

Why Marketing During a Recession is Crucial

by Laura Pasternak

Turn off the television. Avoid your radio. Line the bird cage with the morning paper. Why, you ask? The thunderous gloom and doom predictions of the Federal Reserve would lead one to believe we've got to stop spending and stuff our hard-earned cash under our mattresses.

Whether we actually enter a recession or not is still up for debate. However, it does bring up a prickly subject for many businesses. Should you continue investing in marketing or defer those expenditures until the economy picks up?

Let Your Brand Do Your Selling

When the stability of the economy is in question, the knee-jerk reaction for many businesses is to pull back on their marketing efforts until a bull market returns. In reality, there isn't a better time to market than during a recession—whether real or imagined. As John Vanderzee, former advertising manager for the Ford division of the Ford Motor Company, said during the 1990-91 economic slump, "Anybody who retrenches because of the recession has really got his head in the sand." Vanderzee then added that spending money on marketing during a recession is a must.

An economic downturn can be an opportunity rather than a death sentence. If your product or service is synonymous with value, then you're already ahead of the curve. With closer attention to spending, customers are carefully evaluating their options and will continue to look for high-quality, affordable products and services.

What's more, it's likely that your competition will be less visible, since many companies fail to recognize the opportunity and instead reign in their marketing expenses. As a result, they leave potential market share on the table. Consequently, your continued marketing efforts stand out and are more likely to be heard with less chatter in the marketplace.

A strong brand can pay big dividends during a recession, enhancing the success of your marketing efforts tremendously. If your brand clearly demonstrates value to your audience, is managed well, connects with your target on an emotional level and instills loyalty, you are likely to fair well during any perceived recession. Prudential's Retirement Red Zone campaign is one example. It taps into the retirement concerns of consumers and reassures the audience that, despite the current economy, they can achieve their retirement goals. The campaign uses television, radio and print ads, to drive consumers to the Prudential website. Once there, they can engage with personal advisors and access various educational tools, resources and information on their website.

If your brand doesn't meet the criteria above, do not panic. Now is a great time to heighten your visibility (often amid less competition). Take the time to perfect your brand and then reach out to your audience to underscore your brand's value.

Conversely, you may have a well-known brand but a premium product or service. You may wonder if your audience will continue to "indulge" when times are tight. If you've done a good job of defining and strengthening your brand, your core loyalists will continue to buy. Take Tiffany's, for example. Regardless of economic downturns, Tiffany's continues to thrive. People continue to buy, despite the cost because the brand has reinforced its quality and timeless appeal. The robin's-egg blue packaging is easily recognizable – even without the name people know it's Tiffany's. It conveys the brand without saying a word. See the Tiffany's envelope or box and you think: Hope. Promise. Something of value and elegance. Tiffany's products may be premium but they convey quality and elicit strong, positive emotions within its audience.

There are also opportunities to re-invigorate your brand. Use this occasion to re-educate your employees on the value of brand loyalty and how it helps to sustain sales during slower economic times. Tylenol did just this, and then translated its internal commitment into its external marketing. The company developed a campaign that highlighted its employees touting the brand and their loyalty to the company.

You can also re-focus your brand to appeal to a broader or new audience. Dove's Campaign for Real Beauty took the unattainable, unrealistic expectations of beauty that society places on women and said "You are beautiful just as you are." To support this campaign, Dove encouraged all women to recognize their own real beauty – just as they are. The campaign engaged the audience by allowing them to share their story, create their own campaigns for real beauty, participate in contests, and participate on blogs among other things. As a result, the audience helped to sell the Dove brand.

Remember, eventually the economy will rebound. Consistent marketing during a recession not only helps maintain momentum, but also is likely to leave an indelible imprint on your target audience's memory, making them more likely to return in a more stable economy. Those that forgo or reduce their marketing efforts in a downturn have a much harder time recovering once the economy turns around.

