



## Lipstick Never Flinches: Surviving The Recession



After struggling through the calamity of failed companies and banks, the meltdowns in the real estate industry and the not too rosy outlook for the immediate future everyone wants to know, “what can I do to market my business to survive 2012”.

Consumer confidence and spending has weakened through the last quarter, so now what?

The need to reassure the consumer that “we’re all in this together” will be vital when it comes to marketing through this recession.

It is now more than ever vitally important to adapt to “consumer think” or “survivor think”.

First things first.

The one industry that has never been affected by a recession?

Cosmetics.

Lipsticks, blushes, eyeliner, glosses, polishes and all those mystery potions in the “little blue jar” never seem to be affected by a recession.

No matter how bad things get folks still want to look their best and spending appears to remain constant in the cosmetic industry. (Mary Kay knew a good thing.)

OK, for the rest of you here are some things to keep in mind for 2012.

When times get tough families have a will to cocoon more than ever.

Rather than depicting what has been the norm, (i.e. sensation-seeking sports, exciting daring activity and macho-style uniqueness) try adapting hearth and home family depictions that reflect how we are feeling these days and where our comfort zones are.

Although consumers hunker down, they still want to stay in touch with friends and family and will resort to things like greeting cards, cell phone or text messaging.

It’s likely that spending on home entertainment and home furnishings will do well; since that’s where consumers will be with all the uncertainty.

Spenders will negotiate hard but they are more interested in known brands they trust and will live without all the features that used to be “gotta-have”.

Restaurants will likely feel the pinch with more and more consumers opting to eat or entertain at home.

Restaurateurs may want to reduce their hours or days of operation, narrow their menu and offer more specials. One thing that licensed venues could do to differentiate is to do away with corkage fees and allow diners to bring their own wines. Make it attractive for consumers to eat out.

Don’t misunderstand Marketeers, now is not the time to cut your advertising spending.

It’s well accepted that businesses that continue to advertise when the competition pulls back have a higher likelihood of capturing market share; And, it will become increasingly cheaper to advertise as lineage and airtime take a hit.

Think about this. If ad rates drop through competition and tough times and folks are staying home watching more TV, listening to the radio or reading newspapers and magazines you’ll get a bigger audience at a lower CPA (cost per thousand).

If you can’t afford TV consider radio if you do print keep your frequency and go to 2 columns from 3.

And don’t forget Direct mail. There is far less competition in the mailbox and it produces a more immediate punch for some businesses.

If you’re in the grocery business, no-name brands will become increasingly popular, as excessive, conspicuous spending wanes.

Un-bundle your products, services and prices if you serve the commercial market. It will make sense to buy just what is needed and the multi-packaged offerings or bundles will be less attractive. Look out Costco.

Above average price performance will need to be stressed.

The consumer will make due so adapt.

Be prepared to offer more limited time price cuts. Don’t be so sticky when it comes to quantity or frequency discounts, price smaller package sizes more vigorously.

Price cuts attract more consumers than gimmicks like contests or mail-ins. With websites like [www.couponcode.com](http://www.couponcode.com) consumers are looking for coupons and codes to get better prices. Offer on-line coupons weekly on your website. Send special coupons or codes to long-standing customers via emails or e-newsletters.

Finally, those with money to spend will be looking for the best deals on price. Businesses like Westjet and Wal-mart have the cost structures in place and will probably do well. The Bulova set will feel it the hardest and the Timex folks will do fine.

As my old school chum Blair Harber once told me the secret to surviving recession through several generations of the family business, is to learn how to get small real quick.

Successful businesses don’t forsake their marketing plans; they adapt them to the market.

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