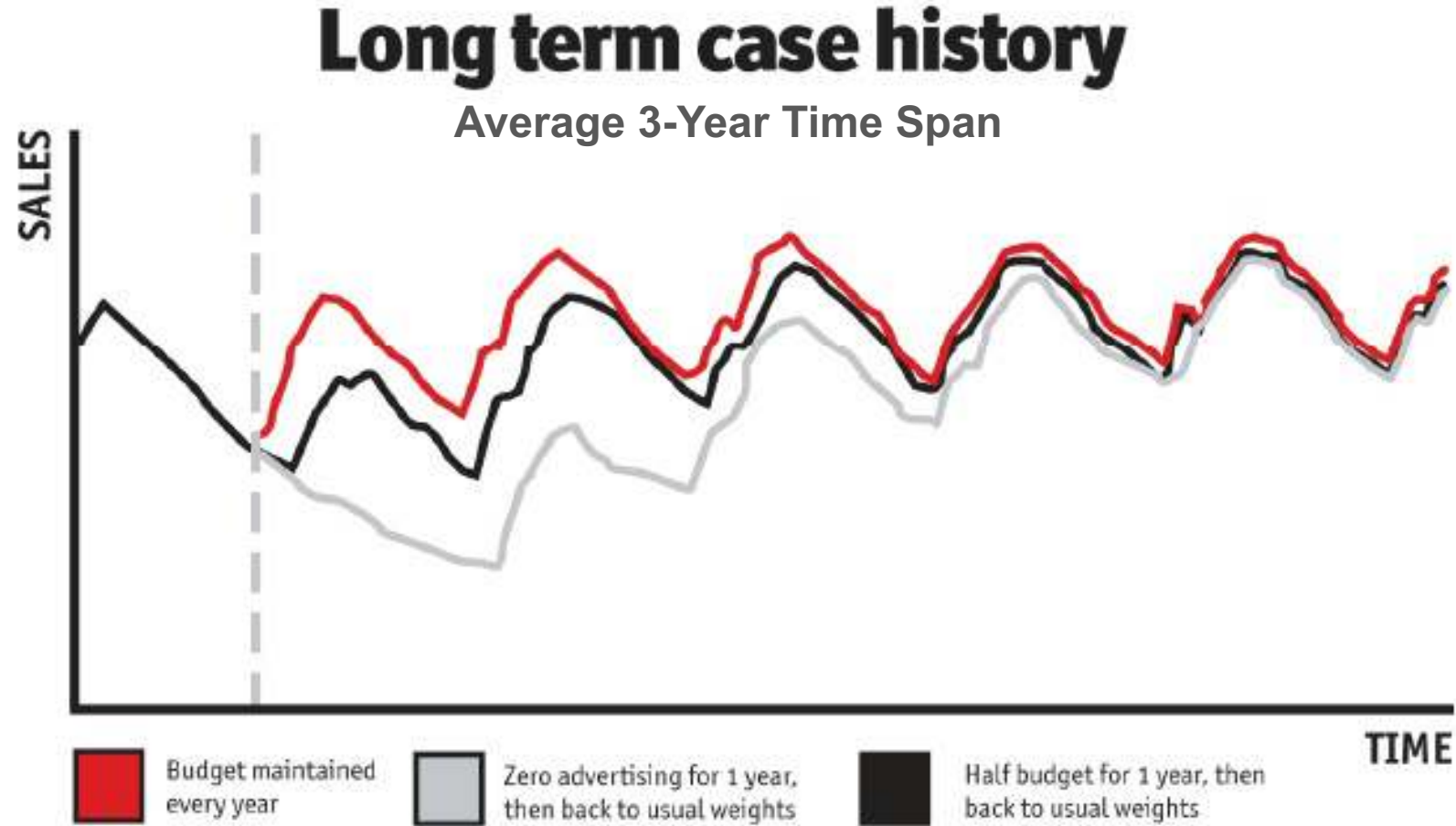


Sustained media investment is important to stay top of mind with consumers and protect long-term sales growth

Advertising's Long-term Sales Impact



Cutting advertising budgets has significant negative impact on long term sales



Source: Tellis, G. & Tellis, K. A critical review and synthesis of research on advertising in a recession. *Journal of Advertising Research*. (April 2009)

Marketers will have an increased opportunity to reach consumers as TV consumption increases

As Americans prepare to spend more time at home due to self-quarantine and social distancing, we will see media consumption, particularly TV viewing, start to rise.

In just the first few days of the U.S. crisis, we see an increase in year-over-year TV usage compared to the prior 4-week period.

