Tips For Marketing Your Way Through A Recession
Tough Times Call For Proactive Measures

Let’s start off strong and get that scary “R” word out of the way: Recession.

Phew. There – that’s out of the way. Now, let’s move on to what we all can do about it.

For many organizations, marketing can play a key role in not only ‘getting through’ a recession, but also emerging from it stronger than ever when the economy improves (and yes, it WILL improve!).

According to a Marketing Sherpa poll in September 2008, more than half of large-company marketing departments are cutting their budgets. ¹ To some, that may be the way to go. But, after looking into a variety of related resources, we’ve compiled a few other solutions that may be great additions to your already powerful marketing strategy.

Although slashing budgets, laying off workers or decreasing pay scales no doubt have strategic foundations, we have found many other ways to look at the recession as an opportunity for internal and external development.

It may seem counter-intuitive, for many organizations, a time of economic recession has fostered periods of growth. Experts recommend that it’s a time to revisit old plans, and a time to realign your marketing mix with your core values. And, most importantly, it’s a time to spotlight loyalty and drive customer-service efforts home full-force.

Read on to find some great tips, useful resources and proactive methods of thought that will hopefully leave you thinking “Let’s go!” rather than “We’re done for.”

Spotlight loyalty

First and foremost: During a recession, remember your current customers. Experts agree that there’s no better time to focus on clients who are true-blue fans (and, buyers!).

You’re already used to starting valuable conversations with your customers, so begin the rekindling by asking a few questions about their lives: What are they feeling personally? What are their goals? How has their reality changed? And, what do all these factors mean to your organization and their interaction with it?

Answering these questions will make it easier to decipher what they need from you and how you can best serve them.

Then, rather than investing more time, energy and resources into gaining new customers, turn to your current clientele to supplement your sales. Try up-selling new products or add-ons, putting together new packages to save money, or revamping current products to be more efficient and user-friendly. Not only will it be an easier sell to swing, but you’ll also contribute to building goodwill during hard times, inciting those customers to stick around once the recession has ended.

A successful way that many organizations target current customers is through e-mail marketing to a pre-existing list of loyal fans. Many online eNewsletter programs also allow for tracking and measurement, absolute pluses during a time when marketing results may be questioned before implementation can continue. After using analytics to track customers’ open and click-through patterns, consider sending a follow-up e-mail or calling those customers to seal the sale or answer any additional questions. It will be yet another way to contribute to an increased sense of camaraderie during a period when times may be tough for your clients.

Two successful examples of spotlighting customer loyalty come from our very own customers. First up, is Hatfield Aquatic Center of Hatfield, Pa.

Hatfield Aquatic Center opened the summer of 2007, averaging 770 patrons daily. In the summer of 2008, the Center grew further to serve more than 5,000 members and employ 106 staff members! Interest in the waterpark spread well beyond Hatfield’s 17,000-resident borders, serving its members in recreation, swim instruction, swim team opportunities and special-event programming.

All of the Center’s special-event programming is tailored specifically to membership interests and needs. One such program dedicated to its loyal membership base is its Monday Family Nights. On a gigantic outdoor (and, waterproof!) screen, Hatfield Aquatic Center offers entertainment for family enjoyment. Summer 2008’s heavy-hitters were Philadelphia Phillies games, karaoke and the summer Olympic Games. “All of our events celebrate our membership and their interests,” elaborates Center Coach Bonnie Kyle-Blamphin. “Families, seniors and teenagers are a big part of our membership, so we try to tailor to them whenever possible.”

Our second example of concentrating on impeccable customer service to boost sales comes from 4imprint customer Tilley Harley-Davidson of Salisbury, N.C.

The H-D dealership’s employees ensure that its 7,000+ customers continue visiting the Tilley of Salisbury by providing not only high-quality service and product offerings,
but also hands-on, highly targeted events year-round. From its educational Rider’s Edge course for new customers, to women-only Garage Parties that focus on female riders’ wants and needs, the dealership manages to build on current relationships and, in turn, retain its consumer base.

