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A crisis is temporary, but displaying the sense that you are in tune with your customer and providing specific messages can instil a sense of trust and value that will be long lasting.

FRANCES ZELAZNY, CMO OF SIGNALS ANALYTICS

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Rising above a challenging market

Outperforming your competition to survive and thrive in a challenging market comes down to just 3 things:



Cut costs where possible, without cutting too deep



Research and get closer to the needs of your customers



Advertise – the right way



RULE 1 IN A CHALLENGING MARKET:

**YOU NEED
TO BE SEEN**

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Who should advertise? **EVERYONE.**

Brands that react in this way are 37% more likely to outperform competitors – not just short-term, but for the next 3 years.*

Further, strong brands recover nine times faster than others**

There is no better time to build your brand.

Just 8%

of consumers expect brands to cut advertising.

Take the right tone, and there's little risk of your advertising being seen as insensitive. **

Source: *<https://hbr.org/2010/03/roaring-out-of-recession> A study of 4,700 public companies, breaking down the data into three periods: the three years before a recession, the three years after, and the recession years themselves. McGraw-Hill Research analyzing 600 B2B companies. **: WARC Brands in a pandemic world: insights from Kantar's COVID-19 Barometer

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Proven reasons to advertise in a tight market

- Brands who advertise in a challenging market project stability – **a safe pair of hands for consumers to trust in**
- When you cut back on ad spending, consumers lose sight of your brand and products
- But when everyone else in your category drops ad spend, the background noise level drops for consumers – they **can focus more clearly on your brand** and your message. You grow share of voice – which typically grows share of market
- When consumers are open to new habits and new ways of thinking you can re-position your brand, or even open new markets by introducing a new product or service

Consumers are seeing more ads

Advertising in key categories is already up in New Zealand. To maintain SOV, **brands in these categories must join the conversation:**



Communications



Food/Produce/Dairy



Banking



Alcoholic Beverages

Looking ahead to April, Non Alcoholic Beverages, Household Supplies/Services, and Toiletries / Cosmetics are already seeing a lift.

CASE STUDY



In the 1990-91 recession, Pizza Hut and Taco Bell advertised more, while McDonald's stepped back. **Pizza Hut sales grew by 61%, Taco Bell sales grew by 40% and McDonald's sales declined by 28%.***



RULE 2 IN A CHALLENGING MARKET:

**YOU NEED TO
SHOW SUPPORT**

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Building brand in a challenging market

Consumers want brands to help them through the situation.

77%

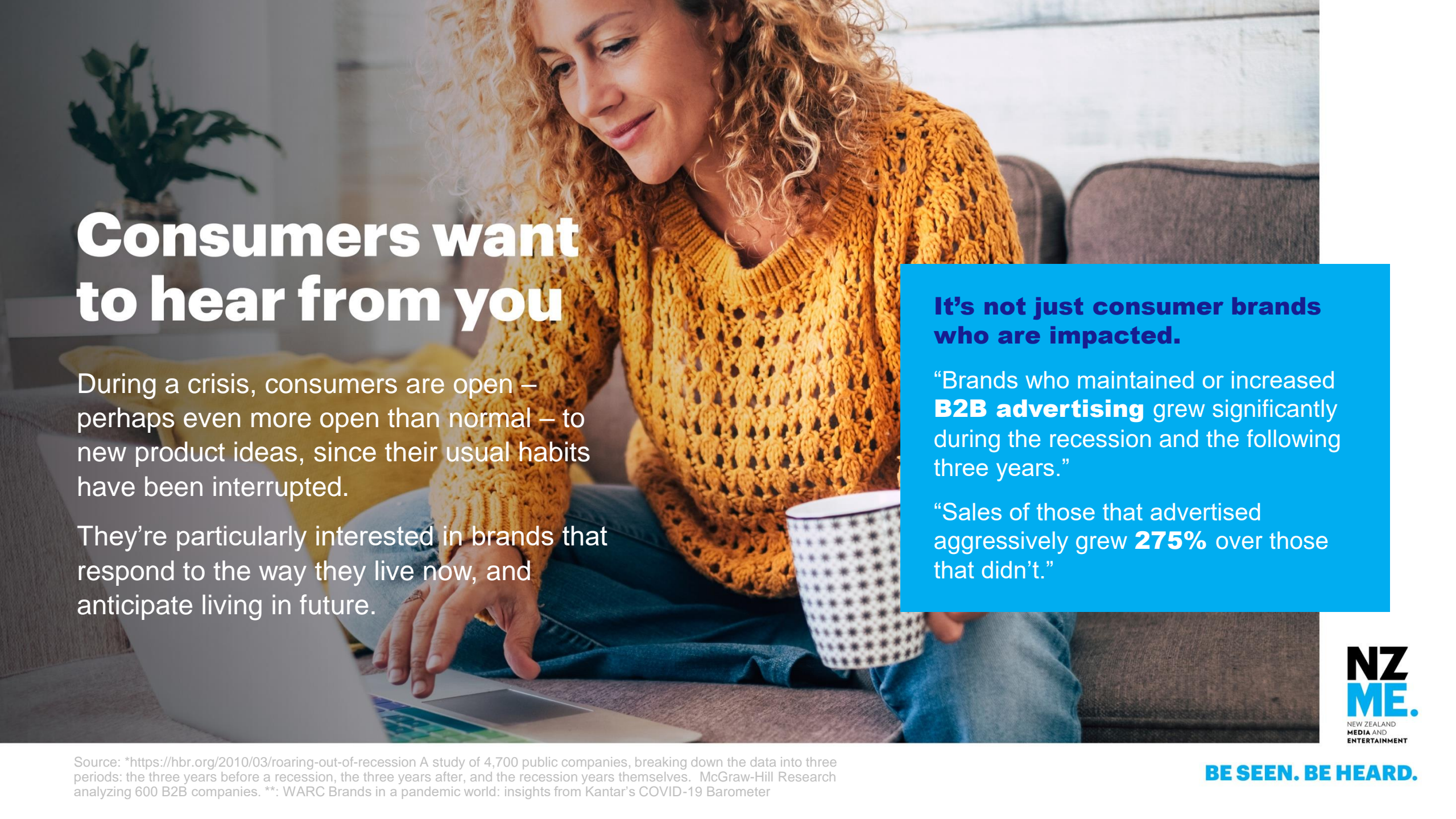
want you to talk about how your brand is helpful in the new everyday

