

Smarter Spending in a Challenging Economy

A marketer's playbook

/LiveRamp



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Successfully navigating a recession depends on how businesses prepare and react to changing times—and on their readiness for change.



Remember 2008? Back then, we didn't have the technology to uncover insights into customer needs and accurately measure advertising against business outcomes. Marketing during a downturn requires a deep understanding of your customers, their purchase motivations, and their overall buying behaviors. Today, marketers can leverage existing customer intelligence and targeted advertising investments based on consumer mindset to increase efficacy and efficiency.

While a downturn can put more pressure on budgets and margins, preparing your business to be resilient can ensure investments are delivering the highest possible return on the pound, and will reassure your customers that you remain committed to meeting their needs in a changing environment.

With this in mind, here's a playbook every marketer can use to immediately adjust to spending smarter in this challenging economy.

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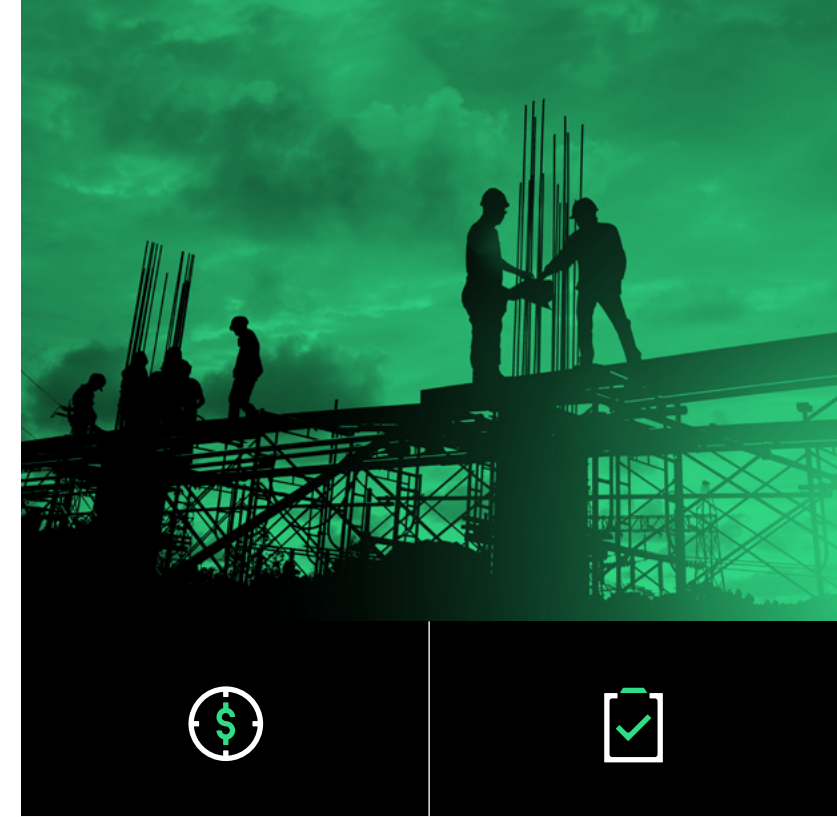
There have been a number of studies going back nearly one century that point out the advantages of maintaining or even increasing ad budgets during a weaker economy. Those advertisers that maintained or grew their ad spending increased sales and market share during the recession and afterwards.”

 [When A Recession Comes, Don't Stop Advertising, Forbes, September 2019](#)

Rebuild your media plan

Our spend allocation may no longer be viable for the current shift in consumer spending and behaviours. Many marketers will start with their current plan and attempt to tweak it for the new economic reality. However, media consumption continues to change, with viewing habits dramatically shifting online and social media exploding once again.

While digital advertising can often be first on the chopping block for a brand, now is not the time to turn it off. Instead, evaluate, be strategic, and invest in strategies that are measurable and accountable. Test new channels and tactics where you have an opportunity to break through noise and deliver a more personalised interaction with customers and prospects.



Digital ad spending is “definitely easier to turn off,” said Jeremi Gorman, Snap’s Chief Business Officer, during a call with analysts. “So as companies are reevaluating their priorities and their cost structure, they are looking at things like digital ad spend.”



