



# MARKETING IN A RECESSION

**High Voltage Business Workshops**

*Re-energize your Business – Fuel Up  
on New Ideas*

January 14, 2009

# Overview



- This presentation provides a summary of ways to market in a recession obtained from a scan of business articles and information
- The best practices cover:
  - Markets and customers
  - Products and services
  - Propositions
  - Pricing
  - Messages and media
  - Channels and partners
  - Marketing costs

# Consumer Behaviour



- Most consumers put a higher priority on “need to haves” than “want to haves”
- Conspicuous consumption is less prevalent
- Consumers trade down to models that stress good value
- Consumers shop for the best deals and negotiate harder
- Consumers want reliability, durability, safety and performance

# Consumer Spending



- In most categories, consumers postpone purchases, buy less, or do without
- In some categories, consumer spending increases (e.g. groceries, education)

# Markets and Customers



- Stay close to your best customers (80/20 rule): understand them, serve them, retain them profitably
- Renew your relationship with lapsed customers
- Understand the changing priorities of your markets and customers
- Enhance the value you provide to your best customers
- Avoid cost cuts that reduce your ability to serve your best customers
- Avoid trying to be all things to all people

# Products and Services



- Look for opportunities to change your business model, e.g. budget airlines and online banking
- Identify and focus on your most profitable products and markets (80/20 rule)
- Prune your weaker products
- Change your offering to meet new consumer needs
- Find new applications for your products and services
- Look for new opportunities (e.g. cost-saving services)

# Propositions



Focus on your customer and use that focus to better communicate the value of your offering:

*“You are feeling the pain of the recession.  
Here’s how our offering can help you  
through it.”*

# Propositions



- Do not abandon your core values; remain authentic
- Emotionally empathize with people
- Conduct business with integrity - trusted brands are especially valued

# Pricing



- Beware of the impact of price discounting on your brand
- Stimulate sales with select promotions
- Reduce thresholds for quantity discounts
- Extend credit to your “A” customers
- Reduce the price of ancillary products (e.g. cheap gas with purchase of new car)
- Change the pricing paradigm (e.g. offer software as a service rather than as a product)
- Design lower price entry points

# Messages and Media



- Focus on what makes you special
- Make all of your marketing, advertising and promotion accountable and justifiable
- Stretch your marketing dollar through “guerilla marketing” ([www.gmarketing.com/](http://www.gmarketing.com/))
- Make your spending more efficient: shorter ads; radio instead of TV; online marketing
- Sharpen your Internet strategy (Search Engine Optimization, pay-per-click, blogging, white papers, etc.)
- Ask existing customers for referrals, testimonials and case studies
- Networking with disciplined follow up

# Channels and Partners



- Support your distributors with extended financing, generous return policies, etc.
- Drop weak distributors
- Use lower-cost channels (i.e. online, mail, direct sales, self-serve) but be careful of the impact on relations with existing distributors
- Franchise or license to new markets
- Empower your sales people to be the Customer Champion
- Recruit good sales people laid off by other companies

# Marketing Costs



- Keep spending on marketing but be selective and efficient
- Make the business case and use metrics to support budget requests
- Analyze the “cost to serve” each market segment to identify profitable products and most efficient communication channels
- Invest in the relationships with your customers, employees, and other stakeholders
- Maintain quality rather than cut corners

# Final Remarks



- Adapt rather than abandon your marketing strategy
- Manage to do more with less and avoid blind cost cutting
- Spend more time with employees and customers
- Use a recession as an opportunity to position for future growth: market planning, sales training, standards and systems development, etc.
- Best practices for a recession should be applied all the time – it’s “sharpening the saw”
- Stay positive

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*Empowered entrepreneurs joyfully engaged  
in their business and creating a ripple  
effect of positive change in the world.*