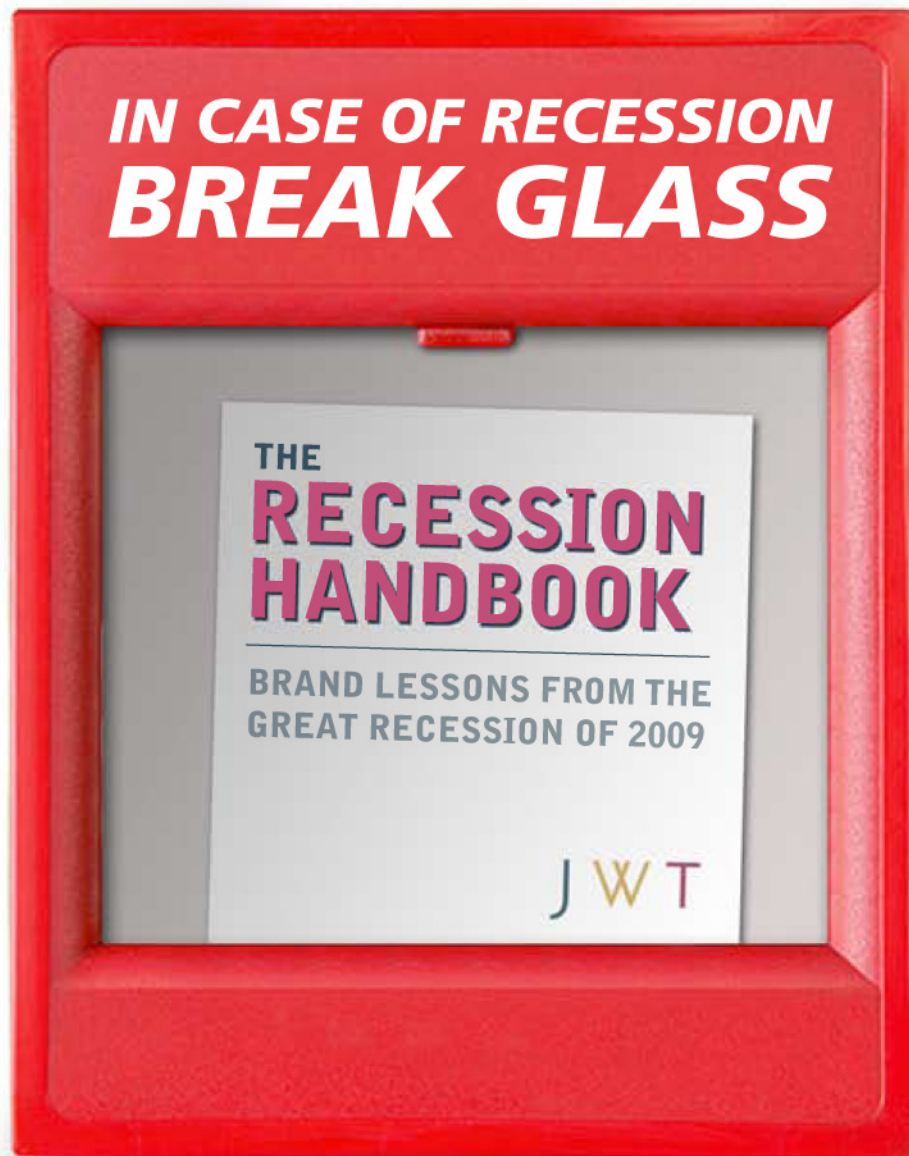


J W T

ANXIETY  
INDEX  
QUARTERLY

---

VOLUME 4  
WINTER 2009



# TOPLINE SUMMARY

Over the past year, our AnxietyIndex.com site has tracked nearly 400 brand responses to consumers' recession-related anxiety in 27 markets. At the same time, our seven-year-old proprietary AnxietyIndex has quantitatively measured the levels and drivers of consumer anxiety in 13 markets.

In so doing, we have built a database of knowledge from around the world on consumer behavior and brand strategy in the Great Recession. As we begin to enter a recovery, we've reviewed this database, summarizing what we've learned and making recommendations for marketers that we believe will stand the test of time.

Our hope is to provide a primer for future downturns—a guide that goes beyond simply making the case for maintaining or increasing brand spend during a recession. (While this is a proper solution that has proved to work to the enduring advantage of brands, we understand the business realities that preclude many marketers from adhering to it.)

In our fourth AnxietyIndex Quarterly, we highlight key brand lessons from the Great Recession (accompanied by examples), which we believe will hold up in recessions to come.

## Brand Lessons from the Great Recession

1. Find your value voice.
2. Remove the risk from price.
3. Don't shy away from tackling anxiety head on.
4. Leverage public sentiment.
5. Give consumers more control.
6. Provide a real service for consumers.
7. Inspire rather than empathize with consumers.
8. Return to the core value of hope.
9. Re-imagine how your products are sold.
10. Use the recession to achieve a higher goal.

## About AnxietyIndex Quarterly

During periods of heightened consumer anxiety, brands need real-time data that can help them navigate a rapidly changing landscape. They need answers to new questions and a point of view on the types of businesses and business practices that will emerge out of the crisis.

JWT should know. At 146 years old, we have a proven track record of leading brands through pivotal times. We've done this by providing tools to help brands succeed. One such tool is our proprietary AnxietyIndex, launched during the run-up to the war in Iraq; it tracks the level and drivers of consumer anxiety and explores how these affect attitudes and behaviors.

In 2009, we expanded upon our AnxietyIndex by debuting [www.AnxietyIndex.com](http://www.AnxietyIndex.com). With regular content updates and major research and trend reports added frequently, this interactive site is intended as a place to discover and discuss how brands and consumers are responding to and coping with the global recession.

Last spring we launched our AnxietyIndex Quarterly. This fourth issue seeks to contextualize the AnxietyIndex.com content we published over the past year.

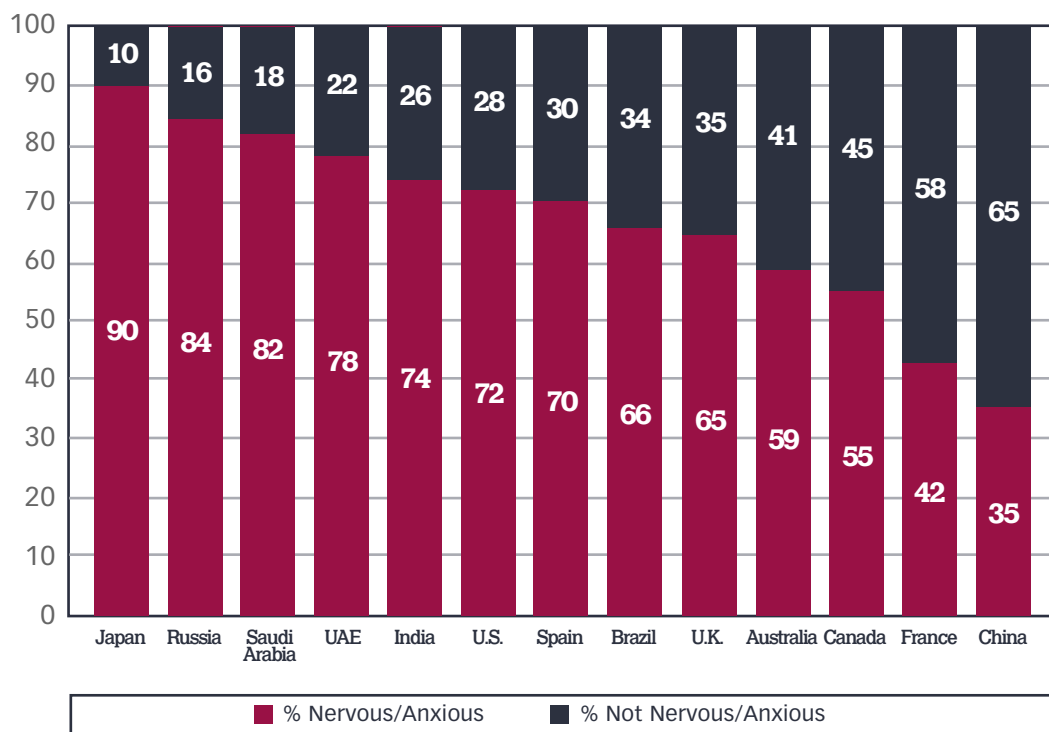
# OVERVIEW

Over the past year, our AnxietyIndex.com site has tracked nearly 400 brand responses to consumers' recession-related anxiety in 27 markets. At the same time, our seven-year-old proprietary AnxietyIndex has quantitatively measured the levels and drivers of consumer anxiety in 13 markets.

