

Business as Unusual

Advertising During Covid-19

Prof.dr. Henry Robben Nyenrode Business Universiteit






Photo by Ivan Bandura on Unsplash

Nice to Meet You!

A brief introduction



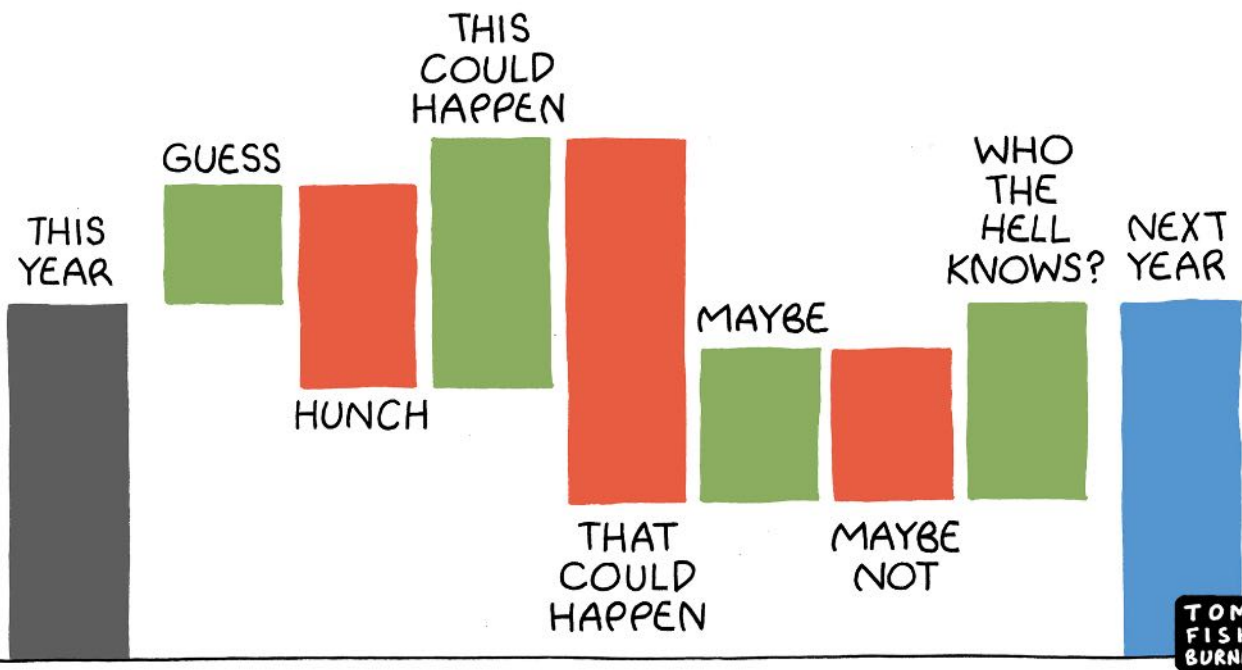
Prof.dr. Henry Robben
Professor of Marketing

-  +31 346 291 276
-  +31 6 33 028 410 (WhatsApp only)
-  h.robben@nyenrode.nl
-  @henryrobben
-  Henry Robben

TEACHING • RESEARCH • CONSULTANCY • SPEAKING

Marketing Strategy, Innovation Management, Digital Marketing, Marketing Leadership, Strategic Ambition, Competing in Changing Markets

STRATEGIC PLANNING



“... You’re 80% of the time correct if you predict that the outcome will be between -10% and +30%...”

BUT...

