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MEDIA IMPACT REPORT

The Case For Marketing in Uncertain Economic Times

Also in this issue:

Rethinking Senior Healthcare Marketing

Key Takeaways from ShopTalk 2025

/BRIEFING ROOM

The Case For Marketing in Uncertain Economic Times

By Mark Brown, Executive Lead

On April 2, the Trump Administration announced a package of tariffs on nearly every trading partner in the world, including 145% tariffs on most goods imported from China—one of America's largest trading partners. In the days following, the stock markets dropped nearly 20% and most economists increased their probability that the country was headed for a recession. After a week of turmoil—and negotiations with some of those trading partners—the administration paused most of the reciprocal tariffs for 90 days (except for China, Mexico, and Canada) and kept a blanket 10% tariff for all imports. This calmed the markets some, but the remaining uncertainty hasn't quelled lingering concerns about a recession.

No business likes uncertainty, and most look for ways to hedge their bottom lines in a downturn. Unfortunately, one of the most common financial hedges is the marketing budget. Most companies view marketing as an expense—not an investment—so they view it as an easy place to cut to quickly improve their balance sheet. However, over a century of research has shown that companies who invest in marketing during recessionary times are rewarded. It has even led to a popular adage: "When times are good you should advertise. When times are bad you must advertise." Let's look at some of the research that supports that theory, and the underlying reasons why it is true.

Winners and Losers

Anecdotally, there are examples of brands that have either stayed the course or increased their marketing during tough times, while their competition backed off and paid the price. During the Great Depression of the 1920s, cereal maker Kellogg's doubled their advertising budget while the market leader Post cut theirs. Kellogg's profits grew by 30% and they became the leading brand. More recently, during the 1990-91 recession, McDonald's cut their advertising and promotional budgets while Taco Bell and Pizza Hut increased their investment. As a result, Pizza Hut sales increased 61% and Taco Bell grew 40%, while McDonald's sales dropped 28%.

Consultants Bain and McKinsey & Company studied companies that not only survived, but thrived, during the "great recession" of 2008-2009. Bain's study called them "winners" and McKinsey & Company called them "resilients," but they both shared one common trait: they invested in their business when the economy was down and saw greater results than companies that didn't. While both organizations looked beyond just marketing investment, the lesson holds that investing when your competitors are cutting delivers results. Conversely, research by the Ehrenberg-Bass Institute for Marketing Science found that brands who stopped advertising suffered. On average, their sales declined 16% in the first year they paused advertising and more than 58% over five years.

Share of Voice Matters

So, why do brands who invest in marketing during economic downturns succeed more than those who don't? The simple answer is share of voice leads to share of market. Multiple studies over the past few decades have shown consistently that if a company maintains a share of voice higher than its existing share of market (an "excess" share of voice or ESOV), they will grow their market share. It stands to reason that if your competition is trimming marketing investment during a downturn, a company can gain share of voice just by maintaining their investment. And history has shown that most companies will cut back on advertising during a recession: advertising spend fell 13% in the 2008-2009 recession. Maintaining or increasing advertising when the competition is stopping or pulling back is a growth strategy: reminding and reinforcing current customers while conquesting new customers from dormant competitors.

Share of Voice is Less Expensive

If gaining excess share of voice is the key to growth, an economic downturn provides the opportunity to deliver it efficiently. As noted previously, if the competition is spending less than your company, you can gain SOV just by maintaining current budgets since it represents a larger portion of the shrinking pie. But there is another hidden benefit of economic uncertainty—as advertisers pull back from advertising, the reduced demand creates a softer marketplace. We saw this most recently during the pandemic and post-pandemic slump: a market of declining CPMs and opportunistic "fire-sale" pricing. Share of voice increases even more when those advertising investments can buy more—and better quality—media inventory.

Stability Builds Brand Trust

The final argument for continued advertising in a recession is that it positions your company and brand as a stable force in uncertain times. If a company skittishly pulls advertising in tough times, consumers can interpret that as a sign that perhaps they won't be around for the long haul. And for products with a longer lifecycle, that can factor into purchase decisions. Hard times may also call for tweaks to creative messaging: focus on price and value, avoiding conspicuous consumption, and dialing up the empathy.