Across the markets we surveyed, levels of anxiety varied significantly, ranging from a low of 35 percent in China to a high of 90 percent in Japan (see Figure 1, below). While Japan is the most anxious market, Russia records the most intense anxiety, with 38 percent of respondents saying they feel very nervous/anxious (see Appendix, Figure 1).

**Figure 1: Anxiety levels**

Overall, given everything that is going on in the world, the country, and your family's life, how nervous or anxious would you say you currently are?



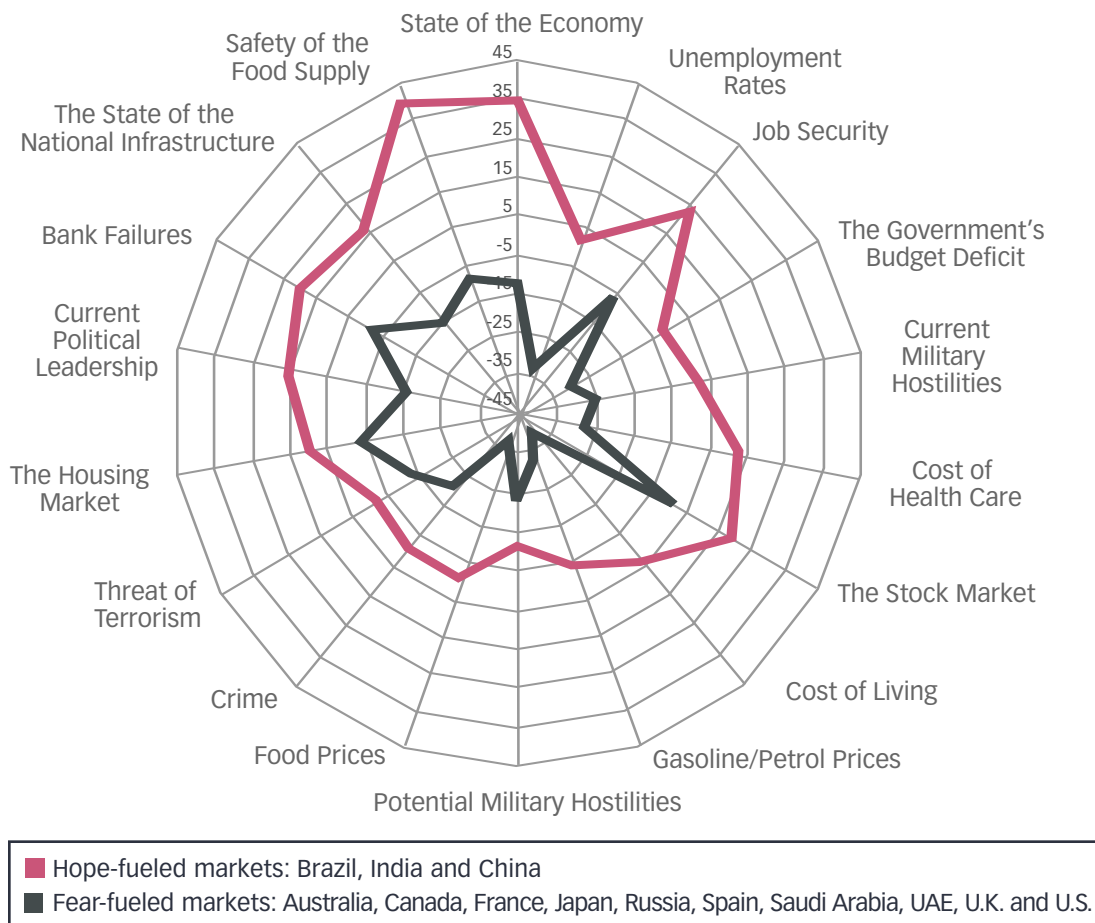
Brazil: February 2009  
 India, China: April-May 2009  
 Russia, Spain, Japan: March 2009  
 U.S., U.K., Canada, Australia, France: September 2009  
 Saudi Arabia, UAE: October 2009

We found that although the recession was a global crisis, it was not the only driver of anxiety, nor was it necessarily the cause of the most acutely felt anxiety in every market. Brazil was the most concerned about crime, for instance. So too was India, where people also worried about the threat of terrorism and current military hostilities—much more so than the economy. Recession exists in the context of other fears and insecurities, and marketers need to understand the total picture in each market. (See Appendix, Figures 2-9 for drivers of anxiety across the 13 markets studied.)

The outlooks across markets also differed widely, ranging from hope-fueled to fear-fueled (see Figure 2, below). The key difference between the two is how they move past their anxieties: Hope-fueled markets focus on what there is to gain versus what there is to lose; the reverse is true for fear-fueled markets. Brand behavior tends to reflect these optimistic and pessimistic mind-sets.

**Figure 2: Outlook: Hope-fueled versus fear-fueled markets**

Over the next six months, do you expect that each of the following will get better, stay the same or get worse?



Outlook: % who say over next six months that item will "Get Better" minus % who say it will "Get Worse."

What was almost universal was that even consumers not directly affected by the recession started taking precautions, driven by anxiety about the future. As they find themselves amid events outside their control, consumers start exercising greater control of the immediate world around them—even if they have not been personally impacted. The anxious plan their purchasing behavior around where and when they can get the best deals (clipping coupons, etc.), exercise greater restraint (e.g., downsizing vacations, delaying big-ticket purchases) and trade down.

No surprise, then, that price and value messaging dominated the recession-related marketing we tracked. (Other approaches included using optimism, humor, nationalism, nostalgia and consumer empowerment; see Appendix, Figure 10 for more on price and value messaging versus other approaches used by brands.) As marketing budgets shrink and tip in favor of value messaging and cost incentives rather than brand-building, the absence of the latter in favor of the former is dangerous. Since such tactics have historically been considered a generic, low-level marketing practice, normal branding rules have not applied. Marketers need to bring branding principals to short-term selling activity; in other words, they need to approach tactics in a branded way.

# BRAND LESSONS FROM THE GREAT RECESSION

Based on our findings, we developed 10 actionable recommendations for brands; here we include examples of each from the past year. We believe these recommendations—which go beyond simply making the case for maintaining or increasing brand spend during a recession—will hold up in recessions to come, helping brands better address the challenges that come with economic upheaval. They are meant to help brands heighten consumer confidence, apply branding principles to short-term selling activity and develop an optimistic, aggressive stance amid the gloom.

**1. Find your value voice.** Understanding how your brand should speak about price and value is critical. Brands that simply tout price sound like everyone else; rather, talk about price by exploiting your unique voice.

