

# 5 KEYS TO SUCCESSFUL ADVERTISING IN INFLATIONARY TIMES

An Ipsos Point of View

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GAME CHANGERS



## KEY TAKEAWAYS:

- Addressing specific worries about inflation in advertising grabs attention
- Brands' solutions for inflation must be convincing and more than surface-deep
- Humor about inflation connects, but carries risks with some consumers
- Being a value brand isn't enough to succeed—new news is still necessary to win attention
- Emotions of positivity and reassurance resonate in advertising

As nearly half of Americans (48%) say inflation is their top concern, consumers are feeling the pinch and don't expect it to change. With this economic context, we identified seven ads from this year that had inflation or saving money as a theme. These video ads were evaluated with our Creative Spark assessment tool, which uses a combination of thoughts, feelings and emotions to measure effects and identify areas that may need to be optimized. Here are five key things we learned for brands who are looking to advertise in these turbulent economic times.

## 1. Addressing specific worries grabs attention

When we surveyed consumers in September on the role of brands and advertising during economic uncertainty, we found that 74% are interested in hearing from brands that can help them navigate the inflation crisis. Additionally, 71% of consumers would like to see more advertising with brands offering genuine price or value deals, with no catches.

This case study from Mint Mobile, titled “Record Deflation,” features actor and entrepreneur Ryan Reynolds articulating a simple and direct message to the audience. He says, “we’re cutting our prices in half.” This strategy made an impact and the ad performed very well in our evaluation, leading to strong brand attention and behavior change. Viewers thought it was a funny and informative ad that clearly detailed a solution for their economic concerns and it persuaded people to consider Mint Mobile more than they did before.



Source: Ad tested with Ipsos Creative Spark, N=150, U.S., Men & Women

In addition to addressing the current concerns of consumers, the Mint Mobile ad is also successful because the brand is offering a simple and convincing solution. This leads to the second key learning.





## 2. Brands' solutions for inflation must be convincing

Nearly two in three consumers (62%) would like to see more advertising with brands actively addressing inflation. As with Mint Mobile, brands don't need to shy away from talking about today's economic uncertainty—rather, they need to find a way to provide a solution for consumers' challenges.

Using Creative Spark, we compared the approaches of two advertisers, E\*Trade and a leading mass premium skincare brand, and the audience's reaction to the commercials.

Why E*Trade is more convincing	Why was the skincare ad less convincing?
<p>The ad clearly addresses a bunch of current economic issues and provides a solution. E*Trade can help investors that have money sitting around losing value.</p> <hr/> <p>Viewers feel that the brand has a clear understanding of and is empathetic towards consumers' economic challenges.</p> <hr/> <p>80% think that the ad's message is appropriate for the current economic climate.</p> <hr/> <p>69% think that E*Trade understands the economic challenges in today's world.</p>	<p>We found that despite the economy, consumers are open to considering high-quality goods: 62% of consumers would like to see more advertising showing them that premium products can still be affordable.</p> <hr/> <p>A celebrity spokesperson mentions at the beginning of the ad that effective skincare can be affordable. There is no further elaboration on the cost or price of the product.</p> <hr/> <p>After watching the ad, only 37% thought that it was an affordable skin care brand.</p> <hr/> <p>The ad is also in the bottom 20% for behavior change.</p>



Source: Ads tested with Ipsos Creative Spark, N=150, U.S., Men & Women

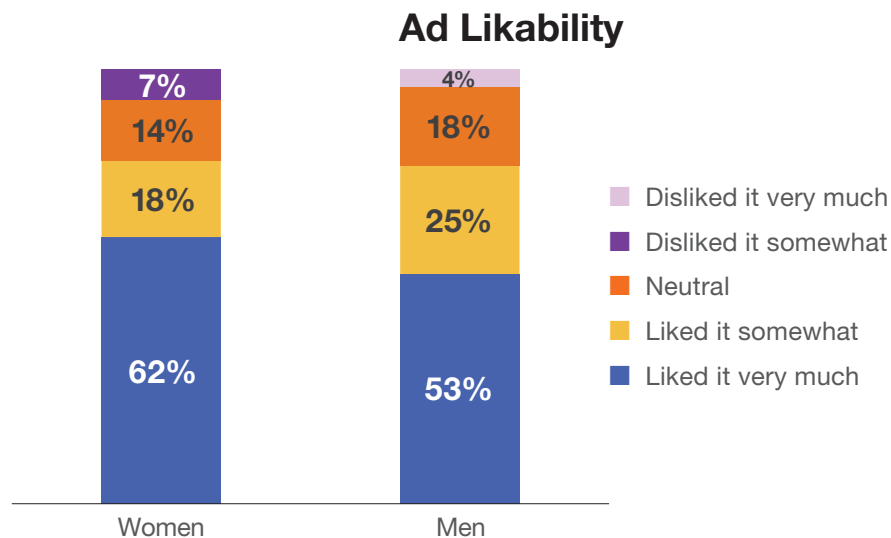
People want brands to actively communicate their value proposition and help solve for inflation. Merely adding an affordability claim to an ad is not enough. Consumers want to feel like they are getting the best deals for their money.

### 3. Humor connects, but carries risks with some consumers

When thinking about the economic climate today, 50% of consumers would like to see more advertising using humor to help make a challenging economy more bearable, while 13% want less. Additionally, 46% of consumers would like to see more advertising that can help them escape from reality for a while and 13% want less. Despite about half being open to a lighter tone in advertising, consumers seem to be polarized. When addressing a sensitive topic like economic distress, use humor carefully, as it carries more risk in our current environment.

