

Five Tips for Marketing in a Recession



Is the U.S. economy currently in a recession? Are we headed that way? Whatever your opinion, you'll find an interesting perspective in a recent posting by marketing consultant Glenn Gow—including a few pieces of useful advice that might come in handy should the threat become a reality. How should you prepare to work as a marketer if a full-blown recession could be right around the bend? Here are Gow's suggestions for what you should do:

1. Spend smarter. You may spend less on marketing. Not because marketing should be cut first or most (it most certainly should not), but rather because your company may cut budgets across the board. In fact, by showing how you intend to spend smarter you will make it easier to fight for your resources (see below).

By "spend smarter" I mean *create a clear-cut justification for the investment*. While you won't always be able to measure the ROI (this is marketing after all), you can have your people create a compelling business case for each investment. Then, when it comes time to justify the investment, you will have established sound business reasoning behind it. And that's what the CEO and CFO need to see in a recession.

2. Double-down on your current customers. Sure it's more fun to get new customers, but it's more practical in a downturn to provide more value (and get more in return) from your current customers.

When customers make decisions in a downturn, they're more likely to go with a more trusted source. If they're more likely to go with you, then you want to make it easier and more obvious to them to go with you. Market to them. Enable your sales teams to be more effective with them. Ask current customers what they need from you. Care for them and they will be even more likely to stick with you if the going gets tough.

3. Outsmart your competitors. You have an opportunity to win market share from your competitors in a downturn.

If you pay close attention to what's happening in your target markets and how customers are reacting to a recession, you can act early and often with changes in product (if you can change it quickly), price, and positioning (especially as perceived needs change).

For example, in the last technology downturn, software companies became very creative in their pricing schema, creating many variations of software as a service (SaaS) that enabled them to sell when their competitors were stuck in an old paradigm.

4. Invest in Growing Market Segments. In every downturn there are market segments that grow faster than others. It's your job as a marketer to help your company see and understand these market segments, and determine if you can quickly win business in these fast-growing market segments.

These may be segments you're already selling to, but not particularly focused on, or they may represent new segments – and new opportunities for your company. At the same time, you want to reduce your investments in the segments that will get hit the most in the downturn.

5. Fight for Your Resources. It is marketing's responsibility to drive strategic issues. In a recession, this becomes even more important.

Knee-jerk reactions of companies, where the CMO is not deeply involved in strategy, are often to cut budgets and people in marketing disproportionately. This results in marketing playing a less important role, and an extremely inefficient pendulum-swing of dollars and people that result in being caught flat-footed and losing out to competitors very shortly after the cuts are made.

It's marketing's responsibility to fight for its resources, and doing the four items above will help you win that battle.

Mr. Glenn Gow founded Crimson Consulting Group (www.crimsonconsulting.com) in 1991. He has consulted on strategic marketing issues for some of the most successful companies in the world including Adobe, BEA, Cisco, HP, IBM, Intel, Microsoft, Oracle, Seagate, Sprint, Sun and Symantec, as well as dozens of emerging companies.

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