- [Target](#): The “Brand new day” campaign showed cool-looking people actually enjoying various recession-era lifestyle compromises (e.g., “the new vacation glow: self-tanner, \$9.39”). It was right in line with the retailer’s well-established cheap-chic, more-for-less sensibility while touting specific prices for the first time.



- [Sainsbury](#): The U.K. supermarket chain’s “Try something new today” campaign has featured TV chef Jamie Oliver encouraging shoppers to experiment with ingredients by demonstrating simple recipes. In 2008, Oliver started showing shoppers how to “feed your family for a fiver” in ads that reflected the times while remaining true to the brand’s core value of encouraging experimentation.

**2. Remove the risk from price.** With anxiety levels high and the future uncertain, people are reluctant to spend—even if they haven’t been directly impacted by the recession. This is especially true of bigger-ticket items or longer-term financial commitments. While your product or service may be the same price as it was before the recession, you can sell some peace of mind by taking risk out of the equation.

- [Hyundai Motor America](#): The car maker originated the movement to provide certainty in uncertain times with its Assurance Plan, promising buyers “if you lose your income in the next year, we’ll let you return your car.” Various marketers borrowed the concept, from [JetBlue](#) (“While we can’t predict the future, we can take some of the uncertainty out of it and give you confidence to book with JetBlue”) to [Telefonica](#) in Spain (which offered to cut phone bills by half for people who lost jobs). [Chrysler](#) went a step further and instituted a 60-day satisfaction guarantee program.
- An array of programs motivated consumers to spend by guaranteeing the best deal. In the online-travel category, Orbitz launched both a “[Price Assurance](#)” program (if another customer books the same flight/hotel for less, Orbitz refunds you the difference) and a Low Price Guarantee (find a lower online fare for the same booking and Orbitz refunds the difference and gives you a \$50 coupon); competitor sites followed suit. [Gap](#) is testing a program in which shoppers register for a [Sprize](#) card, which they show whenever they buy an item; if the price drops within 45 days, the difference is credited to the card.



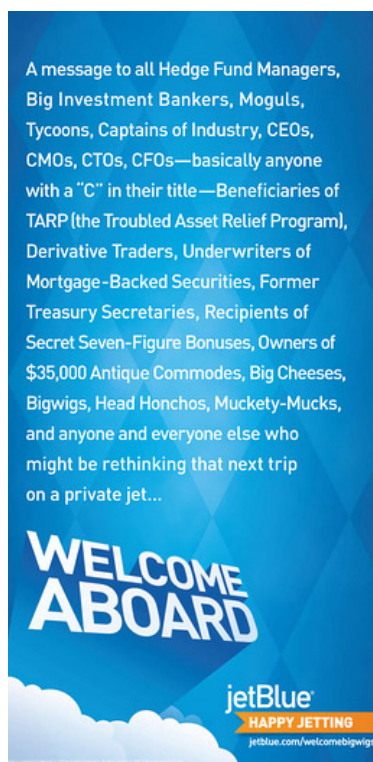
**3. Don't shy away from tackling anxiety head on.** While marketers must take care not to fuel consumers' fears, they can acknowledge anxieties and position themselves as part of the solution—explaining how the brand is working to either address the relevant issue or help consumers cope with it.

- [Woolworths](#): As the downturn took hold in Australia, Woolworths Ltd. announced that new store openings and growth in existing locations would create 7,000 jobs. A commercial showed a mother going to a job interview with her son, with the message that “We employ thousands of Australians. And we’re always looking for more.” Without mentioning the “R” word explicitly, the spot sounded just the right tone of pragmatic optimism.



- [Hyundai](#): In January 2010, Hyundai tackled Americans' concern that unemployment remained high even while a recovery was said to be under way. A TV commercial told viewers: “The dust has started to settle. And some indicators are up—especially for the big guys. But the real question is, how are you doing?” Hyundai then announced it was continuing its Assurance Plan—“because the economy hasn’t really turned around for any of us until it turns around for all of us.”

**4. Leverage public sentiment.** A timely campaign that taps into the Zeitgeist can go a long way toward helping a brand connect with consumers—as long as it is genuinely aligned with the brand.



- [JetBlue](#): Not only did JetBlue’s “Bigwigs” campaign fit with the airline’s distinctly un-stuffy, anti-stodgy brand, it was relevant and timely, and undoubtedly struck a chord with bailout-weary American taxpayers. JetBlue poked fun at C-suite execs just as they were getting chastised for their excesses—private jets included—amid bailout mania. It subtly communicated “more for less” by telling “Bigwigs, Muckety-Mucks, Private Jetters and Big Cheeses” how “jetting on JetBlue is a lot like on your private jet, with a few basic differences.” JetBlue’s Web site described features such as lots of leg room, free snacks and “fares that won’t give the CFO a conniption.”
- [Miller High Life](#): A brand that has long cultivated a blue-collar image, Miller High Life leveraged the populist zeal stirred up by the recession by “giving” its Super Bowl ad time to “deserving small businesses from around the country.” Four Miller High Life spots that ran in regional markets each highlighted one business (Loretta’s Authentic Pralines in New Orleans, etc.). Echoing JetBlue, a teaser ad positioned this Super Bowl advertiser as standing apart from “those big muckety-muck companies [that] prance out those fancy-pants commercials.”

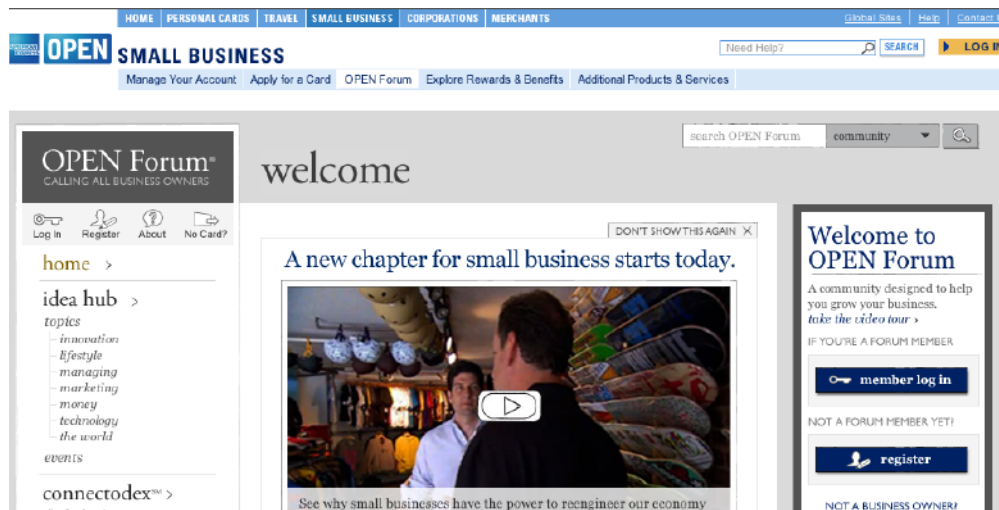
**5. Give consumers more control.** This is the moment for brands to provide consumers with choices (in how they pay, how much they pay, when they pay, etc.), making them feel they have some control.

- [Casas Bahia](#): Brazil’s largest retailer and advertiser built its empire on a business model that provides credit to low-end consumers, who have been able to acquire fridges, stoves, furniture, etc., through monthly installments. Casas Bahia makes clear that it is open to negotiating the payment plan and doing all it can to ensure that installments fit the household budget. In one campaign, Casas Bahia actually asked, “How much are you willing to pay?” in an attempt to provide the comfort that comes from being able to choose a payment plan.
- “[Pay what you want](#)”: Originally an offbeat strategy that Radiohead used to market its album *In Rainbows*, marketers are adopting “pay what you want” to attract buzz and engender goodwill by making consumers feel empowered. For example, Singapore’s new Ibis hotel allowed guests to name their price for a room during a brief window each day via the site [paywhatyouwant.com.sg](#). And Little Bay in London was among a handful of restaurants to test the idea, running a month-long “pay what you think it’s worth” promotion.



