

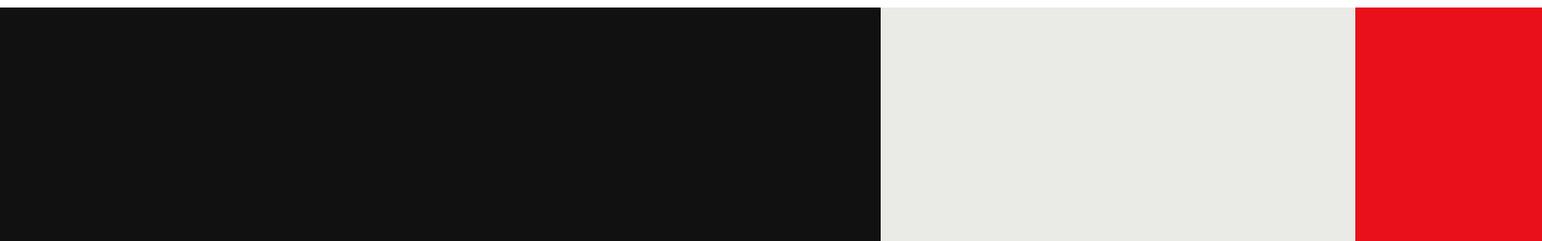
# How brands are responding to consumers' inflation concerns

Article



**The news:** Many brands are looking for ways to pivot to messaging and strategies that are more likely to resonate with inflation-wary consumers—though some industries aren't feeling the pressure to shift strategies (yet).

**Seizing on opportunity:** T-Mobile is launching a campaign dubbed **Coverage Beyond** targeted at summer travelers.



- Through Labor Day, the carrier will provide savings at **Shell** gas stations, a complimentary one-year membership to **AAA**, free Wi-Fi on some flights, and better international internet rates in a select number of European countries.

**Focusing on value:** Without mentioning inflation directly, **Del Taco's** "We Get It" campaign earlier this year used humor (gas at \$5,333; used cars approaching \$1 million apiece) to promote its "20 Under \$2" menu.

- The fast food chain's CMO **Tim Hackbardt** told Fortune at the time that many of its competitors were abandoning the value category in wake of rising inflation and that it was working to take advantage of the situation.

**Crafty campaign:** Food conglomerate **Kraft** has simplified the branding for its macaroni and cheese to support the idea of "positive comfort," officially changing the name to **Kraft Mac & Cheese** based on how consumers refer to the product. The packaging, set to debut in August, will highlight the updated noodle-smile logo, which will now have cheese dripping from it.

- The consumer goods firm joins others in implementing rebrands designed to update venerable products and lean into evolving customer preferences.
- The campaign includes a **TikTok** challenge, suggesting a desire to engage the brand's younger target market that prefers the video-sharing app.
- The "positive comfort" theme connects to the idea of self-care among millennials, a generation that has shifted away from conventional packaged meals in favor of organic offerings, but given inflationary concerns, might be willing to give packaged staples another chance.

**No need to respond:** For some brands, it's business as usual.

- Beer firms **Molson Coors**, **Constellation Brands**, and **Anheuser-Busch InBev** recently posted positive earnings, suggesting that inflation concerns aren't hitting all categories equally.
- Fashion brands seem to have largely benefited as consumers update their wardrobes to reflect busier post-pandemic social calendars. Case in point: **Doc Martens** posted **43% growth** in pretax profits in its most recent quarter.
- Luxury brands don't seem to be that worried, either.
- Some conglomerates, including **Kimberly-Clark**, have used inflation as cover to boost their margins.

**Our take:** While inflation has historically bolstered ad spend as is often taken into account in advertising budgets, that's not likely to happen this time. The overall uncertainty will have a negative impact on marketers' budgets.

- While consumers will be spending less, their underlying needs won't be any different—but they could be looking to more affordable products to meet them.
- Some categories will naturally benefit from inflation—and savvy advertisers will run campaigns that assuage consumer concerns.