



Recession Marketing:
**Ten Suggestions On How to Survive
and Thrive in Brutal Economic
Times...and Emerge Even Stronger
When the Recovery Comes**

By Patrick Di Chiro, Chairman and CEO, THUNDER FACTORY

You say recession, I say depression, let's call the whole thing off!

Wish that we could, but that's unfortunately not in the cards right now. We are stuck with the worst economic crisis since the dreaded and iconic Great Depression. Consequently, we marketers, brand managers and public relations practitioners need to figure out how to deal with this severe downturn and keep our companies and organizations in the game.

Who knows, if we are clever, and a little bit lucky, we might even gain some advantage while our competitors are struggling to keep their heads above water and bottom lines somewhere in the vicinity of black.

How do we accomplish that? With all of the gloom and doom descending on the world right now, you might think that thriving (not just surviving) during this global economic crisis is a managerial, marketing and statistical impossibility.

Relax. It's not impossible. In fact, it is very doable if you take some proactive steps to prepare to do battle against economic Armageddon. Herewith are my 10 practical and actionable suggestions for not only getting through this mess, but emerging even stronger and more competitive on the other side:

1. **Know Thyself First**

If there is one thing that has always stood out for me about the many clients that I have worked with over the years, it is how frequently companies (and organizations of all types) just don't have a clear picture of what they actually do, what makes them special, and why anyone should care. In other words, they just don't have a clear, concise, compelling strategic positioning and value proposition. In the extraordinarily challenging economic (and cultural) period that we find ourselves in today, knowing precisely the who, what and why of your company and brand is essential. It is NOT a luxury, or nice to have, or "we'll get to that later." Even if you have a strong, even proven positioning for your market, it may need adjustment or a total rethinking, given the dire economic circumstances that now exist. I loved this quote from a recent Wall Street Journal story about how luxury marketers are now scrambling to figure out how to deal with a recession that is even affecting the rich as well as the near-rich. The story's two writers stated: "But the biggest winners of all will be those who can reposition their brands to capture the mood of the times. Goodbye, bling. Hello, austerity chic." Exactly...and that also applies to B2B marketers, and all marketers, for that matter. If you are a mid-sized software company, perhaps you've been successfully using ease of implementation and innovation as the key pillars of your value proposition during the past few years, but those attributes may mean a lot less today as your customers struggle just to

stay afloat. You should be thinking about how to better position your products and services to meet the current needs and concerns of those customers; that may require a careful refocusing on attributes like cost efficiency, proven performance, revenue building and ROI. Making sure your brand narrative is compelling, clear, and right for the times is a critical first step in becoming truly battle ready for the recession.

2. **What's Your Brand Promise?**

Once you've figured out, refined and/or refocused your strategic positioning, you need to also make sure your brand promise is in sync with the dismal economic picture. Now, this does not mean that you should just chuck what has gotten you to this point. BMW has had huge success over the years sticking to and constantly reinforcing its brand promise of "driving pleasure and excitement" (The Ultimate Driving Machine). But, that has not stopped BMW recently from adjusting its brand message to include "efficiency" as an effective way of dovetailing with the new obsession with EPA fuel ratings. My favorite definition of a brand is "a promise made and a promise kept...consistently over time." In these times of pure economic survivalism, make sure your brand promise fits the prevailing "end of days" zeitgeist. There was a story recently on Saks opening up a multi-million dollar boutique for the ultra high-end Italian menswear maker Kiton. The piece pointed out Saks' remarkably bad luck in opening its long-planned and much ballyhooed Kiton boutique – which sells off-the-rack suits starting at about \$7,000 each – just as the recession was getting into full swing and even the wealthy were closing their wallets. Actually, an impeccably tailored, hand-made Kiton suit, even at \$7K-plus, is surprisingly a good value. It has timeless Italian/Neapolitan style and quality that will literally last a lifetime for gentlemen of a certain standing who can both appreciate and afford that level of sartorial elegance. This is a good case study of how a high-end retail brand like Saks needs to re-direct its brand promise on the right attributes for today's challenged economy (e.g., the "true" value of timeless style and quality).

3. **Spend Appropriately (Which Doesn't Mean "Lights Out")**

The marketing and media "experts" (typically self-serving agency types) who tell you to "spend your way out of a recession," are not doing you or themselves any favors. The fact is that unless you are McDonald's or Wal-Mart, your sales and revenues are probably down (in all likelihood, sharply down), and that means that you will be cutting your marketing spend. OK, that is totally understandable and prudent. But, what makes no sense whatsoever is to just stop marketing in the hope that you can re-energize customers and re-start sales by saving money. It

doesn't work that way. I just heard of a marketing director of a global technology company who said that his budget was cut recently by 70%! That drastically reduced spending level certainly is not sufficient to keep his brand and value message front and center, reassuring customers and consumers that, now more than ever, you've got their back. During a recession, spending the "right" amount on your marketing program takes foresight, finesse and probably a little courage, too. It is not just a matter of wanton, mindless slashing to please the CFO (you can never cut enough for her/him). What you might even find is that while your competitors are running for cover because of the downturn, you can connect with your customers and new prospects in meaningful new ways. So, cut your marketing expenses appropriately and judiciously, but don't make the classic mistake of just shutting down your marketing altogether. It never works that way, and certainly won't help you get ready to compete and win in advance of the recovery.

