



Why Smart Brands Invest During a Recession

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Data backed insights
for future focused
decision making

**“Brands that invest in
a downturn don’t just
survive, they lead.”**

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What's Happening Now?

- Trade tensions rising Conflicts in Europe & the West Asia Slowing global economies
- 19% tariff on Indonesian exports to the U.S.
- Indonesia's GDP forecast downgraded

The Big Questions:

- **Should we reduce marketing spend?**
- **Should we go all-in on sales promos?**
- **Or invest in brand?**

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Let's Understand the Cycle

- **Recessions are temporary.**
- **Downturns are part of every economic cycle.**
- **How we act now defines where we stand later.**

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What's History Tell Us?

McGraw-Hill (1980s)

Brands that maintained their advertising initiatives during recession, recorded **256% higher sales expansion** after the economic recession.

Harvard (2010)

4,700 companies studied:
Brands achieved a **9% increase in sales** while earning **13% higher profits** by balancing spending reductions with investments in marketing & research and development.

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More proof from the past

Bain & Company (2009)

Winners focused on customers,
not just cost cuts.

IPA (UK)

Brands with Excess Share of Voice (ESOV)
gained market share & equity. The practice of
remaining silent provides your competitors
with opportunities to take your market share.

Kantar - BrandZ

Top performers invested in brand-building
during crisis.

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Real-World Winners

 (2008)

The company spent money on research and development and advertising to achieve explosive market growth.

P&G

Stayed visible → Strengthened loyalty

 TOYOTA (1970s)

The company's investment during the oil crisis led to their dominance of the U.S. market.

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What About Indonesia & SEA? During Covid-19 as a proof when brand keep spending

Brands that stayed visible, they maintained mental availability, gained brand equity and recovered faster

Kantar SEA (2022)

Brands that stopped advertising for 6+ months they lost 39% brand awareness and took 2x investment to recover

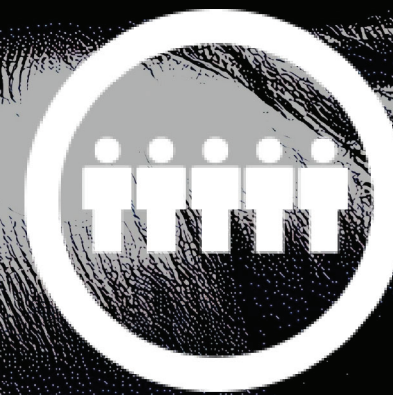
Nielsen SEA (2020)

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Why Indonesia Still Matters



7th largest economy
(PPP, IMF 2025)



4th largest population
(in the world)



Political stability



Young, digitally
connected population

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**Indonesia equals
long-term growth story**



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A downturn in the economy does not require budget cuts from marketing expenses.

It's an investment.

Key Takeaway

- We need to grow visibility while others go quiet
- We need to build trust during the uncertainty
- Maintain marketing investment to set up for faster recovery

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