**6. Provide a real service for consumers.** Give consumers tools to help them cope (by saving money, becoming more informed, etc.) or achieve goals. This positions the brand as an ally of consumers, supportive and dependable.

- [BOB](#): At a time when few Austrians were optimistic about the future, the young mobile provider BOB launched [bobtivist.at](#)—the name a combo of “optimist” and “bob”—where people can share tips on how to enjoy life and save money in Vienna. The site is both pragmatic (with its cost-cutting ideas) and inspirational (reminding consumers of the bright side of things).
- [American Express](#): The OPEN small-business platform offers the [OPEN Forum](#), an online resource and social networking site for small businesses that features a virtual Rolodex of credentialed businesses, marketing toolkits and an idea hub, among other things.



**7. Inspire rather than empathize with consumers.** Rather than reflect the more fearful side of consumers—treating them as downtrodden, penny-pinching and anxious—see them as hope-fueled and talk to them accordingly. Don't feed resentment; feed ambition and optimism—focus on how these consumers are better off than their predecessors. Be more inspirational and aspirational.

- [India's Economic Times](#): A "Power of Ideas" contest sponsored by the leading business daily created a platform to encourage entrepreneurship, providing both inspiration and advice for business development in a recession. People could submit ideas, as well as receive mentoring and the chance for funding. A hope-fueled market where entrepreneurship has been riding high, India has been determined to turn the recession into opportunity. Many headlines reveal this sentiment—e.g., from *The Economic Times*: "Just one big idea can lay off the slowdown."
- [Coca-Cola](#): In an ad celebrating Chinese New Year, Coca-Cola smartly leveraged one man's loss of hope to encourage the whole nation. The spot featured Chinese track hero Liu Xiang, an Olympic champion who had to abruptly withdraw from the 2008 Summer Games due to an injury. Amid a celebratory Chinese New Year setting, we see that Liu hasn't gotten past the bitter memory of the Olympics. His father comes into his room and passes him a bottle of Coke. "Do you know how many hurdles you have leaped over in the past?" he asks. Silence from Liu. "100,006 hurdles," his father continues. "This is just another hurdle in your life." The spot ends with a revived Liu knocking at his father's door and handing him a Coke.



**8. Return to the core value of hope.** Messages that restore hope could help make brands aspirational again.



- [Havaianas](#): The Brazilian flip-flop maker found hope in adversity: A commercial showed an earnest woman interrupting a "roda de samba" (an informal gathering of people playing samba songs). She complains: "How can you possibly be laughing and having fun while there is a crisis going on in the world?" The stunned crowd falls silent until someone lets out: "Talk about sadness!" Someone else breaks into a popular samba song that goes "Sadness, please go away!" The crowd follows happily along.
- [Portuguese Red Cross](#): As consumers tightened their wallets in late 2008, the Portuguese Red Cross decided to sell hope in a literal way. It opened a store in a Lisbon mall where cards promoting "hope" were clipped onto hangers and stocked on shelves, just as normal goods would be; they sold for 10 euros apiece. "Hope" was positioned as a gift alternative for the holidays, and shoppers could get the satisfaction that comes with both a mall transaction and the act of giving. Where its messaging could have played on guilt, the Red Cross spoke in a voice of optimism.



**9. Re-imagine how your products are sold.** By tweaking your sales model, you can make products more accessible to consumers hesitant to spend.

- [Best Buy](#): The recession saw many consumers postpone big-ticket purchases, a challenge that electronics chain Best Buy addressed with its novel Pitch In card. Think bridal registry meets microfinancing meets layaway; Best Buy terms it “easy group gifting.” Customers looking for help financing a purchase create a [Pitch In](#) card along with a Best Buy wish list, which they share with friends and family. Gift-givers then contribute payments ranging from \$5 to \$9,999.99.



- [Levi's](#): An aspirational brand in India, Levi's aimed to become more accessible and broaden its user base without discounting or weakening its premium positioning; it also wanted to increase frequency and value of purchase among existing customers. So Levi's brought in new category thinking, partnering with one of India's major banks (HDFC) to offer an EMI (equal monthly installment) scheme. The communication championed a “Live Now” philosophy.

**10. Use the recession to achieve a higher goal.** Thing big: You can stimulate consumer spending or confidence at the same time as helping the environment, for instance, or encouraging entrepreneurship, volunteering or family time.

- [India's Economic Times](#): See No. 7 for details. This entrepreneurship contest was a way for the newspaper to do something meaningful for consumers while burnishing its brand.
- [Cash for Clunkers](#): Germany was the first with a “Cash for Clunkers” campaign that aimed to get citizens to buy domestically made cars, help the environment and stimulate the economy. The U.S. government's subsequent “Cash for Clunkers” program encouraged Americans to trade in their gas-guzzling clunkers for thousands of dollars off the price of a new, better-for-the-environment vehicle. Both programs helped boost consumer spending. Some [retailers copied the idea](#), offering discounts to customers who brought in used goods that could be donated to charity.