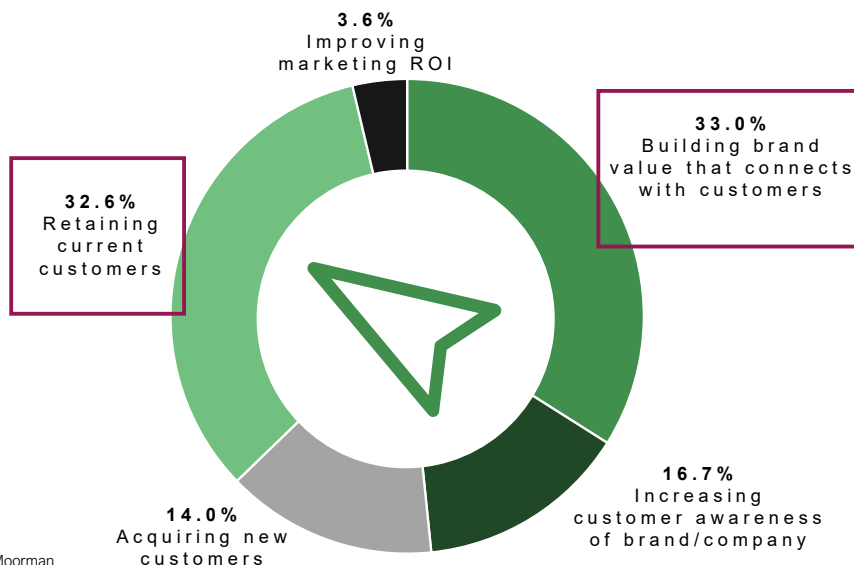
“... This will make you look like an idiot... And looking like an idiot is accurate!”



5

Marketers focused on building brand and retaining customers during Covid-19

What marketing objectives have you been focused on during the pandemic? (Percent ranking #1)



Economic Sector

	Building Brand	Retaining Customers
B2B Product	34.7%	33.3%
B2B Services	30.1%	34.2%
B2C Product	24.3%	35.1%
B2C Services	43.6%	25.6%

Industry Sector

Building Brand	Retaining Customers
• Transportation (60.0%)	• Communications (52.2%)
• Retail (20.8%)	• Healthcare (20.8%)

Driving growth rated #1 challenge for marketing leaders

What are your top challenges as a marketing leader? (select top 3 where 1 is most important). Presented as % Ranked 1st

Challenge	Overall	B2B Product	B2B Services	B2C Product	B2C Services
Driving Growth	37.9%	39.0%	37.5%	43.6%	31.3%
Delivering a powerful brand that breaks through the clutter	13.7%	11.0%	14.8%	12.8%	18.8%
Securing marketing budget	13.4%	14.0%	11.4%	12.8%	14.6%
Providing ROI of marketing activities	10.8%	11.0%	10.2%	15.4%	8.3%
Hiring top talent	9.7%	9.0%	10.2%	5.1%	14.6%
Generating customer insight	5.1%	5.0%	5.7%	5.1%	4.2%
Find sponsorship/support from the executive level	3.2%	2.0%	6.8%	0.0%	2.1%
Identifying the right technologies to meet our needs	2.9%	3.0%	2.3%	2.6%	4.2%
Managing our online presence	2.5%	5.0%	1.1%	0.0%	2.1%
7 Training our team	0.7%	1.0%	0.0%	2.6%	0.0%

© Christine Moorman



Insights

Driving growth is the top challenge across economic sectors, industry sectors, company revenue levels, and Internet sales levels.

The CMO survey 2019 by Christine Moorman
n = 323; 97% are VP-level or higher; Data collection between January 8-29, 2019

