

# DISPATCHES™

*Insights On Brand Development From The Marketing Front*

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## **B&H SHOULD YOU ADVERTISE DURING THE QUARANTINE?**

There's a debate about whether marketers should advertise during this period of quarantine. It's not an ethical debate but one of stewardship of the assets and resources entrusted to them. Those against advertising now believe that if it isn't driving sales, then the marketer is squandering precious resources, especially if the company is not open for business. They're correct, as profit is the lifeblood of the enterprise serving to keep it afloat in these uncertain waters. Also, why advertise in those industries where demand outstrips supply? (In the current environment, we'll make do with any toilet paper brand! Moreover, we know and demand Clorox Wipes and Lysol Spray.)

Those who weigh-in in favor of advertising claim it is an investment in the future. Well, that depends upon how we view "investment." One expects an investment to generate a favorable return—a future stream of income. However, we venture that most marketers don't know what return they're getting from their advertising, and, in more cases than not, it's an expense as opposed to an investment. Their advertising sucks! How many industries and brands can withstand adding expenses as sales fall precipitously, and cash reserves are depleted? Can yours?

So, whether one continues to advertise depends upon the situation unique to the industry, company, and brand. It's certainly NOT "one size fits all!" Here are cases where it may make sense to continue to advertise. However, *keep in mind the need for sufficient cash reserves to stay afloat during and following this crisis.*

- **Keep the lights on:** Advertising lets people know that you are still open for business. In the retail industry, it could inform consumers that you provide take-out and other valuable services. Or, it could be employed to generate online sales. It comes down to utilizing available assets (such as “brick ‘n mortar” restaurants whose dining facilities are closed) to pay down overhead.
- **Keep competition out:** If you go dark when your competitors are advertising, customers may try them out. Once tried, customers may realize that your competitor is a “more than acceptable” alternative. Remember your product (not brand, but product) is an egg. It works in the same way, does the same thing, and produces the same general results as every other egg. We live in an “age of abundance and sameness.” Hence one product may be easily substituted for another. One product can easily replace another.

McDonald's has been running a series of ads that fulfill both of the goals mentioned above. They let you know that they are open for business, and, therefore, you need not try or avail yourself of another QSR (Quick Service Restaurant) for your fix of "comfort" food. Here's one such ad:

<https://www.youtube.com/watch?v=BFgW4S6zOQU>

- **Strengthen the bond between brand and customer:** We received notification from our airline brand, American Airlines, that they will extend our elite status through 2021. (We imagine your airline is doing/has done the same.) They're acting to keep us faithful by demonstrating empathy for our (shared) plight. Farmers Insurance is reducing auto insurance premiums 25%, extending payment due-dates, and (for those truly on the frontline) providing extended coverage. Moreover, they promise to do more to help see us all through this challenging time. As a people, we tend to dislike insurance companies. We believe they charge too much, limit what they will cover, and pay-out too little. Yet, Farmers Insurance (and other insurance companies) is not looking to gobble-up excess profits but, instead, is interested in treating its customers fairly. How refreshing. Here's the Farmers Insurance spot:  
[https://www.youtube.com/watch?v=9U\\_p0Ynb62c](https://www.youtube.com/watch?v=9U_p0Ynb62c)
- **Honor and retain employees:** We often advertise to multiple constituencies. At Coca-Cola USA, we developed our advertising to appeal to consumers, our bottler distribution system (all independent companies at the time), and the foodservice industry. Today, we may need to advertise to our employees to keep them on the job and motivated—particularly where they are risking their health to serve others on behalf of the company. Here the cost of losing an employee and replacing her/him, along with lost or delayed business, may outstrip the cost of the advertising. Perhaps, this is the rationale for “Thank You Amazon Heroes”:  
[https://www.youtube.com/watch?v=\\_Z7PY4bOvvo](https://www.youtube.com/watch?v=_Z7PY4bOvvo) By the way, we do appreciate, and do not take for granted, all those who are serving us in so many ways.
- **Create a tribe:** We can create a tribe of loyalists through shared beliefs and values. People become customers because they want to be identified by our brand and what it represents. Johnson & Johnson has been a leader in supporting and honoring nurses, often overlooked, for more than 30-years. The company has endeared themselves to nurses and those who appreciate them for the kind of care that only they can provide. While this next spot is pre-coronavirus, support for these overlooked, unsung heroes endear the company to those who believe what J&J believes: <https://www.youtube.com/watch?v=gTMuh6AF3A0> Similarly, Apple Corporation's production and distribution of 30-million masks and millions of dollars to support frontline fighters, and beyond, demonstrates a heart at the core of its being. They're doing what we'd like to do but do not have the capabilities. Yes, we are proud to be a member of the Apple tribe.
- **Go where your sales personnel cannot:** We're not talking about extending reach. Instead, we recognize that many customers are currently not seeing sales personnel, or sales personnel are not able to get out to them. This is a problem facing the pharmaceutical industry. So how might you promote to customers?

Non-personal promotion, which includes advertising regardless of the media delivery vehicle. It extends to but not be limited to broadcast TV, web, or internet-delivered content, email, and, yes, even Zoom chats with Key Opinion Leaders. It's all about getting your message where your sales personnel may not occupy the same physical space. To our way of thinking, even DTC (Direct-to-Consumer) advertising is a way of staying top-of-mind, and reinforcing behaviors, with target healthcare customers (i.e., doctors). This DTC spot for Rexulti, an anti-depressant medication, informs patients that the brand can help them overcome their unresolved depression symptoms. It also tells and reminds healthcare professionals that adding Rexulti to their patients' current therapy can reduce symptoms by up to 62%. <https://www.youtube.com/watch?v=3X-DFf-A6Qs>

- **Compete to win market share:** We shouldn't overlook that advertising helps get our brands out in front of creating preference and gaining market share. Not all industries and categories are suffering. Grocery sales are thriving despite the inability of many to get into these stores. Alcohol beverages are soaring. Viva the return of cocktail hour! Hahaha! This time where we find ourselves quarantined, is a time to drive preference for your brand within the customer's beverage of choice. Perhaps, this Bud is not for you. It could be a time to refresh with a Coors Light: <https://www.youtube.com/watch?v=NXObbCZIUeg> Importantly, it could be the time for you to win market share and leapfrog your competitors.

We provided you with several reasons why it might make sense for your brand to advertise. By the way, we are using the term “advertising” to go beyond traditional media. We’re also using it to go beyond what you say to what you do that communicates why potential customers should choose and stay with you. We’d be interested in hearing your thoughts. Agree or disagree? Did we miss any?

At the heart of our criteria for choosing to advertise or not lies the ability to generate favorable returns, without failing the company. It's about making a wise "investment." It also necessitates that you have something relevant and meaningfully differentiated to offer your target customers and that you communicate compellingly.

Learn more about how to make your marketing matter more. Embrace SMART Marketing. Check out Richard’s new book: <http://bdn-intl.com/avoiding-critical-marketing-errors>

Stay safe and be well,  
Richard Czerniawski and Mike Maloney

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