Snap Q2 2022 Earnings Call Transcript



Reject, reduce, renegotiate

These are powerful levers to improve performance. Reject some marketing expenses, as they may not yield the results you need. Production of new creative assets can likely be scaled down and existing in-house assets can be repurposed. Act aggressively to postpone nonessential spend and reduce media such as outdoor, print, and shift some spend from broad-reach branding efforts to more accountable and addressable digital efforts.



Focus on the tactics that will demonstrate the ROI of every marketing pound, like people-based search, people-based programmatic, and advanced TV. Given this downturn, you may have room to renegotiate existing spend where you can. Reductions in marketing budgets from some verticals creates a better media buyer's market. Take advantage of this potential softness in macro marketing spend to test whether lower CPMs can be secured.



Use what you already have

One of your most valuable assets are your own permission-based CRM records. Now is the ideal time to ensure that you're communicating with your best customers and delivering relevant messaging, offers, and experiences. Evaluate your plan and apply CRM data to optimise messages for every tactic. Addressable messaging will generate ROI lift, and it's an easy tactic to embrace in a recession. Likewise, it's a perfect time to secure new partnerships for second-party data collaboration, such as retailers and their CPG partners, airlines and their travel partners, and even connected cars and retail. These partnerships take time to create, but can yield mutual upsides while unlocking better utility for consumers. Now is a good time to put these partnerships in place so that both parties can generate greater traction as the economy starts to swing back into gear.





Measure everything

In a recession, money is scarce, so marketing £\$€ matters, and it's crucial to ensure that everything can be traced to a measurable business outcome. Implement a people-based measurement solution that provides insight across the media / marketing plan to understand what is or is not driving business outcomes and go beyond reach metrics.

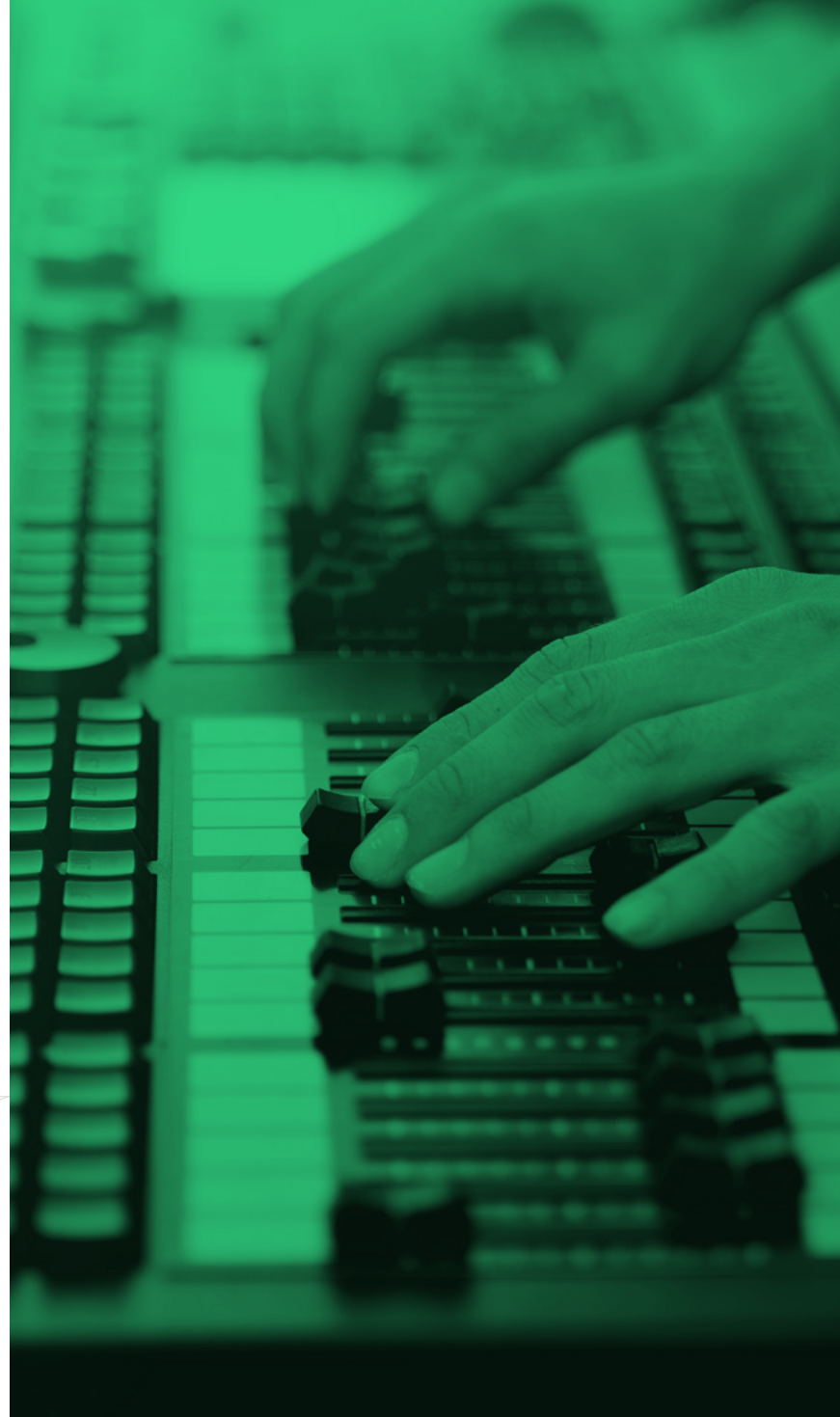
Likewise, using CRM data across programmatic and search efforts and then tying these efforts back to actual website visits and sales should be a top priority. Above all, this is an ideal time to ensure that your marketing spend employs hard frequency caps so delivery is not imbalanced to small population segments. Now, more than ever, you must measure and optimise quickly.