4. **Don't Stop That Innovative Feeling**

How many times have you heard and read in the past few weeks that innovation will be the true savior for our economy? To a large degree, it's true. Innovation really is the way back from an economic debacle, even an historically bad one like we face today. But, what does innovation practically mean to you and your company? Does it apply to your marketing program, or is that just something for the technology department or the new product development team? As a marketing director, brand manager or corporate communicator, you should be a champion of innovation at every level of your business – from product development and feature enhancements, to price modeling, go-to-market strategies, on- and off-line media selection, and of course, branding. The best way to break through to a reluctant, financially gun-shy audience is to wow them with innovative new ideas that literally grab their attention and imagination, demonstrating how your product/service really is better, smarter, different and higher value than anything else out there (just look at what Apple has accomplished in boom times and recessions?). Innovation is the driving force of your competitive come-back from a recession, and plays an essential role in positioning your brand/company to lead when the economy inevitably bounces back. NEVER skimp on, or stop encouraging, innovation. Today, it is your life blood.

5. **Enlist Your Customers To Sell For You**

Your salespeople are critical to your success. But, hiring more sales staff (or upgrading the sales team) is a hard row to hoe when you are already suffering across the board cut backs. What if I told you that you can turn your best "customers" into a highly efficient and effective sales force? Yep, mobilizing



your “brand advocates” is an incredibly powerful and heretofore untapped growth strategy for many companies and brands. Today, with the growing popularity and reach of social media, and your customers/consumers already spreading both good (and bad) word-of-mouth (WOM) over the web, the smart thing to do is mobilize your true customer advocates to “sell” your brand online. This can be done through friends and family referral programs, online communities and social networking sites, online product reviews and other user-generated-content (UGC) programs. This is not some pie-in-the-sky or untested marketing idea. Companies like Zuberance (www.Zuberance.com) are already offering proven web-based platforms that automate the entire process of identifying, activating and tracking the entire process of turning your best customers into productive sales people for your brand. In these dire economic times, when every marketing dollar counts, activating the enthusiasm of your best customers and then harnessing the power of their positive WOM, is a very smart move.

6. **Digital Media Really Is More Efficient (But Not Always Better)**

You would undoubtedly be surprised if I did not include the suggestion to focus more of your marketing efforts (and particularly your media focus) on digital media. For example, Forrester just came out with a new study that found that 60% of Baby Boomers are active users of social media, such as blogs, online forums, podcasts and web video. Generally speaking, the web really is the most efficient way to market these days, but it is not necessarily the right choice in every instance. If there is one thing that brand marketers have already learned about Internet marketing is that just transferring offline advertising/marketing techniques to the Internet is seldom the path to greater success. The beauty of the web and digital media is that it is incredibly interactive. So, if you are not capitalizing on that key interactive attribute in your digital media and marketing plan, you are probably wasting your money. As I frequently say, the definition of integrated marketing is not having a pre-conceived notion of how best to achieve your objectives; this includes your choice of which media and executional tactics to use (that is why we also refer to marketing integration as being “media agnostic/neutral”). As such, the highly interactive digital channel may frequently be your best media choice, but sometimes a tried and true offline choice (like radio or direct mail) might be even more effective, and cost efficient. Each circumstance will vary and each audience requires a different strategic and implementational approach. A challenging economic environment like today is not a time to rely on “one size fits all” marketing. Take your time, do the hard strategic work and make the right media and channel choices, and you will survive to win another day, even in the face of the worst recession since the Great Depression.

7. **Measurability And ROI Are Great, But Don't Forget Creativity**

The marketing media are already brimming with stories about how recession marketing must be founded on the bottom-line focused principles of measurability and ROI. Who can argue with that? All of us marketers and communicators should build strict measurement regimes into every marketing program we do. And the ROI of those marketing efforts should be a key consideration in gauging their success and guiding where our strategy goes from here. But, don't get too bowled over by the recessionary focus on the bottom-line. Effective marketing is not all going to shift to in-your-face infomercial pitchmen like Vince of "ShamWow" and the ubiquitous Billy Mays (heaven forbid!). Remember, marketing is still a blend of art and science. You've got to get the right balance of both dimensions, and that is not only true if you are working with a consumer product. It is just as valid for marketers of seemingly unsexy and dry business services. Human emotion is always critical in marketing, and that is where creativity comes into play. Just as true innovation is a powerful weapon in winning over customers in a difficult market, creativity in your marketing and communications is what captures their attention and interest. It is an article of marketing faith that you can't sell someone by boring them (of course, the corollary is true, too, that you can market something just based on entertainment). Your creativity has to be fresh, engaging, exciting and very strategic. It also has to be based on business-building ideas, not just a desire to shock or surprise people. Make no mistake about it, however, that great creativity in your marketing will help you thrive even in the worst economies (the hilarious and strategically memorable Monster.com "Trophy" spot during the recent Super Bowl is a stunning example of this). And, it will keep you in the game for the future, too.