“We offer so many specially tailored events to different portions of our customer base that it would be hard not to feel part of the Harley-Davidson family,” expressed Kristi Stewart, general merchandise manager. “We always like to say that our store is big enough to serve your every need, yet small enough to know your name.”

Both of these successful organizations showcase first-hand how important spotlighting loyal customers truly is – not only to increase profits, but also in keeping them around for the long haul.

Tweak messaging

Now, let’s take a look at what we found to be some of the best messaging practices during an economic downturn.

History shows that a change in the economy yields a change in customer needs and marketing perception. For example, perhaps your biggest push pre-recession was that of convenience. However, convenience may no longer be of highest importance to consumers over other issues like price, usefulness or value.

According to marketing guru Seth Godin,

“When the mass psychology changes and times are seen as not so good, the story we tell ourselves changes as well. Now, we buy out of defense, to avoid trouble. Or we buy because something will never be as cheap again. Or we buy smaller items for the same sense of reward.”

He goes on to say that,

“The challenge for marketers is to figure out how to change the story they are living so that their customers can change the story they tell themselves.” 2

Apply his knowledge by tweaking your underlying core message. Instead of focusing on imagery ads that build a brand’s reputation and boost awareness, try to think in terms of “solutions.” Because, during a recession, customers are likely looking for answers to how your company, product or service will make their lives easier, add value or save them money.

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Good media to accomplish the goal of solution-centric marketing are Webinars, e-mail newsletters and direct response marketing like postcards or coupons. Base your media choice on customer use and preference – after all, no one knows your customers better than you do!

Under the umbrella of solution-based marketing, Wharton School of the University of Pennsylvania professors and advertising experts alike agree that three main types of messaging resonate best with customers during tough economic times:

1. **Goal-oriented**: With practical purchases at their peak, goal-oriented messaging works because it shows customers how your organization, product or service will realistically help them achieve a goal. How will you get them through tough economic times or make life a little easier?

2. **Control-oriented**: When the economy is rough, it can seem like life is beyond their control. Give customers back a sense of power by telling them how your product or service can help.

3. **Value-oriented**: During a recession, things can seem to be slipping away for customers, especially in terms of fine goods or discretionary income. Keep their spirits up regarding their purchases by reminding them of the long-term value your product or service holds.

Let’s talk a little more about #3 – focusing on value. Or, rather, how focusing on value and values is critical during a recession.

Focusing on value means ensuring customers that your products or services will give them a good “bang for their buck.” Focusing on values means reverting back to what’s truly important in their lives: relationships, family, friends, and how you fit into their renewed lifestyle.

For example, you may be familiar with Wal-Mart’s most recent slogan, “Save Money. Live Better.” This embodies both value and values, and it’s paying off. The launch of the new tagline has contributed to a 30-percent increase in the company’s stock.
For a value-only approach, look at Dell’s messaging during the early-1990s recession. The computer giant pushed its ability to cut out the middleman and offer superior customer service, resulting in a phenomenal payoff. Its messaging centered around its competitors, focusing on educating current and potential customers about how its products and solutions can ultimately save them money and provide value over its competitors. This example showcases how going toe-to-toe during a recession in areas that affect the purchase decision can really speed up the buying process … in your ultimate favor.

A great example of focusing on values comes from Best Buy, retail leader in home electronics. The company’s 2008 holiday campaign was carried by the tagline, “You, Happier.” and focused on emotions rather than distinct product attributes or price. Its television commercials feature Best Buy employees telling their personal story of how they made someone’s holiday season bright as a result of selling them a product or providing impressive customer service. (To see an example of an energetic employee talking through his experiences working at a Best Buy on a military base, click here.) The campaign allows Best Buy customers to easily relate to the stories at hand and, hopefully, connect purchase decisions in the stories to their personal gift giving.

Hand-in-hand with tweaking your messaging is beefing up your content. Customers may be looking for solutions, and experts agree that if choosing to revamp content, organizations will want to include more “how-to”, step-by-step articles or whitepapers, buyers’ guides, checklists, or quick-read evaluations and reviews.

