



Swim Like Michael Phelps: Tips for Marketing Through a Recession



Okay, so we've all had our piping hot cup of "this recession really sucks".

Thanks to our distant cousins to the south who basically had their greedy subprime heads up their patootie, we're all treading water and feeling somewhat like extras on the set of "Titanic". (Hang on to the lifeboat.)

Now it's time to get on with surviving what appears to be the crappiest business year in decades. You can do it.

To help I'm going to give you some resourceful marketing strategies to keep in mind for the balance of the year or till we hit smoother sailing.

- Now is not the time to be cutting your marketing budget. If anything, you now more than ever need to figure out how consumers are responding to the recession and what their new perception is of value-based. For one thing, they're going to take longer to decide and they're going to push harder on price. They're going to do without the extras (features they can live without) and they may even put off, trade down, or buy less. You'll see them stick with familiar brands that they have long-term relationships with, so now is not the time for new product launches. Unless it's "my favorite brand lite", meaning you've found a way for them stick with you but save some cash.

Frivolous spending is gone for now. On the budget cutting side, if you have to cut something, get rid of your lazy brother-in-law that you hired to keep the family off your back.

- Think Cocoon. When times get tough, folks have a tendency to hunker down in their home with family and friends. Play up the family together idea in your marketing and steer clear of wacky or madcap ideas that suggest risk. **There are some sectors that will hold up well:**

- Makeup – the one sector that never wavers; women still want to look their best. Even if the market decides to skip the expense of going to the salon for a color job (drugstores report a spike in DIY hair color products), they will continue to buy makeup.
- Greeting cards – an inexpensive way of staying in touch.
- TVs and furniture – it seems illogical but consumers will justify new furniture or TV but will forgo vacations. Cocooning.
- Telecommunication – we want to stay connected with friends and family, remember we are in a time of perceived crisis and that's how we react.

- Increase advertising spending. That's right, I said increase spending. Those that increase while competitor cut back will fair better when it's all over. And usually the media will be cutting deals just to get advertisers to spend. (Everyone is in survival mode.)

Even if you thought you couldn't afford TV, think about consumers staying home and watching vs. going out. In talking to a colleague at Rogers, she said they have seen good response to the TV listings ads. You might also be able to negotiate a favorable advertising rate and lock in for several years. If you have to cut spending, maintain frequency and reduce the size of ad or radio/TVspot.

- Stress good value. Consumers are looking for and buying good value house-brands over the nationals when they have to make a choice. The do-with-less mentality. Unbundle product and service prices; buyers want to know what items cost separately. Emphasis reliability, durability, and safety. Your ads should stress superior price performance. Avoid the corporate look.

- Be price aware. The consumer will be hotter than ever when it comes to getting out the plastic. They'll be shopping around for the best deals. Think about offering price promotions, lower your threshold for volume discounts. Price cuts will lure consumers more so than promotions or mail-in rebates. Everyone becomes a "deal-seeker".

It goes without saying that companies like Wal-Mart will see gains since their pricing structure is based on low cost buying. You need to adapt.

Finally, successful companies like you don't forgo marketing in a recession they adjust and move on.

Break out the life jackets and swim like Phelps.

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