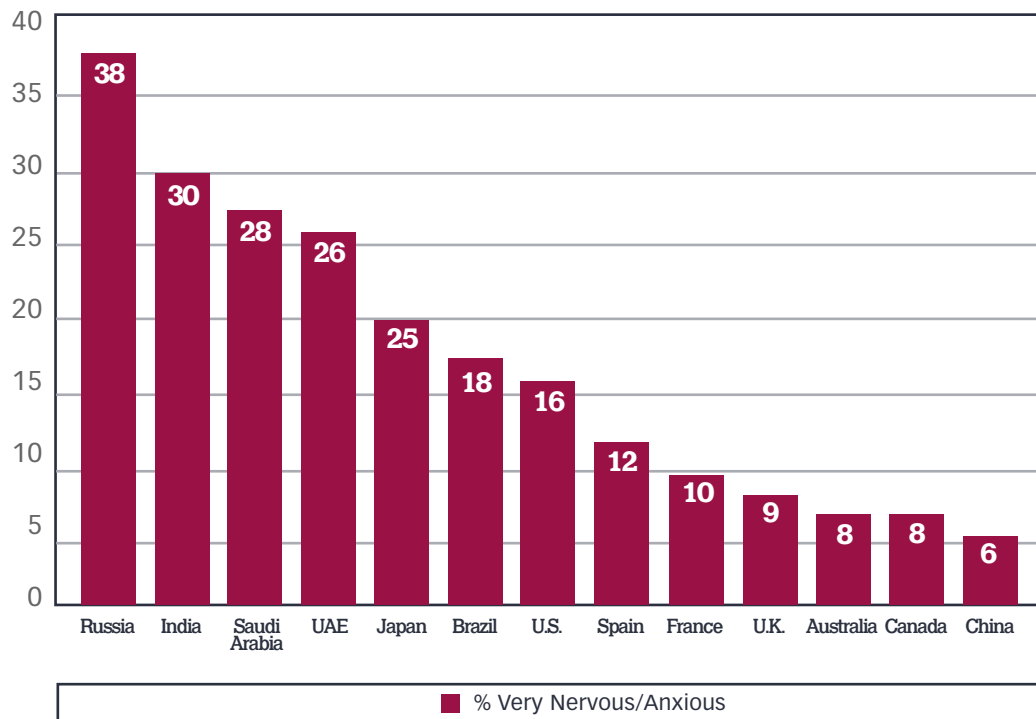


Photo: Infrogmatton/creativecommons.org

# APPENDIX

**Figure 1: Intensity of anxiety**

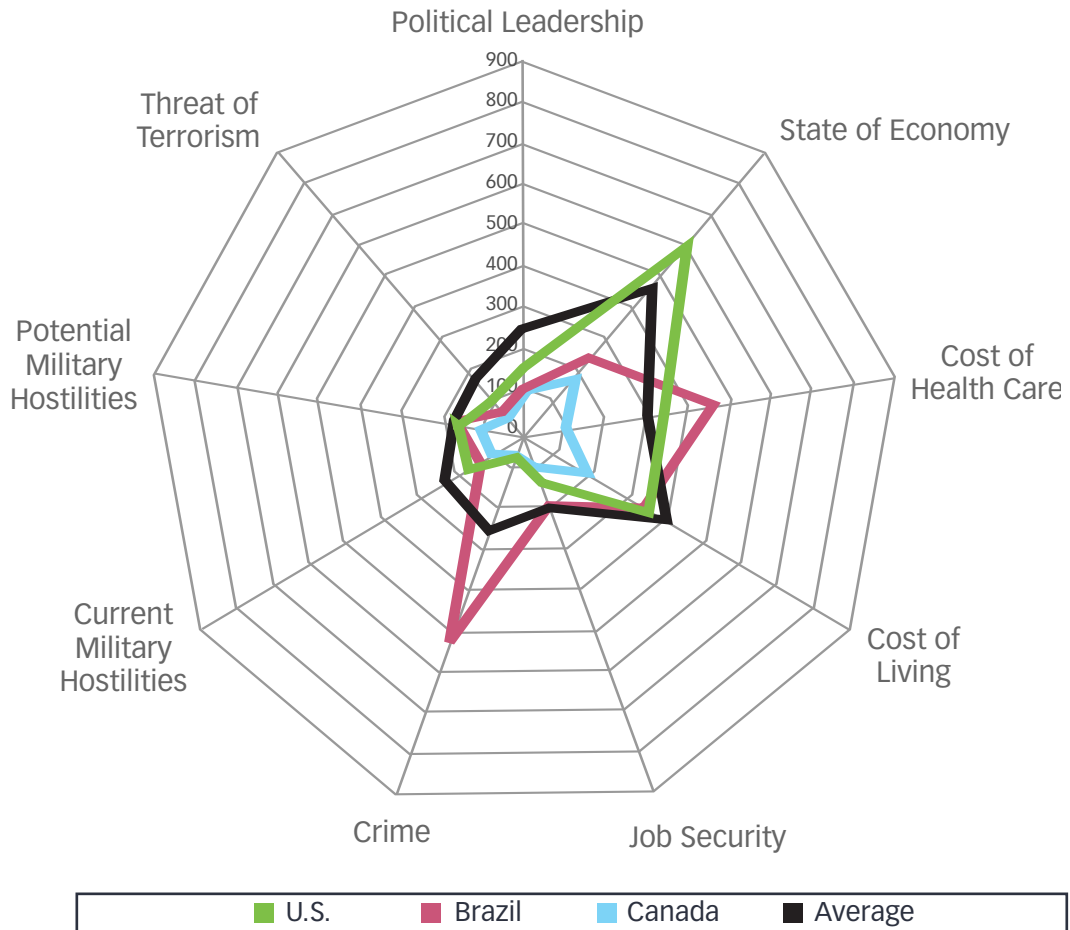
Overall, given everything that is going on in the world, the country, and your family's life, how nervous or anxious would you say you currently are?



Brazil: February 2009  
India, China: April-May 2009  
Russia, Spain, Japan: March 2009  
U.S., U.K., Canada, Australia, France: September 2009  
Saudi Arabia, UAE: October 2009