Your customers are looking for answers – be the one to provide them, rather than a lurking competitor.

Segment to success

Another valuable tool during recessionary times is market segmentation, as it allows for organizational resources to make a larger impact on target audiences. According to research analyst and MarketingProfs writer Paul Schwartz, segmenting your market can yield a higher and quicker return on investment, too.

Market segmentation also locates audience groups with the most potential to continue steady spending during a recession. And, thereafter, helps organizations find ways to strongly utilize a marketing budget.

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When beginning a new segmentation venture, we understand that it can be a daunting task. But, have no fear: Any process that works toward better understanding your target markets will pay off in the end! If you feel that your organization could benefit from reassessing or beginning a segmentation strategy, online resource the Business Owner’s Toolkit recommends starting your market research by gathering customer data surrounding: 

- Brand purchasing habits (amount, timing, dollars spent)
- Brand purchasing motivations (reasons for purchase)
- Customer attitudes regarding product/service attributes
- Media usage in regard to demographics and psychographics of targets

After conducting your research, you’ll be able to identify groups or “clusters” that could prove profitable to your business, are a large enough group to invest funding in and whether they align with your organization’s existing image and long-term goals.

Common market segments may be broken down by age, family size, economic status, geographic location, lifestyles, values or stage in life.

If applicable, you may also want to consider looking into your organization’s current vertical market segmentation to ensure it’s still providing the greatest possible value. For example, the financial services industry may have been a smart vertical to focus on within the last decade … until recent times, that is. Try shifting focus to a vertical market that usually experiences less fluctuation during a recession like education, religious organizations or healthcare.

Another great way to consider segmenting your market is by buying pattern – especially in terms of future behavior. A recent Retail Consumer Dynamics study by Acxiom found there to be three key clusters that are most likely to be unaffected by the economy and increase spending once it begins to recover:

1. Savvy Spenders – Smart shoppers who work at extracting value. Mostly affluent, young or mature, strongest married group.

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2. Protecting the Dream – Part of mainstream family America making necessary adjustments but would prefer to resume spending to achieve aspirations. Middle income, city, younger adult, married.

3. It’s My Life – Affluent younger adults with fewer obligations (many single or no kids). Ambivalent about economy.

In total, these three groups make up more than 35 percent of the U.S. population, are opportunistic in regard to price and usually shop for a specialty purpose.\(^{11}\) A further breakdown of these groups’ demographics and psychographics can be found within the full report on Acxiom’s Web site.

Acxiom’s study also found that mass media and word of mouth appear to be the most influential media in terms of stimulating purchases in all segments. However, it is interesting to note that the It’s My Life segment also responds quite well to direct mail, e-mail and new media such as blogs, mobile, video, Web/satellite radio and text messaging – something to keep in mind if that’s a key segment to your organization’s success!

Regardless of the target your organization pinpoints, market segmentation allows organizations to maximize opportunities with existing and potential customers and, according to Acxiom, pinpoint what consumers represent opportunities either in the near or distant future. This information allows you to create a specific marketing plan based on individual segment interests, pressures and shopping processes. To learn more tips on selecting the right customers for you, read our Blue Paper Staking Your Claim and Choosing Your Customers.

**Shift your marketing mix**

In our research, we also uncovered a few interesting ways to shift your marketing mix in lieu of changes in internal and external resources.

You likely feel the shift: During a down economy, sometimes the most valuable and abundant resource organizations have is their time. Take advantage of the recession by shifting your marketing mix to reflect activities and tactics that are more time-intensive, yet also deliver on results.

Bytestart, the United Kingdom’s fastest-growing online portal for small businesses, really captures the essence of this tip in its November 2008 article: “Beat the recession with 10 new marketing activities.” We’ll elaborate on our favorite five here, but feel free to check out the whole list.

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1. **Revamp your Web site** – It’s a fact that Web sites are never-ending projects; there’s always something more that can be done! What a perfect time to tackle Web updates and additions than when outside prospects may be taking up less time than usual. Spruce up the content with industry keywords to increase search engine optimization (SEO), or add new pages of value for current customers. To learn more about SEO, read our SEO Blue Paper.