8. **Get Organized**

Just as a rainy day is a terrific opportunity to get your closets organized, a down economy is an opportune moment to re-organize your company and marketing activities for greater impact and success. I have several good friends who are top experts in Organizational Development (or OD, as they call the practice). I am always fascinated by how much we have in common when we talk about the importance of internal culture and organizational design and structure in ensuring a company's success (marketing or otherwise). Here again, just as you need to make sure that your value proposition and brand promise are fine tuned to perform optimally for the challenges of a massive recession, you need to spend the same amount of serious time tinkering with your organizational design. Is it maximized for success? Is your corporate culture well aligned to meet the huge challenges ahead? Now is the time to tackle these hard organizational issues and get ready for powering into the recovery. Your company's organization and culture are inextricably linked to your brand and

external marketing activities. That is why I am a big believer in starting any brand marketing program with an “internal branding” effort. Getting this internal brand narrative and alignment right is even more important in a down economy.

9. **People Are The Thing**

Of course, as you think about organizational design and corporate culture, the central focus in all of these considerations is people. Do you have the right people in place to survive and thrive in a Perfect Storm recession? Are they the correct team to lead you into recovery? Unfortunately, mostly what one hears in business circles these days is how and when to downsize staffing to lower expenses. While I realize this is a fact of life in recessionary times, it can also be very short sighted. Especially in marketing and brand management, the right people are vital to success in all economic environments – both during a recession like today and for the flush times that will emerge yet again (yes they will!). My OD expert friends have said that too many companies (large and small) ignore these vital people issues when they should be figuring out how to strengthen and motivate their best teams to go out there and win every day. Your most valuable people (especially your superstars) are watching your every move during this down period. What you do today, and how you do it, will play a big role in what they choose to do when the recovery ultimately happens and they again have greater career options and choices. Net-net, carefully consider the human dimension in all of your marketing and branding considerations.

10. **Finally, Stay Positive and Hopeful**

I realize this last suggestion can seem particularly hard to live up to these days. Frankly, at times it is even for me...and most friends and colleagues view me, for better or worse, as a true “eternal optimist.” Staying positive and focusing on hopeful things is an even bigger part of your job during a recession. That is equally true whether you manage or just work in marketing, sales, corporate communications, HR or technology for your company. People fundamentally need to have hope in their daily lives, and especially their jobs. Human beings are also very aspirational, always looking to achieve greater levels of success and recognition. That is just human nature, especially in the egalitarian United States. What does that mean for your marketing and communications functions? Simply stated, you will need to offer up plenty of motivation and inspiration to ensure that your marketing and branding is ready to power past this recession and into the recovery period in the future. There has already been a lot of chatter about the importance of President Obama using positive messages to inspire and calm the American public, which is increasingly fearful due to the deep and broad recession. Some have said (including former President Clinton) that he needs to be even more positive in both

the style and substance of his still young presidential leadership. They assert that this positivity is an important aspect of the American psyche and culture, and thus is vital to leading us out of the economic abyss. While I think there is some truth to this line of thinking, I also believe it is equally important that President Obama (and this goes for you and your company as well) needs to balance the inspirational, hopeful messaging with the reality of what needs to be done to get things moving again. Whether you are talking to your fellow citizens, or your customers, you can't BS them or over-promise. Stay positive, but focus on tangible, practical, achievable benefits, not hyperbolic claims or happy talk. Your marketing team and your customers need positive thinking and hope, but they also need to hear the objective truth. If you can achieve just the right balance here, you will stand out from the pack.

About the Author

Patrick Di Chiro has more than 30 years of international experience in marketing, branding and communications. Patrick has had significant experience in marketing for major healthcare organizations, and has worked for some of the world's leading brands and marketing-communications agencies. Before launching THUNDER FACTORY in 2000, Patrick was Chief Communications Officer for E*TRADE Group, the pioneering web-based brokerage and banking company. Prior to that, Patrick was head of global technology and e-commerce marketing for Visa International, and a Partner with Ketchum, the world's fifth largest public relations and marketing firm. Earlier in his career, Patrick was director of international marketing and communications for American Express Company.

About THUNDER FACTORY

Since its founding in 2000, THUNDER FACTORY has built a national reputation for delivering integrated, Big Idea-driven marketing services and solutions that help clients build their businesses. The firm provides a comprehensive range of services in five key areas: **integrated marketing strategy/brand development; communications** (including online/offline advertising, public relations, social media, collateral development and event marketing); **digital/Interactive marketing** (including web development, online/email marketing, mobile marketing, search marketing and online promotions); **direct response marketing**; and **partnership marketing/sales promotions**. THUNDER FACTORY's clients range from Fortune 50 corporations to leading mid-sized companies and start-ups, including McKesson Corporation, TD AMERITRADE, RSM McGladrey, The Camden Group and Omni-ID.

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