**Figure 2: Drivers of anxiety: the Americas**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.

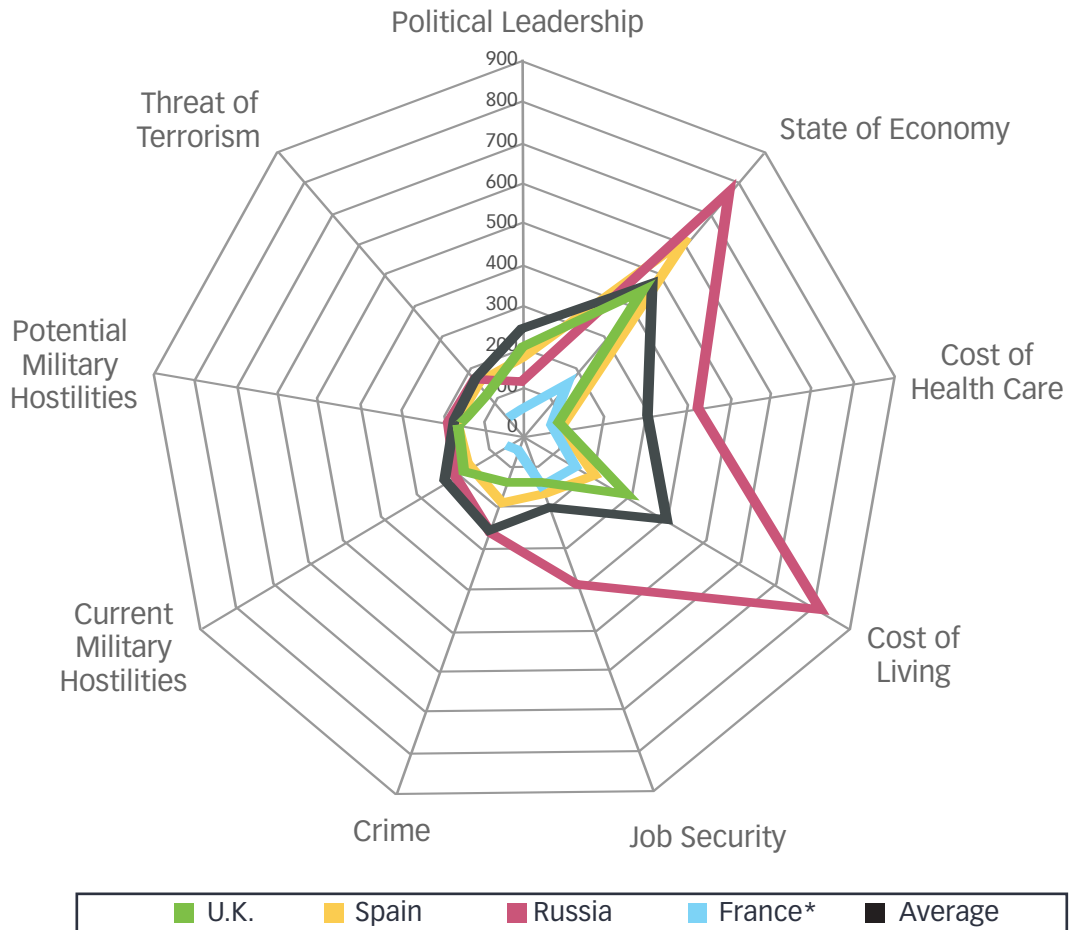


Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

U.S., Canada: September 2009  
Brazil: February 2009

**Figure 3: Drivers of anxiety: Europe**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.



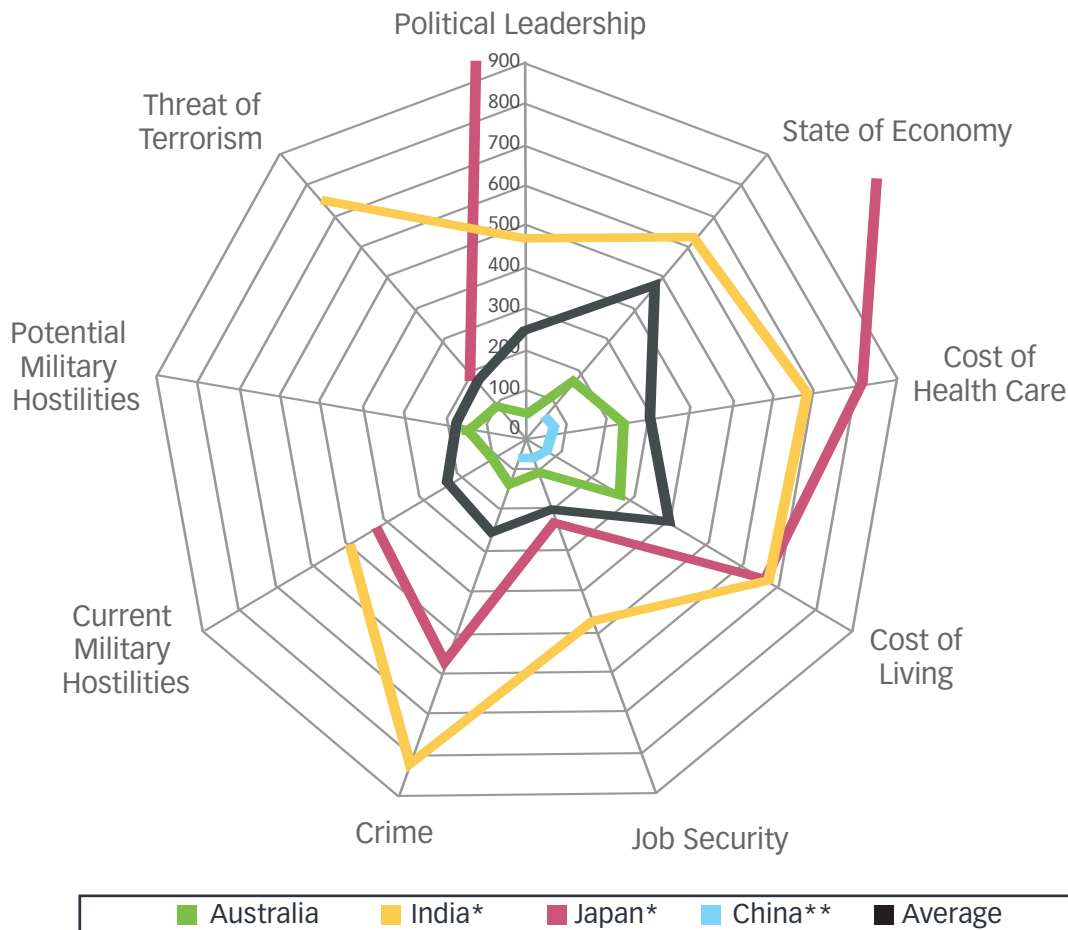
Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

U.K., France: September 2009  
Spain, Russia: March 2009

\*Potential military hostilities not explored in France.

**Figure 4: Drivers of anxiety: Asia Pacific**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.



Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

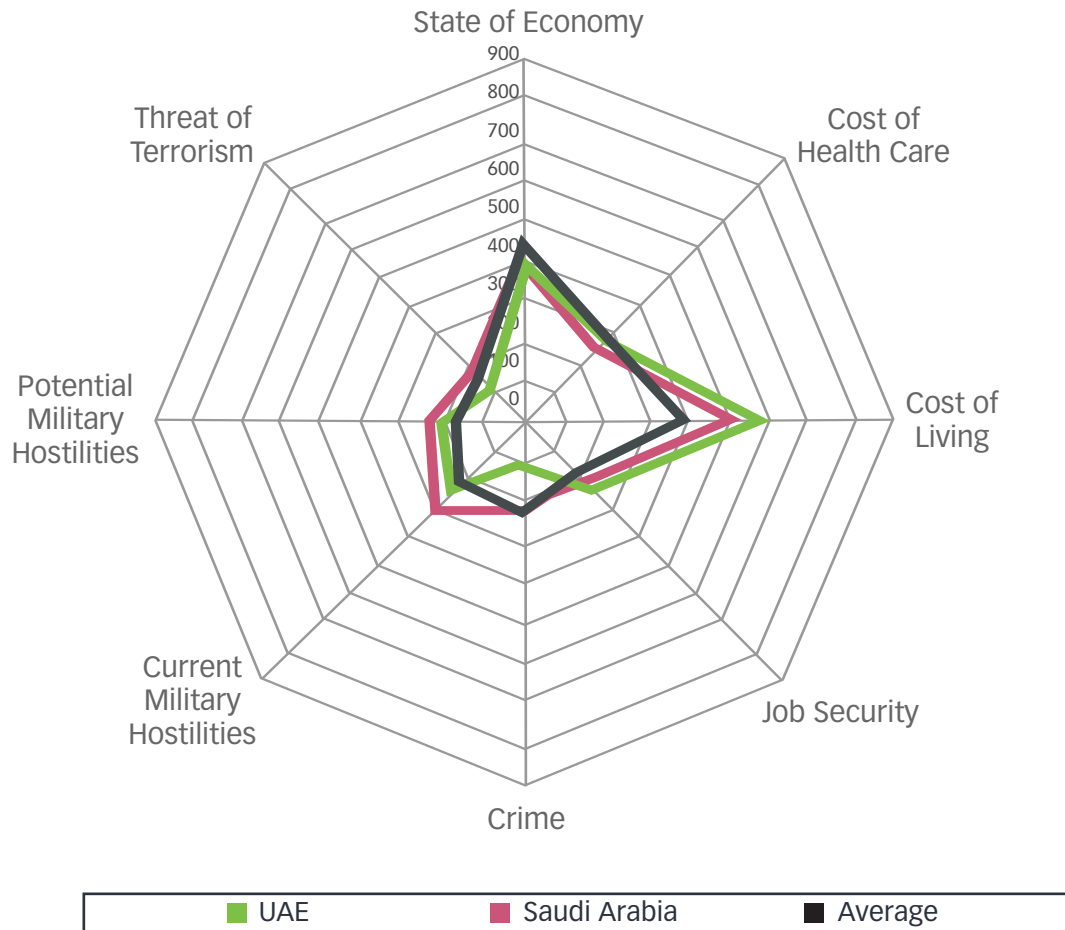
\* Potential military hostilities not explored in India and Japan.

\*\* Political leadership, threat of terrorism, current military hostilities and potential military hostilities not explored in China.