Marketing and Growth Strategies

Market Penetration

A

Product / Service Development

B

Market Development

C

Diversification

D

Marketing and Growth Strategies

Market Penetration

54%

Product / Service Development

21%

Market Development

15%

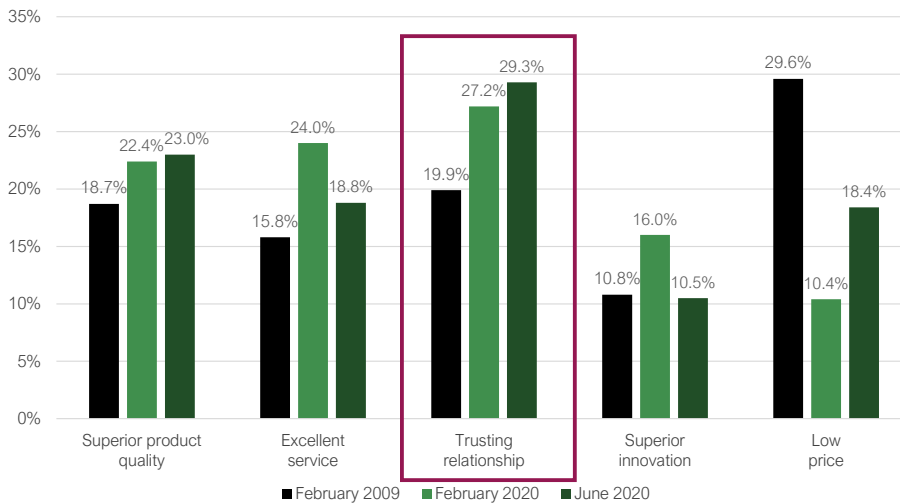
Diversification

10%



Customers prioritize trusting relationships during pandemic; emphasis on low price grows

Customers' top three priorities next 12 months (% of respondents reporting first priority)



© Christine Moorman



Economic Sector

	Trusting Relationship	Low Price
B2B Product	23.5%	14.8%
B2B Services	25.6%	14.1%
B2C Product	36.6%	29.3%
B2C Services	42.1%	21.1%



Insights

Marketers expect customers will place the highest priority on trusting relationships, marking a significant rise from Feb-2009. Marketers also anticipate customers will pay more attention to low prices with 18.4% citing this as customer's top priority, compared with only 10.4% two months ago. However, over time, low price is significantly less important than it was in Feb-2009.