75%

want you to keep them informed about your reaction to the new situation

70%

want you to offer a reassuring tone



Consumers want to hear from you

During a crisis, consumers are open – perhaps even more open than normal – to new product ideas, since their usual habits have been interrupted.

They're particularly interested in brands that respond to the way they live now, and anticipate living in future.

It's not just consumer brands who are impacted.

“Brands who maintained or increased **B2B advertising** grew significantly during the recession and the following three years.”

“Sales of those that advertised aggressively grew **275%** over those that didn't.”

Source: *<https://hbr.org/2010/03/roaring-out-of-recession> A study of 4,700 public companies, breaking down the data into three periods: the three years before a recession, the three years after, and the recession years themselves. McGraw-Hill Research analyzing 600 B2B companies. **: WARC Brands in a pandemic world: insights from Kantar's COVID-19 Barometer

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Consumers want to know more about you

They're keen to hear how you meet their new needs:



How can they meet, learn about, and buy from you without being there in person?*



Is your product safe in today's new world?



What about your supply chain?
(Especially if you source from local origins)

Sharing with consumers the steps you've taken to keep your staff, products, and buyers safe forms a **powerful connection.**



RULE 3 IN A CHALLENGING MARKET:

**YOU NEED TO
RECOGNISE WHAT
CONSUMERS
NEED TODAY**

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Consumers want to buy

Today's buyers are keenly interested in:



AMBIENT WELLNESS

Healthcare, cleaning, and cooking at home



DURABLES

Including great-value appliances, or in-home smart devices to entertain the family



DIGITAL SERVICES

From streaming to learning to banking



BRANDS CHANGING THE WAY THEY CAN BUY

Eg subscriptions rather than outright ownership

Source: *IPSOS INNOVATING IN CHALLENGING TIMES Research during COVID-19; Ipsos concept testing database of 45,000 concepts across 93 countries to get a better understanding of how a crisis may impact survey results. Specifically, we looked at the last financial crisis that started around 2008 and compared it to the more recent years from 2016-2019. ** COVID-19: HOW NEW ZEALAND MUST ADAPT TO NEW PANDEMIC PURCHASING PATTERNS CPG, FMCG & RETAIL 24-03-2020



Consumers are changing how they live today

- Spending more time listening – to the news, their favourite radio stations, and podcasts
- Subscribing to new streaming video services, like Netflix and Disney+
- Moving more of their personal business, like banking, to mobile apps and online, rather than in-person
- Learning and developing new hobbies

Their shopping behaviour is changing – perhaps permanently



1	2	3	4	5	6
PROACTIVE HEALTH-MINDED BUYING	REACTIVE HEALTH MANAGEMENT	PANTRY PREPARATION	QUARANTINED LIVING PREPARATION	RESTRICTED LIVING	LIVING A NEW NORMAL
CONSUMER BEHAVIOUR SHIFTS					
Interest rises in products that support overall maintenance of health and wellness.	Prioritise products essential to virus containment, health and public safety. E.g. face masks.	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfilment is limited, price concerns rise as limited stock availability impacts some pricing in some cases.	People return to daily routines (work, school etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.



It's worth noting:

In the last recession, people switched to private labels and lower cost brands.

Many consumers found they were satisfied with these brands and decided to keep buying them even after the recession.

Clients who did research during the last recession were better able to predict what would happen afterwards and prepare for what to do next.

Interested in the behavioural and emotional changes your audience is undergoing?

NZME's dedicated Research & Insights team can help you discover the insights that will prepare you for the market of tomorrow.

