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Published: February 13 2008

Recession marketing: be brave or be gone

By **Drew Neisser**

Here's a list of strategies marketers can employ to mine the golden opportunities economic downturns offer.

In a memorable moment in "Monty Python and the Holy Grail," a galloping minstrel sings of Brave Sir Robin and how "he ran away, he ran away" when faced with adversity. With a downturn (dare I say recession) looming, my advice is simple: Don't be Brave Sir Robin.

As the old saying goes, with each challenge comes opportunity and opportunities abound even in downturns. Here's a list of tips to help you mine those opportunities:

1. Don't kill your budget (yet)
The first thing we marketers must do is save the budget. I have no doubt your CFO is already calling for reductions in head count and spending. Now is the time to be brave.

Since all your competitors won't have the chutzpah to say no to their CFO, you must make the case that this is your chance to gain true competitive advantage with a share of voice you've been dreaming about all these years. Remind your CFO that top-of-mind awareness is an asset of the company that will devalue faster than he can say ROI. In truth, awareness can decline as fast as 50 percent a month when you go silent, and the cost of buying back that awareness will be horrendous.

2. Cut wisely
Given that my first point is probably a pipedream and that you will no more be able to avoid cuts than a deer can turn away from oncoming headlights, let's consider where to cut. Traditional advertising has always been the first to go, and depending on your media mix, that may make sense now.

The one advertising channel that will be harder to cut is online since a steady stream of metrics provides the ROI data that is so often missing in other areas. Promotional dollars are harder to cut because your channel partners may very well depend (like the addicts they are) on the sales boosts coupons and other discounts provide. Events and trade shows should be reviewed on a case-by-case basis, saving those that can demonstrate ROI and tossing the ones that have been of questionable worth all along.

3. Stay focused
Now that you have less money to work with, it is all the more important that you concentrate spending where it can have the greatest impact. This is not the time to consider new targets or new channels if that means losing focus on your core constituents.

But staying focused doesn't mean doing the same old, same old. Get out there and talk to your customers and find out how the downturn is affecting their lives and their product choices. Just the mere process of talking to your customers will make them feel special and cement the bond you'll really need to weather the economic storm.

4. New stuff for the old gang
What you hear from your current customers may really surprise you and push your product or service offerings in new directions. With austerity looming like a black cloud on the horizon, some consumers may turn to affordable luxuries even more than usual. While more "value packs" seems like an obvious direction, it is also possible consumers will turn to smaller sizes just to keep their monthly spend down.

On the other end, luxury customers may temporarily discard their "if you've got it, flaunt it" attitude, choosing to spend their dollars more discretely. For example, furriers might want to think about putting the fur on the inside of the coat, offering the same warmth without the showy statement (animal rights activists would encourage you to put fake fur on the inside!)

On the services side, tighter economic times could create all sorts of new opportunities. Those with two jobs might need more help at home, keeping things organized, walking the dogs and/or shopping for groceries (online services like Fresh Direct could indeed thrive in a downturn).

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5. Keep it light
Just because the economy is sadly wanting doesn't mean consumers want to be reminded of their uneasiness in every communication. A little humor, particularly of the self-deprecating variety, will be most appreciated by your otherwise stressed-out target. If there is humor to be found in your DNA, now is the time to unleash the smiles.

Entertainment companies, for example, will be wise to break out the comedies after finding a happy ending to the writers' strike. I'm reminded of the depression era-based movie Sullivan's Travels in which the protagonist (a movie director played by Joel McCrae) searches for a serious theme for his next feature. What he learns is that laughter is the ultimate tonic during tough times.

6. Avoid the middle
A waning tide may lower all boats but some will surely ride this out better than others. My money is on strong brands with high net promoter scores who are consistently delivering genuine and perceived value. Weaker brands with little customer loyalty will find themselves stuck in the middle, neither cheap enough to overcome their shortcomings or expensive enough to attract the ever-spending affluent crowd.

This is a bad time to be Sears and a better time to be Best Buy or Bergdorf's. Sears is stuck in the middle without competitive advantage on price, value or service. Best Buy offers both value and service (via Geek Squad) and Bergdorf's regulars are unlikely to cut back drastically. Mass consumer brands with a wide range of products would be smart to emphasize their high-end and entry-level models, again with the goal of avoiding the middle.

7. Partner with non-profits
Non-profits will undoubtedly feel the pinch as their supports cut back on donations. This happens in every downturn and is really painful for the non-profits who continue to perform an incredible range of socially beneficial services. Mobilize your employees and your customers behind the non-profits you truly believe in and you will be amazed at the good will and good business you will do as a result. The non-profits will be so grateful for your support that they will bend over backwards to ensure you achieve your business goals not just now but for many years to come.

It may seem counterintuitive to increase your corporate social responsibility now BUT that is exactly why it is worth considering. Your employees undoubtedly will respond with increased loyalty that will also translate into higher productivity.

8. Hedge your bets
Market volatility is not a new concept yet many companies are remarkably vulnerable to changes in the economy. Savvy marketers are turning to sophisticated forecasters who can not only anticipate changes but also offer hedging solutions. With some progressive thinking, marketers can find some means of protecting against the key variables that impact their particular industry.

In the field of weather, for example, a new company called Storm is helping a variety of companies from makers of outerwear to power companies determine the business cost of variable weather conditions and then helping them hedge against abnormal conditions.

9. Keep your ear to the ground
If you don't have a full-time "social media director" on staff, get one quick. This individual needs to be on the internet every day, monitoring the chatter about your brand. Since bad news spreads faster than a blaze in the Malibu hills, active blog monitoring is the first line of defense, offering a firewall between your brand and an image-burning disaster. Your clearly identified (no pseudonyms please Mr. Mackey) representative can set the record straight, respond to performance complaints and keep you informed when problems aren't being addressed in the field. She may even turn a customer into an advocate simply by acknowledging the person's comments.

Given how few companies bother to engage their customers, those that do are frequently met with "wow, I didn't know you cared that much" and vows of eternal loyalty -- loyalty that will float your boat long after your competitors succumb to the economic down currents.

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