

MARKETING

MARKETER NEWS

COOL OUT, VALUE IN

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It will take more than amusing TV commercials to get Canadians into stores during the recession. That's the message from IMI International, a Toronto-based research consultancy that just released its globe-spanning Consumer Economic Impact Study. It surveyed nearly 800 Canadians between December and January to get their perceptions of the economic downturn.

Results showed most Canadians expect the downturn to continue until March 2010. Predictably, participants said they will adjust their spending until then: more than 70% said they plan to delay buying anything but essentials over the next six months, and 48% expect to dig into their savings during that time. They will also be buying more private-label products, staying home more often, and paying with cash when they do shop.

The result, according to IMI, is a consumer base immune to advertising's typical charms. Marketers must now win people over with product benefits, not punch lines.

"Agencies and clients are now challenged to move beyond cool, entertaining or funny, and focus on demonstrating value," says Don Mayo, managing partner at IMI in Toronto. Brands looking for profitability and market share must engage consumers through activation, or risk being ignored. "The era of cute ads, digital applications and lip service without a specific consumer benefit should be over."

So what will work? The study's participants were asked what kind of messaging would make them pay attention to an ad. "Cool" scored lower than terms like "cheap" and "inexpensive" for those 13-29, while "great value" scored highest among those 30-69. Broadly, 63% said they pay attention to promotions, and 62% said they like loyalty programs that offer points and rewards—good news for promo and experiential agencies.

But Mayo believes the financial crisis presents an opportunity for all Canadian marketers. Among the study's 3,500 respondents around the world, Mayo was struck by how similar responses were. For example, participants were given a randomized list of 77 terms and asked to pick the ones that best described their perceptions of the economic client. "Concerned" was chosen twice as often as any other word across all regions, which Mayo calls "unprecedented."

If consumers are thinking the same globally, local expertise becomes less of a barrier to agencies looking to work internationally.

"The opportunity is now and for the next 18 months for agencies to export our creativity and execution across the borders and around the world. The client will not care where the idea came from, just that the idea drives business."

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