In step with revamping your Web site is rethinking your site’s landing pages – the pages that a user first sees when clicking through to your site from a link elsewhere on the Internet. Did you know that a relevant, dedicated landing page is the single most-effective way to turn a click into a prospect? In fact, relevant landing pages (rather than pointing to the homepage or a general site category) increase lead conversions by nearly 50 percent.

2. **Set up a formal referral scheme** – With word of mouth marketing reigning as king during a down economy, establishing a referral scheme can prove quite fruitful. After you’ve formulated the plan’s details, Bytestart recommends to approach your current customers with the “ask” when they are most happy – after making a needed purchase, helping them with some great customer service or following a paid compliment. Ensure that your system allows for a notable reward to them and your organization, such as a referrers-only savings night, or perhaps 25% off their next service. Both rewards boost sales for minimal investment.

3. **Network Online** – Networking online is similar to its offline counterpart, except often less time-consuming, easier to manage and with further reach. Whether you choose to spend time in targeted online chat rooms, contribute to blogs and forums, or have a slam-bang presence on communication tool Twitter, make sure that you’re where your customers and prospects are. Contribute to the conversation online by providing content that will put contacts at ease (i.e. customer success stories or advice), or even entice on-the-fence customers into purchase. Common advice is to have a strong, valuable presence, but beware of coming off too “corporate” and pushing the sell too hard.
4. **Do some speaking or other PR** – At first, this recommendation may seem against instinct, as public speaking is often used to establish one as an expert and, in turn, generate future versus immediate sales. However, during a recession, public speaking is important as it allows you to capture the attention of future prospects directly, as well as their influencers – people who will refer you word of mouth if your message is worth hearing.\(^\text{12}\) When choosing your topic, consider a timely subject that deals with the state of the economy. For example, “How to get the most out of your affiliates and partners,” or “Leveraging the power of customer service and loyalty” might be great topics in light of the recession.

5. **Contact 10 people from your past** – Think back to the times when things were good and leads aplenty. Were there any contacts, clients or customers that you barely lost-out on, didn’t pay enough attention to, or perhaps pitched half-heartedly due to a mounding to-do list? Revisit these contacts with a phone call, eNews subscription invite, LinkedIn friend request or personal e-mail. You’d be surprised at what opportunities may be in store if you simply reach out your hand.\(^\text{13}\)

**Turn to the web**

As mentioned in #1 above, the Web can be a fruitful tool when marketing budgets begin to tighten.

And, you’ve likely heard the advice to “go online” or “invest in social networking” because it’s easy or cheaper. To an extent, the research agrees that both are true.

However, it’s not a magic-bullet solution, and should be implemented as an integrated portion of your newly redesigned marketing mix.

So, why do online social networks and communities work during a recession to stimulate buying? Because they’re engagement tools, not shouting tools. Online communities work to build relationships with customers and, in turn, fast-forward the decision making process and generate sales.\(^\text{14}\) (To learn more about online social networking and communities, [read our related Blue Paper](http://www.businessweek.com/careers/content/dec2004/ca2004127_0927.htm?campaign_id=rss_crers)).

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[http://www.businessweek.com/careers/content/dec2004/ca2004127_0927.htm?campaign_id=rss_crers].

[http://www.bytestart.co.uk/content/marketing/marketing-guides/ten-marketing-activities.shtml].

According to Forrester research:

“Social applications like communities, social networking sites, and word-of-mouth marketing are proving themselves, and they depend on an abundant resource – your customers – rather than a scarce one- advertising dollars. In a recession, social applications with measurable results will pay off.” 15

Not to mention, many companies find that social applications are relatively cheap compared to their pricier advertising campaign counterparts. Whether you’re looking into Facebook™ pages or blogs, most Web-based media can be started for a minimal initial investment. The real expense for these mediums though is time, so be sure you have sufficient resources to take on such a social project before diving in.