Stay the Course and Win the Race

No one is rooting for a recession, and the economic outlook is still uncertain enough that we hope this advice isn't necessary. But if it does cool down, research overwhelmingly supports that maintaining—or even growing—your marketing investment during economic uncertainty is a winning strategy. Bain suggested the perfect analogy is to approach marketing in a recession like a race car driver approaches a sharp turn on the track: the best drivers brake hard before the curve to maintain control and then accelerate sharply once the curve is clear.

/NOTEPAD

Rethinking Senior Healthcare Marketing

By Julia Shabow, Senior Market Research Analyst, and Lindsay Valooran, Market Research Analyst

The disconnect between how seniors perceive themselves and how they're portrayed in media represents one of the greatest missed opportunities in modern marketing, particularly in healthcare advertising. Recent research conducted by Rain the Growth Agency reveals that adults 65+ find little common ground with their representation in healthcare advertisements, with half wanting to see more people like them in creative versus healthcare workers or clinical settings.

The Identity Gap

Today's seniors see themselves as active, capable, self-sufficient individuals living life to the fullest. Yet when they look at advertisements supposedly targeted at them, they encounter strangers—caricatures that bear little resemblance to their lived experience. The message is clear: stop defining older adults primarily by their medical needs.

The Digital Senior Reality

Based on the senior study, it was found that six out of 10 adults aged 65-84 are actively using social media platforms. These seniors regularly view content that interests them, use apps and messaging to stay connected, and share their own posts and photos. A key distinction is that seniors do use social media, but they differ from younger users in which platforms they prefer and how they interact with content on these platforms. This demographic named Facebook, YouTube and Instagram as their top platforms.

In terms of social media interactions, while seniors regularly click to learn more information when encountering social media advertisements, they are less likely than younger demographics to make immediate purchases through these platforms. This suggests that social media can be highly effective for awareness and education, though brands should consider adjusting conversion expectations accordingly.

Platform Preferences and Tips for Creative Content

Facebook dominates as the platform of choice for the 65+ demographic, with 56% having logged in within the past 30 days and most logging in daily or most days. Among those who use Facebook, YouTube also shows promise, particularly among younger seniors (65-74), with 45% reporting daily or near-daily usage.

When it comes to ad formats, video consistently outperforms static images, carousels, and animatics with senior audiences. Respondents in our study responded especially well to video content that shows genuine relationships and presents information in a clear and interesting way, emphasizing needing to create visuals that seniors can relate to and understand. We also discovered that adding captions to videos is particularly helpful, as four out of 10 seniors prefer to browse social media without sound.

Universal Appeal

Interestingly, seniors' preferences for advertising content align closely with other age groups. Informative, practical content combined with light-hearted humor resonates strongly across generations. Brands need not develop radically different content strategies for older adults—they simply need to include them authentically in their existing approaches.

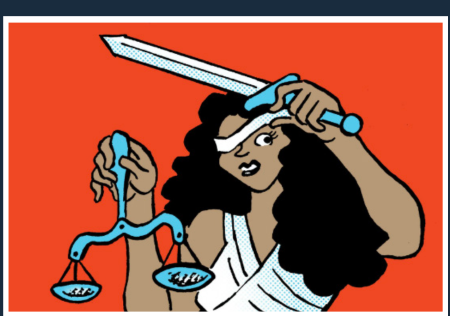
The Path Forward

To effectively connect with this powerful demographic, healthcare marketers should move beyond old assumptions and show the rich variety of senior lifestyles. This means:

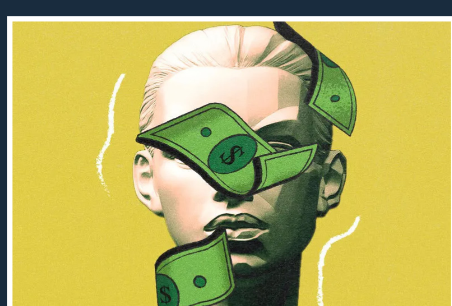
- Considering a layered approach: recognizing that seniors have different preferences and needs rather than treating them all the same
- Showing seniors as well-rounded people with many interests and passions, not just focusing on health concerns
- Leveraging video content on Facebook and YouTube to increase engagement
- Designing informative advertisements that respect seniors' intelligence and decision-making capabilities
- Creating humorous content that includes, rather than alienates, older adults
- Building longer engagement funnels that accommodate seniors' preference to research before purchasing
- Consider using senior creators—an emerging demographic in the influencer space—to foster deeper connection in ads

By addressing these factors, healthcare organizations can tap into the substantial buying power of a demographic that feels increasingly invisible in advertising—despite having an **average net worth over $1.5 million** and being more visible and active than ever in the digital world.