India, China: April-May 2009  
 Japan: March 2009  
 Australia: September 2009

**Figure 5: Drivers of anxiety: Middle East**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.

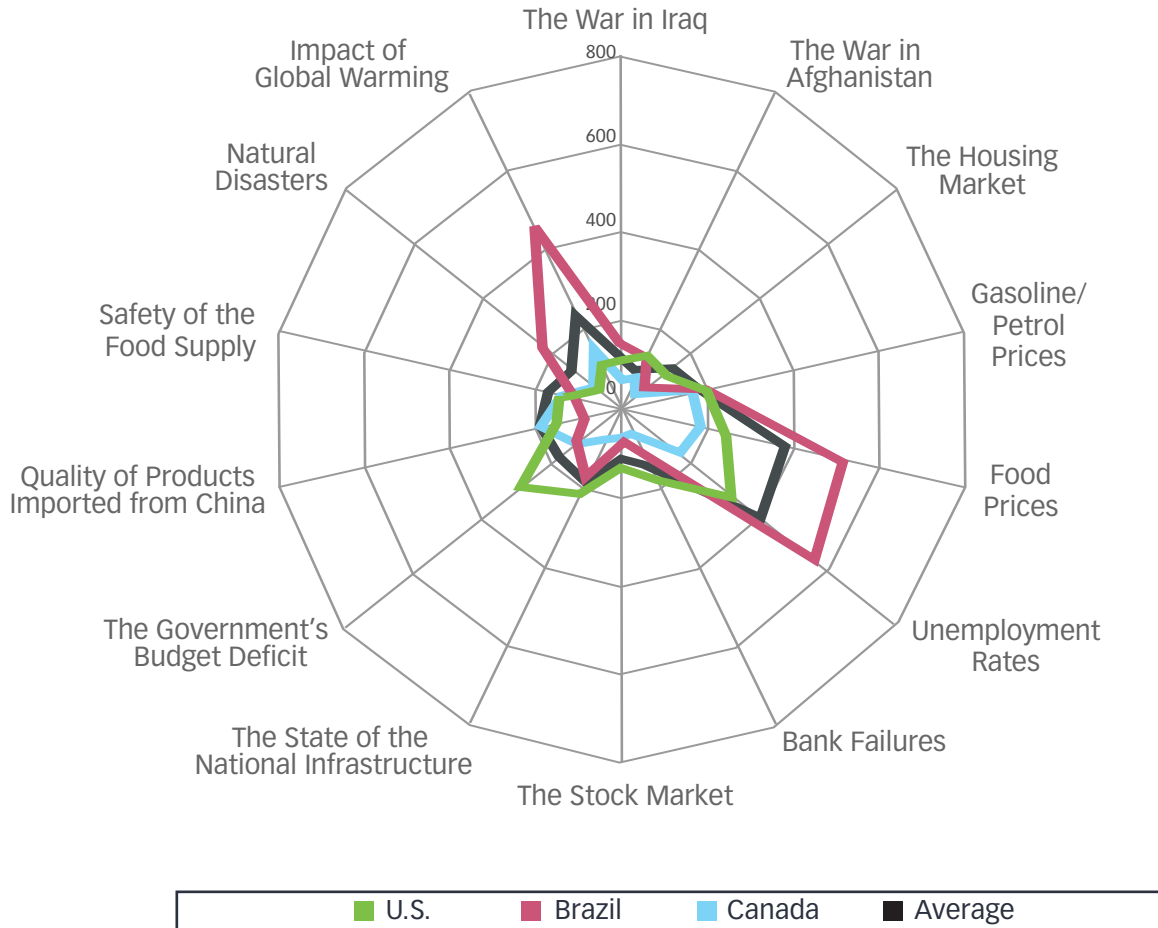


Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

UAE, Saudi Arabia: October 2009

**Figure 6: Specific drivers of anxiety: the Americas**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.

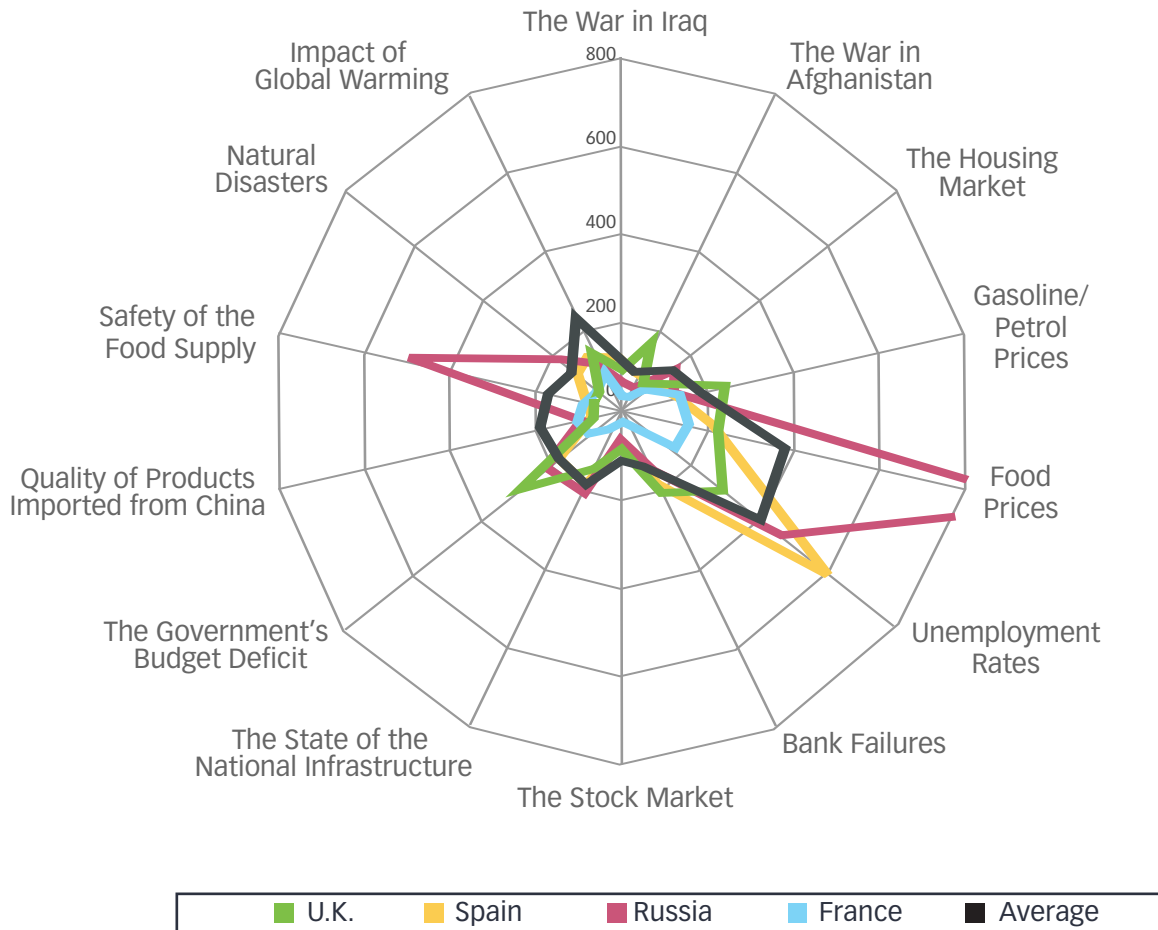


Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

U.S., Canada: September 2009  
Brazil: February 2009

**Figure 7: Specific drivers of anxiety: Europe**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.



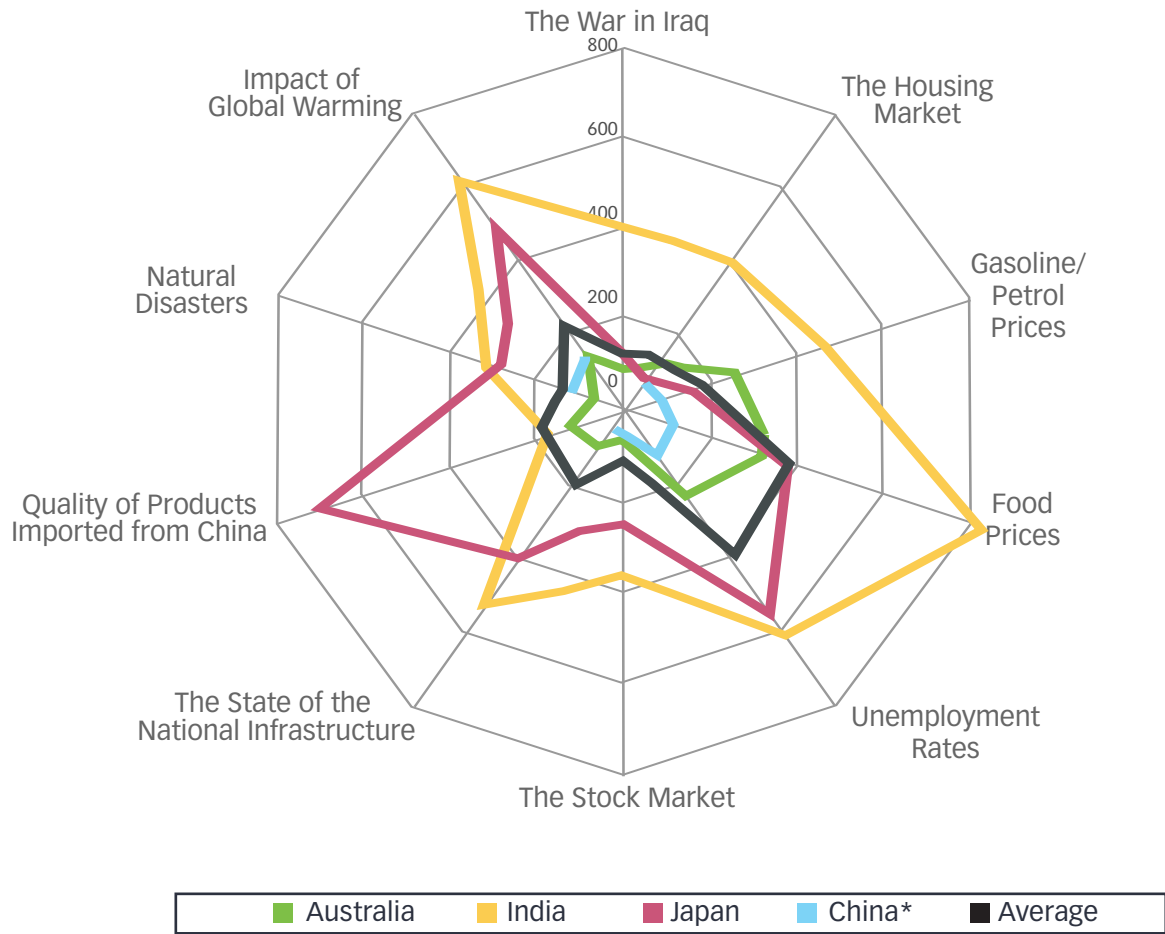
Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

U.K., France: September 2009  
Spain, Russia: March 2009



**Figure 8: Specific drivers of anxiety: Asia Pacific**

Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.



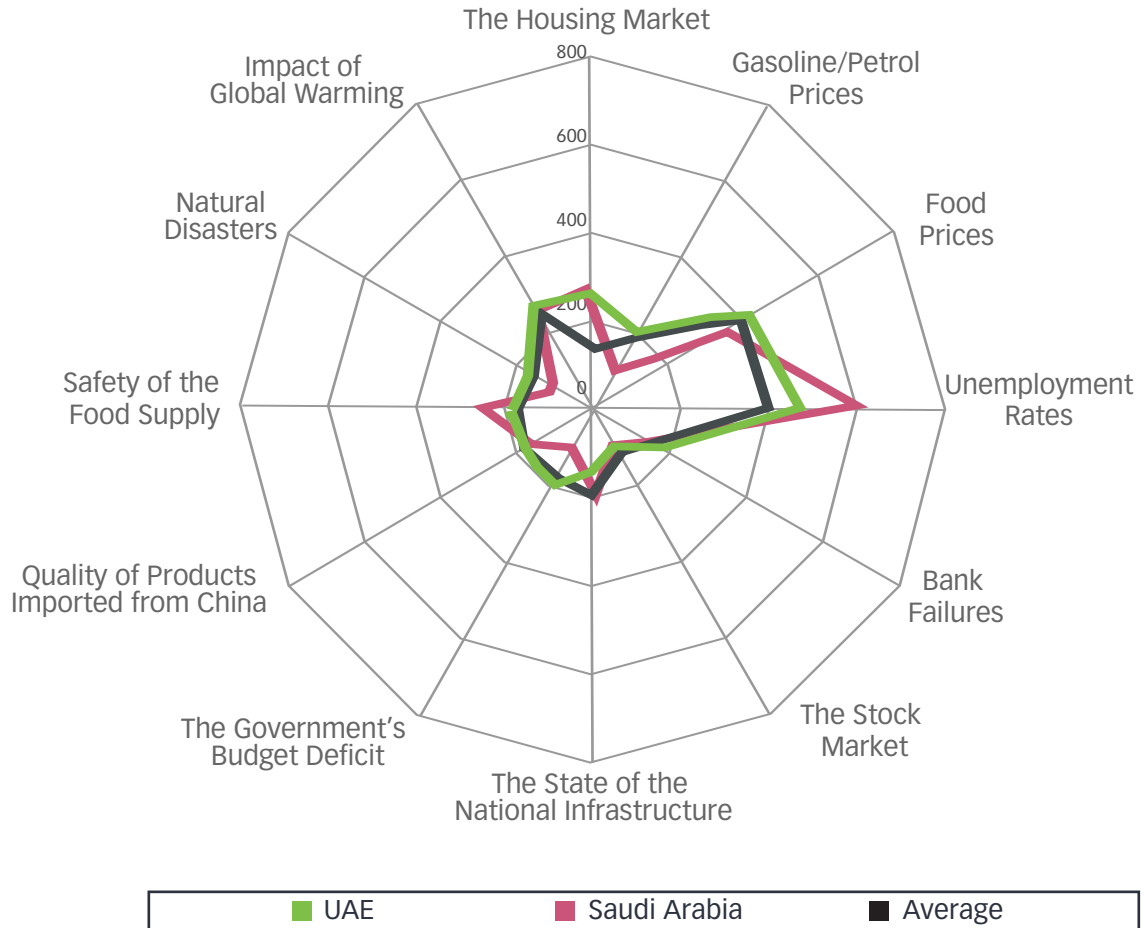
Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

\*The war in Iraq and quality of products imported from China not explored in China.

India, China: April-May 2009  