Optimise your messaging

Now is the time to make sure you are using the data you have to truly understand your customer journey and how that may change. Ensure your message is appropriate to the economic circumstances of your customers and how they may adjust their spending priorities.

Embrace creative themes emphasising customer value, indispensability, and affordability. Recession or not, the power of storytelling to continually build the brand should be at the forefront of all campaigns. Marketing must become a driver of growth and top-line revenue for the business.



Ditch third-party cookies

The move away from third-party cookies is inevitable. The signal loss has begun with shutdowns across major browsers and through IDFA, and these moves have only further compounded already difficult discussions around segmentation, activation, marketing spend, and accountability. While Google has shifted its deprecation timeline to 2024, the usefulness of cookies has already rapidly declined, as brands and publishers continue to adopt more effective identity solutions. But regardless of regulatory, browser, or device changes that may arrive in the future, now is the time to accelerate your transition to people-based addressability and firmly take control of your destiny—or risk being even further behind when the economy improves.

We are moving to a permission-based world. The sooner brands can ensure their own CRM data has the appropriate permissions, and that publishers authenticate their own traffic, the sooner you can generate even greater ROI gains and more persistent, accurate measurement across all of your marketing efforts. Audit your existing campaign buying strategy and develop a plan to start activating against key KPIs without using third-party cookies or device IDs.



Your top plays for marketing success in 2022 and beyond



Rebuild your media plan

- Shift your strategies to measurable online channels and addressable TV
- Test new channels and tactics where you have an opportunity to break through noise



Reject, reduce, renegotiate

- Focus on the tactics that will demonstrate the ROI of all marketing spend
- Take advantage of the potential softness in macro marketing spend to test whether lower CPMs can be secured



Use what you already have

- Ensure that you're communicating with your best customers and delivering relevant messaging, offers, and experiences
- Secure new partnerships for second-party data collaboration, such as retailers and their CPG partners and airlines and their travel partners



Measure everything

- Implement a people-based measurement solution that provides insight across the media/marketing plan
- Ensure that your marketing spend employs hard frequency caps so delivery is not imbalanced to small population segments



Optimise your messaging

- Use the data you have to truly understand your customer journey
- Embrace creative themes emphasising customer value, indispensability, and affordability



Ditch third-party cookies

- Explore and test identity solutions that will perform better than third-party cookies
- Audit your existing campaign buying strategy and develop a plan to start activating against key KPIs without using third-party cookies or device IDs

To learn more on how LiveRamp can help you stretch your marketing spend further, or how to navigate a permission-based, cookieless world, reach out to info@liveramp.co.uk

About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity resolution capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers.

For more information, visit www.LiveRamp.co.uk