

Marketing success in a slowdown

Hardly a day goes by when the state of the global economy is not mentioned in the news. The question organisations are asking themselves, is whether it is possible to actually profit from a slowdown in consumer spending?

During lean times, companies can often think they've cut unnecessary costs from their marketing budgets only to discover that it is actually a false economy. Smart marketers know that less emphasis on marketing, even in lean times, equals fewer sales. And, experience from previous slowdowns shows that too much focus on customer acquisition at the expense of customer retention equals increased churn.

In many respects, logic can often find itself sidelined as marketers, under increased scrutiny from people who don't understand the science of marketing, feel forced into taking arbitrary cost-cutting exercises. After all, marketing is a cost isn't it?

This paper argues that now, more than ever, is the time for the marketing discipline to stand up and be counted. With twelve key steps any marketer can employ to shift perception of the discipline from that of a discretionary cost-centre to a proven and essential value generator.

Companies need to be ready to adapt and innovate to manage and exploit new market conditions. They need to drive strategic change and not resort to knee-jerk reactions, fight for resources with compelling business cases and drive continued customer centric, cost-efficient marketing campaigns. In today's economic climate, strategic marketing activities are well positioned to deliver value to the business. The common thread in all of this is customer insight, forensic marketing capability and clinical execution.

The recommendations contained in this paper are designed to help marketers deal with a change in fortunes and emerge in a stronger and more confident position. This is about using the science of marketing to milk every possible drop of profit from every marketing pound spent.

Opportunities to drive growth

During a slowdown in the economy, marketing can be one of the most important activities a business can undertake.

Perversely, evidence has shown that a slowdown is not necessarily bad news; inertia in consumer spending can make companies just as often as

break them. Opportunities will exist where competitors have cut back on marketing, presenting another company with the chance to have greater impact in a far less cluttered market. A word of caution, however, companies pursuing this strategy need to ensure that they are communicating the right things in the right way, adapting quickly to customers' changing attitudes and disposable income.

As in the early 1990's direct marketing is ideally placed to take advantage of the slowdown but what is very different this time around is that it is very clearly digital's turn to play the leading role – particularly when it is integrated with offline channels. For offline and online direct channels it will be the ability to use data and customer insight to drive measurable actions that will enable them to add significant value to the marketing mix. We believe that the twelve pointers on the next page are crucial for any marketer wanting to establish themselves as an essential value generator for their organisation, whatever the economic forecast

Summary

Marketers need to face the challenge of marketing in a slowdown head on to ensure their brand emerges stronger and more agile. With a positive attitude, tough times can be seen as 'character building'; a slowdown can bring as many opportunities as a boom and certainly puts marketers to the test. By carefully managing the effect any slowdown might have on a business's performance, as opposed to just reacting to it, marketers will give themselves the opportunity not only to survive a slowdown, but to thrive during, and after, it by establishing their position as essential value generators for their companies.

**To the
12 Top Tips**



12 Top Tips for Surviving a Slowdown

1. Plan proactively

Have plans, and back-up plans, ready for any eventuality.

2. Manage the management

Present highly visible demonstrations of your ROI.

3. Concentrate on customers

Focus on retaining and growing existing customers rather than chasing new ones.

4. Adapt your products and services

Assess the environment and tailor your propositions for the new climate we're in.

5. Understand your customers

Don't assume your previous customer insight holds true, economic challenges can change consumer opinions dramatically.

6. Analyse and segment

New behaviours will emerge – be proactive in working these out and responding to them.

7. Exploit digital channels

Be smart in moving activity online, it might be quick, but it needs very careful thought.

8. Use targeted email

Be judicious – make sure you don't burn your bridges with a rush to a 'cheaper' channel.

9. Collect data sensibly

Focus on collecting actionable information – don't keep it just because it's vaguely interesting.

10. Integrate your channels

Close the loop in your marketing to make sure profit isn't falling through the gaps.

11. Apply the science

Prove it, prove it and then prove it again.

12. Get the word out

Get the jungle drums beating in the online communities.

About Geo Strategies and Experian

Geo Strategies and Experian have teamed up to provide information, analytical and marketing services to organisations in Romania to help manage the risk and reward of commercial and financial decisions.

Combining their unique information tools and understanding of individuals, markets and economies, our teams of consultants work with organisations across industries to establish and strengthen customer relationships and provide their businesses with competitive advantage.

From services in contact strategies, customer journey, CRM and data strategies, to Mosaic consumer segmentation, Micromarketer area analysis and profiling, to the application of customer-driven insight and targeting, channel mix, we can assist.

Contact us at mosaic@geo-strategies.com or call us (+44 1223 205080 or +40 722 940) for a full version of the article by Marie Myles, Director of Marketing Consulting, Experian.

To find out more about what Geo Strategies could do for your business in Romania go to www.mosaic.geo-strategies.com