Make Lemonade Out of Lemons

Your current marketing plan should account for economic downturns. And, there's not a one-size-fits-all answer. You must evaluate your company's brand equity in the market and the value of your products/services to determine the approach that is best for you. But here are a few strategies to consider:

- 1. Echo the concerns of your audience. Then show them how your product/service can alleviate those fears.** Your audience will want assurances that your product/service will provide strong benefits and good

value before they buy. Plagued with lackluster sales, Quaker Oats repositioned its product to speak to the early 90's recession. First, they hired grandfatherly, trustworthy actor Wilford Brimley as their spokesperson. Then they stressed that oats were an inexpensive form of protein, with a bowl costing as little as nine cents. Sales grew as a result.

- 2. Focus on a niche audience.** Figure out which segment of your target market needs you the most. These buyers will be more receptive to your message. Find ways to offer additional value, whether through add-on or expanded services. This not only can help you win their business, but it instills a sense of trust and loyalty because you are exhibiting flexibility in a tough business environment.
- 3. Tap an untapped market.** We continue to operate on a more global scale every day. Seek out previously untapped markets, particularly those overseas. As countries like China continue to gain a foothold in the economy, two things will happen: Spending will increase and they will purchase more western products and services. Use this opportunity to get a head start on your competition.
- 4. Prove your indispensability to customers.** Just because you've built it doesn't mean they'll come. Nowadays, businesses must prove their value to customers, particularly during a recession. Back up your value with strong case studies, examples of how your target's clients will benefit from your services/products and statistics that point to success for clients. Good brand exudes value; thereby reinforcing loyalty in customers.
- 5. Tug at prospects' heartstrings.** It's not a fluke that successful campaigns tap into consumers' brand loyalty and emotions. Fast food chain Wendy's acknowledged that the 90's recession was difficult, but that you could still eat well at their establishment. Hamburgers were made of freshly ground beef and made to order. The bountiful and healthy salad bar was an all-you-can-eat value. Sales remained steady for them during that period of economically tough times. Though very effective, you must ensure that your message is genuine, mirrors the beliefs and behaviors of your target audience and is easy to retell. Why? Because a highly visual, emotionally-charged message is more likely to have a ripple effect as your customers spread awareness of the brand. In essence, your customers and prospects turn into a marketing vehicle for you.
- 6. Bridge the communication gap.** Technology has overshadowed the importance of the human touch in business. No matter how great technical advances are, they cannot replace the power of human connections. Leverage this idea and drop in to meet face-to-face with your customers and qualified leads. Ask them about their current obstacles and concerns and how you can help them. Really listening and helping customers solve their issues goes a long way to maintaining momentum in the marketplace.
- 7. Look at your product/service in a new way.** Your offerings may have had a successful run in the past. In economic slumps, you cannot rely on a "same old, same old" attitude. Reexamine your product/service to find fresh ways it can be

used or benefit the buyer. During the 1990-91 recession, Kraft Foods touted its A-1 Steak Sauce as a great enhancement to hamburgers and not just sirloin steak. A good move, since consumers were less likely to be eating filet mignon and more likely to be dining on ground beef during that time period.

8. Funnel expenses into products/services that thrive during a recession.

During that same recession, Dow Chemical Company moved its marketing dollars from Glass Plus cleaner to Ziploc freezer bags, a new product line at the time. The company emphasized the product's ability to maintain freshness in leftovers stored in these bags. Again, a smart move as more consumers were spending less and wasting less.

Carefully evaluating your business and implementing strategic branding and marketing initiatives can help you sustain profitability when times get tough. In fact, if you build and promote your brand properly, you can even grow it despite the grim forecasts.

Recessionary Times Call for Proactive Measures

In tough times, it is essential to foster trust between you and your customer, to understand their values and behaviors, and to stay in front of them with a message that addresses their concerns. Continue to build and manage your brand value in the market and your business will be able to weather any economic downturn.

The possibility of a recession can lead many to be reactive. Instead, take a proactive approach and identify ways to leverage this as an opportunity for your brand. By doing so, your organization will come out stronger, and quite possibly with a few new customers.

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