Forrester Research also finds that online social applications and communities assist customers during the decision making and consideration phases of the purchase process – a phase that is elongated during recessionary times. The same is true for search engine marketing, as the Internet is often a first turn in the research phase. Plus, most search engine marketing charges by the click, directly correlating to actual research being performed by current or potential customers. Paying per click makes it a results-driven medium, perfect for tight-budgeted, C-suite execs looking for marketing results.

So, how do you ensure that your social applications are both effective and deliver measurable results?

First, social media experts recommend stopping what they call “toe dipping” – testing the waters in terms of online social networks or programs, rather than going full force into a concentrated program with clear objectives. Instead of dabbling in social media here and there, invest in programs strategically, tying objectives to measurable metrics like sales conversions, word of mouth or increased positive online buzz. 16

Then, your message needs to resonate with consumers. Whether your angle is value, values or something in between, word of mouth spreads if your message is relatable and worth hearing. Again, try focusing your messaging on the end goal of expediting or easing the consideration phase for buyers, rather than boosting awareness, as researchers predict it will be more cost-effective in the end. 17

Seize opportunity

Now, let’s discuss a common piece of advice heard amongst marketers, advertisers and industry publications alike: Spend more on marketing during a recession, because there’s no better time to push your product or service than when others are cutting their budgets.

And, this piece of advice does have merit ... if it’s an organizational fit. According to Penn State’s Smeal College of Business’ report “Turning Adversity Into Advantage: Does proactive marketing during a recession pay off?,” an increase of marketing to yield results should only be tackled if an organization:

- Already values marketing and has allocated dollars in lieu
- Has an entrepreneurial culture that is bold enough to invest more money in marketing amidst the possibility for a revenue decrease
- Has the capital resources to do so without going under, as it is a potentially risky situation.  

If, and only if, a company possesses all three of these characteristics, should it undertake an increase in marketing budget during a recession, using it as a tool to seize opportunity and take market share from budget-cutting competitors. Because, conversely, the same study found that without these strategic traits, companies are better suited to not increase marketing spending until economic conditions improve.

Concentrate on lead management

Finally, let’s talk a bit about stimulating new sales and purchases directly through effectively managing your organization’s leads.

It’s a fact: With a looming economy comes the onslaught of the “nervous buyer” – one that takes his or her time deciphering the right product or service to spend money on, and doesn’t mind putting in hours … and hours … and hours of research to find it. You can probably identify with this behavior yourself.

To ease spending trepidation among these customers, focus on how your product or service will aide in your clients regaining control over one or more parts of their lives (remember the control-oriented messaging from earlier?), how low-risk it is, or how it could potentially save them money due to its value.

Or, go the extra mile with your contacts by posing the question: “What has contributed to your slow-down in purchasing behavior” on your Web site, allowing them to answer in an online poll. Post the results accompanied by content that focuses on how your company will combat these impeding woes.

In addition, Jon Miller, VP of marketing for B2B marketing software firm Marketo, offers a great tidbit of advice for those wanting to maximize the value of each lead. First, remember that in times of recession, your first contact with a “lead” is likely during his or her research and awareness stage, meaning they are not yet ready to be approached by a salesperson to seal the deal. Rather, these leads need to be nurtured and develop relationships with customer service team members before engaging with sales reps. According to Miller, by implementing a simple lead nurturing program, organizations can see up to a 400 percent improvement in the conversion of qualified prospects over time! 20

**Buckle up, hold on, but don’t give up**

It’s a tough time economically, and we’re all feeling it in one way or another. But, as the old adage goes: When the going gets tough, the tough get going!

If you’re still feeling anxious though, look no further than other companies who grew out of the depths of recession to be highly successful organizations today. Inside CRM had an uplifting article that outlined these success stories in November 2008 – read it here. A few companies that surprised us? Wikipedia, CNN and FedEx!

We hope this Blue PaperSM has contributed to your wealth of marketing knowledge, and that some of its tips will prove useful in the upcoming years. Best of luck – from one go-getting organization to another!

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