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Source: * IPSOS INNOVATING IN CHALLENGING TIMES Research during COVID-19; Ipsos concept testing database of 45,000 concepts across 93 countries to get a better understanding of how a crisis may impact survey results. Specifically, we looked at the last financial crisis that started around 2008 and compared it to the more recent years from 2016-2019.

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Consumers are ready to plan for tomorrow

They've delayed some purchases for the moment, which doesn't mean those purchases are off the table. Consumers are planning for life after lockdown

- Big ticket items (over \$1,000)*
- Events (but would like live-streamed events)
- Travel
- Home appliances & personal technology
- Insurance
- Luxury items
- ... and even some day to day items

High income earners are more likely to be ready to shop once the national situation begins to improve.



Opportunities to explore

Consumers are keen to see brands responding to the outbreak by providing*

- Flexible payment terms (83%)
- Free services (81%),
- Closing non-essential stores (79%)
- Helping to produce essential supplies (67%).

CASE STUDY

ZARA

Offered to make medical scrubs for Spanish hospitals, receiving mass coverage - 7.6 MILLION Google search results

Opportunities to explore

People miss human connections and interactions. They can't wait to give hugs, say cheers, and share a meal with those they care about. **They're seeking connection and ways to share their experiences.**

They're looking to **create new hobbies** – from cooking to craft. How can you help them learn?


They're no longer in their everyday routine and seeking ways to **plan and run their new normal day** so it's more interesting, and easier to manage.


They're excited to put **events on the calendar again**. Can you give them something to look forward to?



CASE STUDY

The live streamed pyjama party resulted in great in engagement, proving the radio is the ultimate companion

 **Veasharn Lilo** · 1:08:06 watching your lives every morning is going to be my new ritual during this lockdown. #NoWork #KidsAreGone #YouGuysAreAwesome
Like · Reply · 1w

 **Emma Shakespeare** · 55:44 Hi guys just finished a 13 hour night shift on the ambo, what a night! So nice to watch you guys while im eating my toast 🍞🍞
Like · Reply · 1w 24

“

Every generation, from Gen Z to Boomers, is listening to more radio, podcasts, and streaming services, and reading more newspapers.

2020 EDELMAN TRUST BAROMETER

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They're highly engaged with advertising channels

95%

of consumers are spending more time on in-home media consumption*

70%

are checking Coronavirus news daily - 32% are checking several times a day.**

Their employer's views are important to consumers –

63%

want to hear from you at least every day.

There is an job to be done in communicating to your own people and supply chain.

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Source: * Global Web Index Coronavirus Research |March 2020, data collected between March 16 - 20 across 13 countries:
** 2020 Edelman Trust Barometer; data collected between March 6 - 10 across 10 countries.

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NZME's advertising channels deliver to advertisers

Radio and online is the strongest 2-channel combination, delivering an average ROI of +23%, nearly three times more than TV and online (+9%)

International experience indicates **radio and print** combined can reach 3 x return on investment and brand recall.

Two thirds of consumers will take action after hearing a **radio** ad. **

NZ MEDIA IS MORE HIGHLY TRUSTED

7 out of 8

people trust newspapers and radio as a source of news and information

while **38%** of people trust Facebook



"Fake news is popping up everywhere on Facebook. I can't trust what is posted."

CONSUMERS DON'T TRUST ADS ON SOCIAL MEDIA

Lack of trust in Facebook and other social media channels also effects trust in advertising messages

3x

more people trust ads in newspaper than on social media



Only 26%

of consumers trust advertising on YouTube



Only 26%

of consumers trust advertising on Facebook

The halo effect of trust via print and radio is a powerful one.*



SOURCE Radio Alive/Colmar Brunton Australia 2015 * Colmar Brunton – Trust, advertising, receptivity and engagement. June 2017.

**Radio Alive/Colmar Brunton Australia 2014

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Consumers are highly engaged with news channels

News organisations are their most relied-on source*

NZME offers a brand-safe environment with high-quality editorially created content and negative keyword targeting

NZME's array of brands and channels cater to every consumer mood, from news to entertainment.

NZME's news, property and entertainment digital brands are delivering larger audiences who are staying on our sites for longer.

 nzherald.co.nz

 OneRoof.co.nz

 VIVA

 eatwell.co.nz

 DRIVEN.CO.NZ

 GrabOne

NZME's radio brand, podcast, and streaming audiences are up via iHeartRadio – and listening longer.

 iHeart
RADIO

 Coast

 flava

 THE HITS

 hokonui

 MIX

 Newstalk
ZB

 RADIO
HAURAKI

 ZM

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It's simple

Advertising in a challenging market is proven to deliver to your bottom line today, and in future.

Focus on your audience's needs and what's happening in their lives right now

Be heard advertise on the channels that your audience turns to when times are tough

**We're here to support
your brand through
this challenging time.**

For more information talk to your NZME Media Specialist
or email advertise@nzme.co.nz

APRIL 2020

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