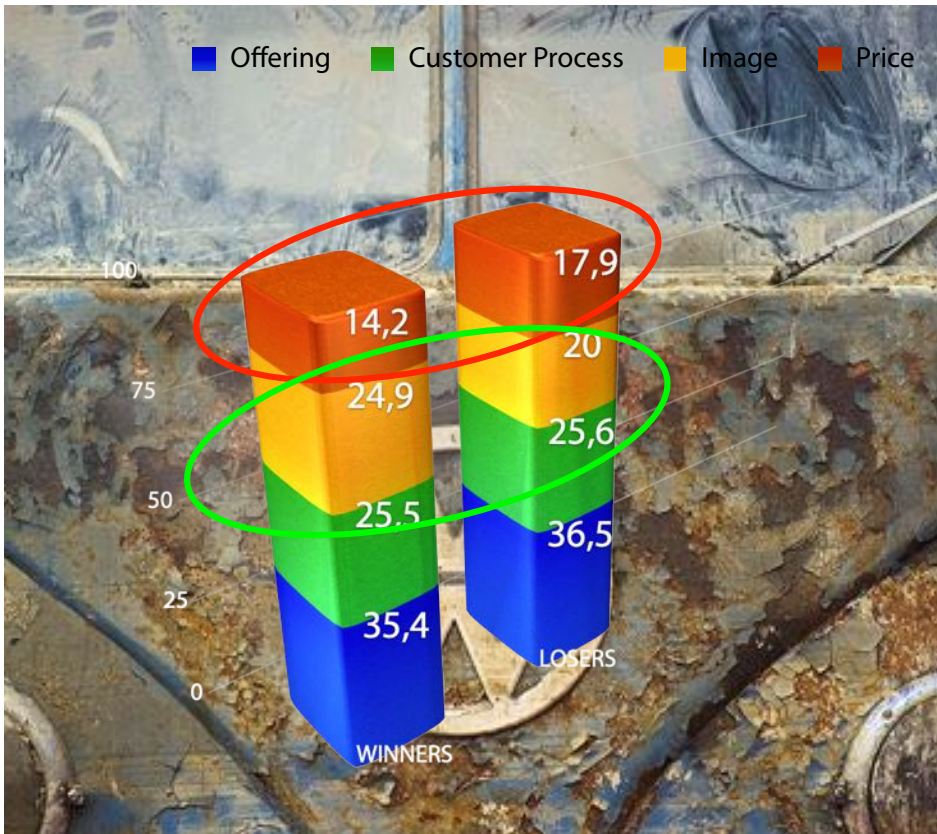
Business

Jan 23rd 2020 edition >

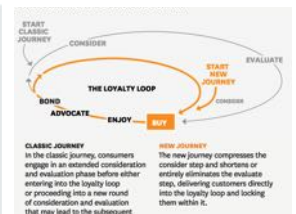
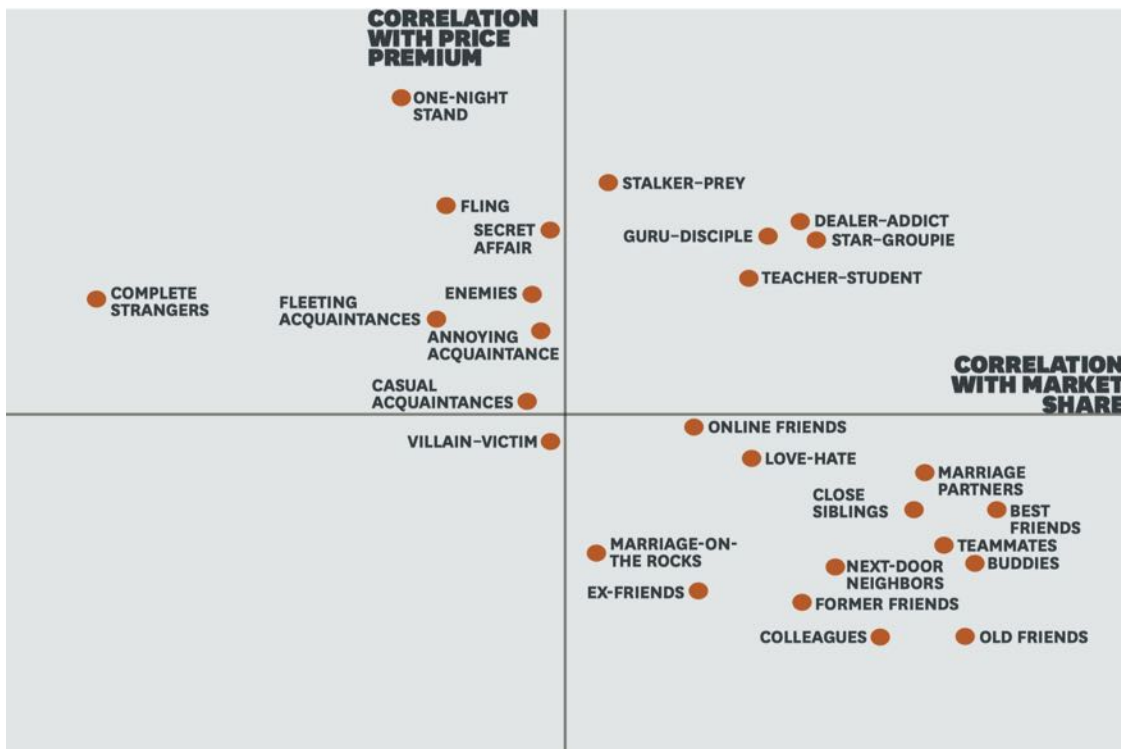
A brand new world

