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What does the economic crisis mean for marketers?

The financial meltdown is top of mind for most of us right now — and I can't help but wonder how it will shake out in the world of marketing and advertising.

So far, clients are sticking to their plans. Soon, however, the ripples will be felt. The last recession was mostly felt by those in the high-tech arena (and those who marketed them). But this one will touch a wide swath of consumers. We'll all feel it eventually. With so much change occurring every day, making even short-term plans is hard.

Here are a few thoughts about what we may see in the rest of 2008 and into 2009.

Businesses will have a hard time borrowing. If you can't borrow money anymore, you'll have to make it instead. Sales and marketing professionals will be pushing a lot harder in the next few months, desperate for sales.

That, especially, means high-end business-to-business marketers will have a hard time making inroads this quarter. With everyone hunkering down, few companies will be thinking about switching to a new enterprise software solution or beginning a relationship with an expensive professional services firm in the near term. So if your sales cycle is several months long, look for a skinny lead pipeline to have an impact well into 2009.

Things may be less bleak in some corners of the consumer market. McDonald's is experiencing a long cycle of growth — probably thanks to its dollar-menu pricing strategy. Target also has a big opportunity right now. Same-store sales are down, because of a perception that they've gotten a little more expensive with their heavy emphasis on de-

sign. But they're changing their marketing approach to show that they really are Wal-Mart priced — and that could really work to their advantage. If people feel they can justify a small luxury, they'll be happy to run back to Target.

MARKETING WISE



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It's possible people will be watching TV a little more — since it's relatively inexpensive entertainment. Consumer marketers may be able to find their audience a bit more easily than in the recent past, with the proliferation of new media.

Consumer goods that are considered luxuries may be harder to sell this holiday season. Travel and tourism could be particularly hard-hit. It's not just businesses that are waiting out the storm.

What should marketers do?

This short-term paralysis can be a real opportunity for those with the guts to push up their marketing budget. If the adage about buying low and selling high has meaning here, you can probably buy some market share at discount prices.

When businesses consider where to cut costs — and cost-cutting is a given in a situation like this — it has to be done strategically and not in a panic. Our company has always been able to avoid layoffs, even in a recession, by doing things like freezing salaries and budgets. In times like these, most people are happy to have secure jobs and appreciate that management is feeling the pinch with them. We have also always worked hard to sell our way out of trouble in order to prevent layoffs.

If layoffs become inevitable, retaining key employees is at the top of the list of priorities. Key employees aren't necessarily the top

tier of management — and "key" definitely does include your sales team. Be very careful before cutting here. Remember how Circuit City cut its sales force by 3,400 people in early 2007 and, rather than reaping the benefits of lower costs, instead found that revenue dropped — and it's still going down.

With any major economic change comes opportunity. My mantra has always been, "You've got to have a plan." In a crisis, it's even more important that you have a rational plan, you share the plan with your team, you get buy-in and you and your employees work that plan. People feel much more secure when they understand the vision.

Our plan is to go on the offensive and use our competitive advantage — ROI-focused marketing that gives measurable results — to turn uncertainty into growth for both us and our clients. Most companies will need to contract to survive. We plan to expand! During the last downturn, the market rewarded our focused and fiscally responsible approach. So while competition is weaker we plan to grow and acquire clients on the cheap.

You can't be so locked into your plan that you miss opportunities. It's also important to continue to look for good ideas — and reward those who bring them. A little risk could make a huge difference in a time when no one wants to make the first move. Let your employees know that you're open to new ideas.

My predictions are mere guesswork. But I do know what has worked during past recessions. I know that a measured approach is more likely to succeed than a panicked one. We'll get through this.

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