BRAND CAPITAL IS THE BEST DEFENCE AGAINST INFLATION

This article was first published in Campaign.

Like many things in life, the world of media is polarising. The rise of performance marketing goes hand in hand with the continued dominance of old-school, linear TV. Budgets gravitate toward the macro or micro end of the spectrum.

This is as it should be. There is no point in having great conversion activity at the bottom of the funnel if there is no brand activity filling the fat end from above. I have written before that one of the most fraught decisions a marketer now makes is how to optimise resources between the competing demands of high and low-end channels.

The trouble is that continued polarisation only makes this decision fraughter. Particularly at the top end of the funnel where supply is finite (as opposed to the bottom end where supply is more elastic). With everyone facing the same decision-making dilemma, the outcome of this media bifurcation is both inevitable and painful; rampant TV inflation.

There can be very few budget holders who aren't currently wrestling with the problem of whether to rob Paul or pay Peter as they try to make their Christmas budgets balance. In a sobering Campaign article (August 5), Mark Given justifiably describes broadcast linear TV inflation as 'eye-watering'. And consolation is hard to come by when we look beyond broadcast. In the same article, even non-linear TV CPM is forecast to rise by 19% this year according to WARC. Hardly un-eye-watering.

So what can we do? Well, rather like a central bank, the answer depends largely on the reserves built up. Is the brand equity cupboard full or empty? How indelibly branded is your communication? How much ongoing return are we seeing from past investments and the insulating dividend yield that distinctive brand assets generate for the future?

These questions are always crucial, but they become even more so during a media inflation spike.

PUT SIMPLY, WHEN ATTENTION IS AT ITS MOST EXPENSIVE, MENTAL AVAILABILITY IS AT ITS MOST VALUABLE AND THE BRAND DIVIDEND IS YOUR BUDGET'S BEST DEFENCE.

Strong mental availability, for instance, allows a brand to take some liberties and shortcuts when planning broadcast media. An instantly recognisable brand property means time length can be sacrificed to grow frequency thanks to the familiarity of the device.

Too many brands pay for attention and then try to brand it. Indelible branding means that attention is branded from the start, allowing for more staccato media, including blipverts which can deliver tremendous cut-through for the brands with sufficient distinctiveness to carry them off.

SHOULD BROADCAST TV PROVE UNREALISTIC, THEN THE DISTINCTIVENESS OF YOUR BRAND ASSETS BECOMES EVEN MORE IMPORTANT.

Posters are a great quasi-broadcast alternative which have so far proved largely inflation-proof. But you need tremendous brevity and compression to make them work. Radio is another obvious contender although, again, the best results will require a strong audio property that competes for attention in its own right (see The Era of the Ear, Campaign, Oct ‘21).

There are plenty of other inflation-mitigating moves. Great value can still be found in sponsorship, particularly for brands in search of raw awareness. Experiential marketing can drive talkability if handled well, but its impact can be unpredictable. Another option, which can often be overlooked, is to revive promotions, programmes and initiatives which already have good levels of residual awareness, but which have fallen into the trap of being launched and left. This is a trap to avoid in an inflationary climate. Why start at square 1 when you can start at square 3?

In the end, however, mitigation is never as effective as preparation. Those brands which have been storing up their Brand Capital in the more affordable years will be the brands best placed to dominate the fight for attention as inflation spirals in the months to come.

This is not to say that late starters can't catch up. And necessity, of course, is the mother of invention. Perhaps the severity of this inflation shock will encourage more of the industry to focus more on the creation of distinctive brand assets for their Clients. Equally, perhaps we'll see awards juries favour the brands and advertisers who have invested in these assets, and who have built lasting Brand Capital as a result.

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