It has never been easier to launch a new brand

It may be getting harder to build a world-beating one

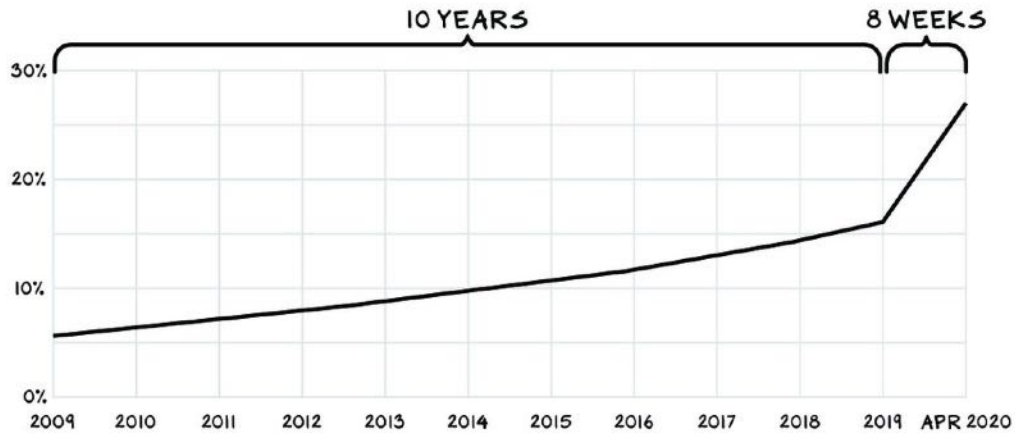


“ Image is the most important discriminator between losing and winning companies
CCM Research ”



There is a difference between wishful thinking and customer wishes.

U.S. ECOMMERCE PENETRATION (% OF RETAIL SALES) 2009-2020



SOURCE: BANK OF AMERICA, U.S. DEPARTMENT OF COMMERCE, SHAWSPRING RESEARCH.