 Japan: March 2009  
 Australia: September 2009

**Figure 9: Specific drivers of anxiety: Middle East**

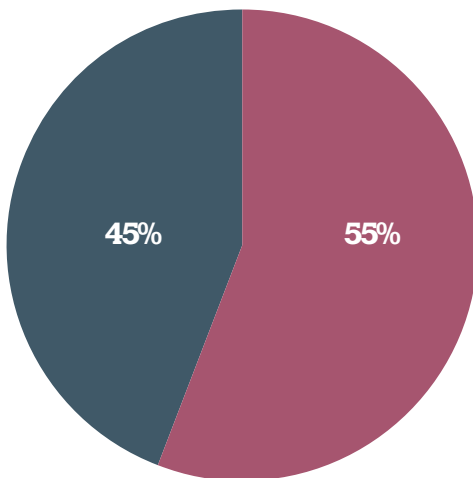
Events in your life, in the country and in the world can make people nervous or anxious. For each of the following, please indicate how nervous or anxious you currently are, or not.



Note: The AnxietyIndex Score is derived by the ratio of those who are nervous to those who are not nervous, multiplied by 100.

UAE, Saudi Arabia: October 2009

Figure 10: Price and value messaging versus other approaches (optimism, consumer empowerment, humor, nationalism, nostalgia, etc.) used by brands as recorded by an AnxietyIndex.com tag cloud



From December 2008 through December 2009



466 Lexington Avenue  
New York, NY 10017

[www.jwt.com](http://www.jwt.com)

[www.jwtintelligence.com](http://www.jwtintelligence.com)

[www.AnxietyIndex.com](http://www.AnxietyIndex.com)

For AnxietyIndex inquiries, please contact Ann Mack ([ann.mack@jwt.com](mailto:ann.mack@jwt.com), 212-210-7378).  
For press inquiries, please contact Erin Johnson ([erin.johnson@jwt.com](mailto:erin.johnson@jwt.com), 212-210-7243).