We found that humor works to maintain engagement if the comedy remains accessible and broadly appealing. Two of the previously referenced ads are great examples of this. In the E\*Trade ad, a talking baby as a serious investment adviser is absurdist humor that engages viewers. The physical action of a toddler spitting out a drink is universally funny and inoffensive. The jokes in the Mint Mobile ad are also generalized and delivered by Ryan Reynolds in a self-deprecating manner. The humor was also timed to allow for clear messaging at peak engagement.

However, humor can carry tonal and comprehension risks with some consumers. In a recent ad from a major online retailer, a celebrity uses humor to reference current economic issues, while telling people how shopping with the brand will help them save money. While the celebrity's sarcastic tone and dry humor caused negative reactions among some viewers, mothers were the targeted demographic—and women liked the ad, finding it relatable and entertaining.

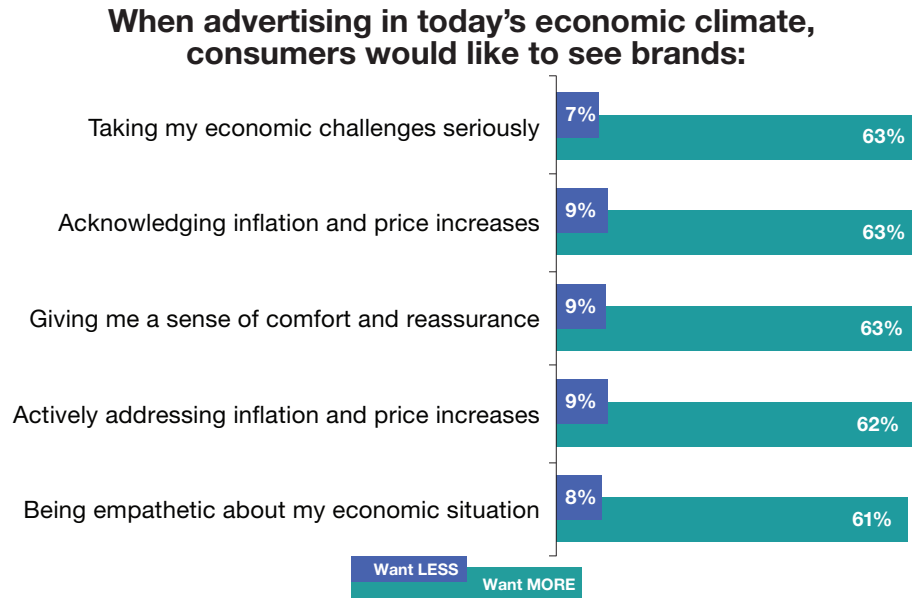


Source: Ad tested with Ipsos Creative Spark, N=150, U.S., Men & Women



## 4. For value brands, new news is still necessary

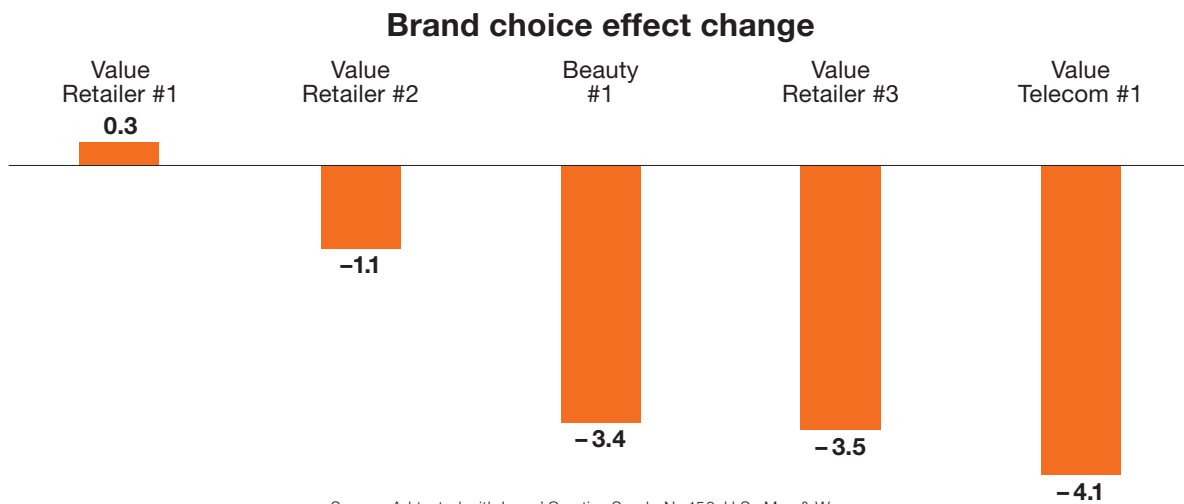
Value brands, retailers, and telecom companies were the first to jump on economic issues and address inflation in their advertising. Consumers are open to and want this type of communication, as seen in their expectations of what brands should do.



Source: Survey fielded September 2, 2022, among 500 U.S. adults 18–65;  
 Q: Thinking about the economic climate today, specifically inflation and price increases, how well do you feel advertising is doing at the following?  
 I would like to see more of this, there's not enough of it / I am seeing the right amount of this / I am seeing too much of this, it's overdone

However, it appears that many value brands don't seem to be getting enough credit for their ad messaging. We find that the main issue is that consumers are looking for new information for a problem they perceive to be current and immediate: 77% said they want to hear from brands and companies on new answers to rising prices.

Therefore, a strategy of reassuring messages around continuing value delivers little difference from previous ad campaigns. The result is a forgettable ad with weak branding and low persuasion. Contrary to some of the advertising tactics we've seen, consumers want new information that addresses what they perceive as a new issue impacting them.



Source: Ad tested with Ipsos' Creative Spark, N=150, U.S., Men & Women



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