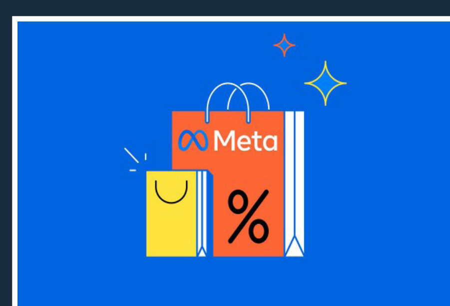
/QUICK HITS



The Positives And Negatives Of A Potential Google Ad Tech Breakup
[AdExchanger]



How Marketers, Creators Vet Influencer Agencies As The Creator Economy Continues To Expand
[Digiday]



3 Ways Meta Is Going After Retail Media Budgets
[Adweek]

/UPDATES

Key Takeaways from ShopTalk 2025

By Kyle Eckhart, Chief Operating Officer, and Alex Marshall, VP, Growth

Shoptalk 2025, held in Las Vegas, once again brought together thousands of retail leaders to discuss what consumers expect from brands in today's world. We recap our key takeaways from this year's event:

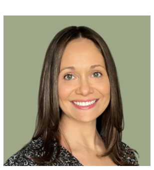
- **AI-driven personalization** — Retailers are increasingly using AI to create personalized shopping experiences, from recommendations to AI-powered search.
- **Retail media expansion** — Retailers are leveraging their platforms for advertising, opening new revenue streams.
- **Gamified e-commerce and reverse logistics** — Startups are innovating in customer engagement. This includes areas such as:
    - ***Interactive Promotions:*** Retailers are implementing game-like features such as "spin-to-win" pop-ups, scratch cards, and quizzes to make the shopping experience more engaging. For example, spin-the-wheel pop-ups offer customers the chance to win discounts or free products, encouraging immediate interaction and purchases.
    - ***Loyalty programs with gamification:*** Brands are designing loyalty programs that incorporate points, levels, and rewards to motivate repeat purchases. Sephora's Beauty Insider program, for example, allows customers to earn points for every purchase, which can be redeemed for exclusive products or experiences, fostering a sense of achievement and encouraging continued engagement.
    - ***Fitness challenges:*** Companies like Nike have introduced fitness challenges through their apps, rewarding users for completing workouts and achieving milestones. These challenges not only promote a healthy lifestyle but also create a community around the brand, enhancing customer loyalty.
    - ***Virtual stores and immersive experiences:*** With advancements in technology, brands are creating virtual stores and immersive environments that mimic in-person shopping experiences. Platforms like Roblox are being utilized by brands to build virtual spaces

where customers can explore products in a gamified setting, blending entertainment with commerce.

  - *Social media integration:* Brands are leveraging social media platforms to introduce gamified campaigns that encourage user participation and sharing. For example, Fashion Nova has implemented gamification strategies that engage customers through interactive content, enhancing brand visibility and customer engagement.

- **Bricks drive clicks** — Brick-and-mortar stores remain vital for brand discovery and fulfillment. The distinction between e-commerce and in-store shopping is a thing of the past. It's all just retail and commerce now, and the most successful brands are leveraging each channel to strengthen the other. Brands like Alo and their physical stores aren't just attracting foot traffic—they're driving online sales across entire regions, demonstrating that brick-and-mortar locations still hold significant value in today's digital-first landscape. Compare and contrast this to the likes of Primark, who have taken a bold approach in the U.S. market, opting to sell exclusively in-store. By focusing on an immersive, value-driven shopping experience, it offers a refreshing alternative to the endless scroll of online retail.

Need More Guidance?



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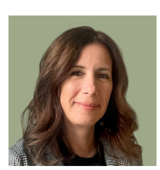

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