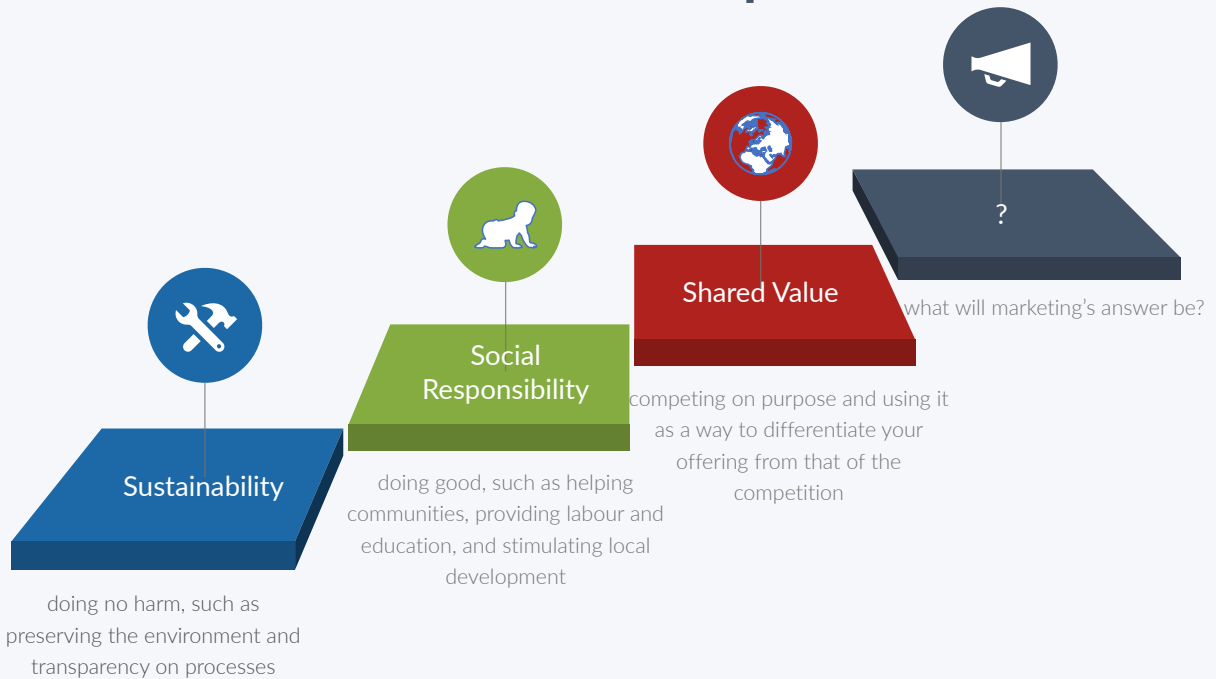
@henryrobben
marketing strategy

“Consumers are indolent creatures of habit. Slaves to ‘System 1’ thinking. Cognitive misers. They will disappoint the radical marketers who massively overthink and overstate the impact and effects of change.”

—Mark Ritson, Marketing Week, December 4, 2020

@henryrobben
marketing strategy

The Evolution Of Purpose



Scientific Evidence

It is quite strong



“The large majority of studies reports positive findings”—Friede, Busch & Bassen, 2015 in Journal of Sustainable Finance & Investment (summarizing the evidence obtain in 2,200 scientific empirical studies).

“The results suggest that firms with midlevel employees with strong beliefs in the purpose of their organization and the clarity in the path toward that purpose experience better performance” —Gartenberg, Prat & Serafeim Organizational Science, 2019 (based on a survey of approximately 456,666 employees).

“During the 2008–2009 financial crisis, firms with high social capital, as measured by corporate social responsibility (CSR) intensity, had stock returns that were four to seven percentage points higher than firms with low social capital. High-CSR firms also experienced higher profitability, growth, and sales per employee relative to low-CSR firms, and they raised more debt”— Lins, Servaes & Tamayo in Journal of Finance, 2017 (based on sample of 1,673 US firms).

Photo by Jamie Street on Unsplash

The Evolution Of Purpose

Change Requires A Tipping Point

19



5 to 10% of customers find 'purpose' an important motivator in trying new brands

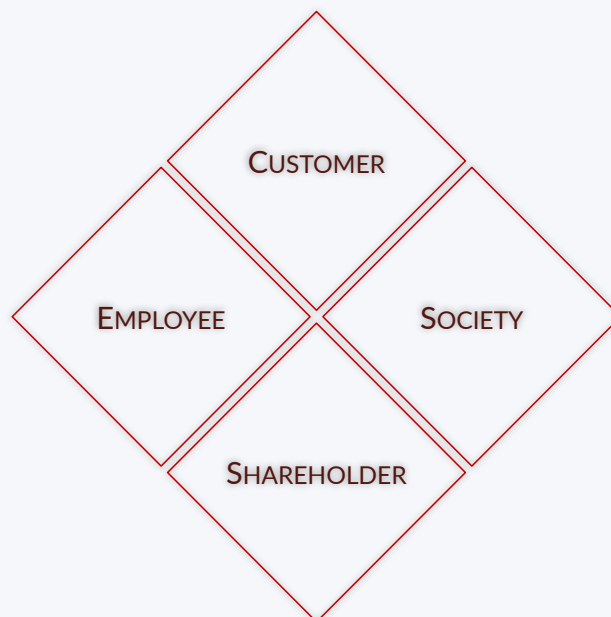
McKinsey, August 2020

Photo by Jamie Street on Unsplash

Competing On Purpose

Creating Value For Stakeholders

20



© Moenaert, Robben, & Antioco 2021

THE FOUNDATION OF CUSTOMER DEMAND

The Job to be Done



A job is the progress that a customer wants to make in a particular circumstance

Customers buy 'progress, not products' (Christensen et al., 2016)—24/7 creates responsibilities

'The customer rarely buys what the business thinks it sells him' (P. Drucker)

Customers are not interested in your offering: The functions you fulfill defines the business you are in

The customer only knows a single reality: Their own—and this has some consequences

CX is crucial—Help the customer with their decision making