

MARKETING DURING A RECESSION:

Economic Slowdowns Are Opportunities



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Just a few months ago, the government finally conceded that we are in an economic recession—something people around the globe have been feeling for many, many months.

There is little doubt that the recession will impact your business. Less money is being made, the channels through which it flows have shrunk, and marketing departments are often among the first to get cut.

How can you survive this economic condition? Can you even thrive during a recession?

The short answer is yes, but it isn't easy. This e-book contains a series of posts I featured on my blog, [OnlineMarketerBlog](#), about marketing during a recession. This e-book encapsulates the opportunities and risks recessions bring about, and explains how smart marketers and other thinkers have found success during times like these.

I hope you enjoy this e-book. If you do, please consider subscribing to the blog at [OnlineMarketerBlog.com/Subscribe](#). And feel free to pass along this e-book to your friends and co-workers.

Thanks for reading,

A handwritten signature in black ink that reads "DJ Francis". The signature is written in a cursive, flowing style.

MARKETING DURING A RECESSION:

Economic Slowdowns Are Opportunities

People are scared.

Recessions are scary things. Maybe that's why I have noticed a recent theme emerge from some prominent bloggers - a lot of smart people are discussing risk and stability, and they are discussing the role of failure from a business point-of-view.

*...cutting marketing, advertising,
or PR is one of the only sure ways to
lose market share during the recession and
then really be screwed during the boom
time sure to follow.*

This e-book contains a series on these topics, drawing from some of the more knowledgeable online marketers and social media types. This series will focus on the role of marketing during a recession and how to manage risk, stability, and failure. My aim is to embolden you, to reassure you that we're all sharing this anxiety but that there is a path to success.

RECESSION AS OPPORTUNITY

Typically, marketing is one of the first departments to see cuts during economic hard times. But cutting marketing, advertising, or PR is one of the only sure ways to lose market share during the recession and then really be screwed during the boom time sure to follow.

Here are some quotes from the experts:

"[H]istorically, PR, Marketing and Advertising budgets are the first to be cut; however, that could be one of the first mistakes a business makes in an economic crisis." - WSJ's MarketWatch¹

"In a downturn, aggressive PR and Communications strategy is key." - Doug Leone, VC, Sequoia Capital, Silicon Alley Insider²

“This is not the time to cut advertising. It is well documented that brands that increase advertising during a recession, when competitors are cutting back, can improve market share and return on investment at lower cost than during good economic times.” - John A. Quelch, Professor of Business Administration at Harvard Business School³

“Savvy marketers realize that it is because many marketers cut advertising spending during a recession that a recession is the best and least expensive time to gain market share through advertising...It’s well-documented how companies leverage downturns in the economy to effectively market themselves. In the 1970s, marketers like Revlon and Philip Morris increased their advertising to gain market share. Today, companies like Procter & Gamble, General Motors, Verizon, News Corp and PepsiCo all increased their first-quarter ad spending.” -Joelle Gropper Kaufman, MediaPost⁴

Maintained visibility translates into recognition, familiarity, and, ideally, trust.

Clearly, marketing during a recession allows you to retain or grow your market share when your competitors are hunkering down. Maintained visibility translates into recognition, familiarity, and, ideally, trust.

WHY ONLINE, WHY NOW?

The role of the marketer has undergone dramatic changes in recent years. Instead of interrupting, we are facilitating two-way conversation. Instead of persuading with subterfuge, we are providing valuable content as a way to get new business.

The online channel is cheaper than other mediums, easier to measure, and only increasing in importance. But many marketers (or their bosses) think marketing contains too much risk, too many unknowns.

The next chapter of this e-book deals with this uncertainty – the illusion of stability.

MARKETING DURING A RECESSION:

The Illusion of Stability

In thinking about the ever shifting economic markets, I wonder how marketers in particular should approach the idea of stability in the first place.

It doesn't matter whether you are a college senior majoring in marketing or a small business owner or a brand manager at a multi-national corporation – if you get lazy and stop learning, you will make yourself obsolete.

*...if you get lazy and stop learning,
you will make yourself obsolete.*

Marketing is changing everyday, both in philosophy (emphasis on pull rather than push)⁵ and pragmatically (marketing becoming more entwined with technology, for instance). It is integral to your success to keep learning.

After all, there will never be a time when you understand everything and can finally get down to work. You must start today because marketing will never be stable again (if it ever was).

SETH GODIN ON STABILITY

Seth Godin outlines the pace of marketing and the idea of stability in marketing in his most recent book, *Tribes*. Here is a brief quote:

“Stability is an illusion.

Marketing changed the idea of stability. It's human nature. We still assume the world is stable, still assume that Google will be #1 in five years, and that we'll type on keyboards, and fly on airplanes, that China will keep growing, and that the polar icecap won't really be melted in six years. And we're wrong.

We're wrong because the dynamics of marketing and storytelling, and the incessant drumbeat of advertising, have taught us to be restless in the face of stability and the internet just amplifies this lesson... Today the market wants change. The market demands change.”

-Seth Godin, *Tribes*, audiobook 24:24

There will never be stability in marketing, which is also part of the fun. With new products, epiphanies, and technologies forever on the horizon, you can be assured you will never be bored.

But, if you are adverse to instability or change, marketing - especially marketing in the new digital landscape - may not be for you. If you are already in the industry and want to succeed, I highly recommend embracing instability and your job of managing the risks inherent in a marketing career.

JOSEPH JAFFE AND PAUL GILLIN ON CHANGE

Marketing is a different career path than most. Many marketers have become lazy over the years, banging out the same lame marketing brochures, the same uninspired copywriting, the same screaming car salesman radio ads. And they could mostly get by until now.

*There will never be stability in marketing,
which is also part of the fun.*

Now, “same” is synonymous with “lame.” Remember Godin? “The market demands change.” This includes a change in the marketing you produce.

From Joseph Jaffe in Deliver magazine:

“Instead of taking bold chances, we have become seduced by the promise of glory and reward that comes from sticking with the status quo. We have failed to manage risk. And in doing so, we have also failed to manage another unavoidable reality of our industry: change.”⁶

It’s no surprise why some marketers are intimidated. A slew of new technologies and relatively sudden growth of the online channel have left many paralyzed. Paul Gillin mentions this in *Secrets of Social Media Marketing* when he says “This dizzying pace of change has prompted many marketers to sit on the sidelines until some winners emerge” (page 17). The sad truth is that you won’t be one of the winners if you do that.

*We’re lucky – we get to play and test and
learn every single day.*

OUR IMPERATIVE

As marketers, we are called on to manage risk, not to mitigate it (hat tip to Jaffe for the turn of phrase). We’re lucky - we get to play and test and learn every single day. If you’re not ready to do that, it’s time to turn in your badge.

If stability is an illusion, then it is worthwhile to discuss how marketers handle risk.

MARKETING DURING A RECESSION:

Risky Business

Most dictionaries talk about risk from a negative point of view. Risk is a chance to suffer harm, possibility of injury, or how likely you are to expect a loss. Yikes! Why would anyone court risk?

YOUR JOB = RISK

...you cannot succeed in marketing if you aren't willing to take risks. It's just impossible.

What dictionary definitions of risk omit, however, is that risk also offers opportunity. It gives you the chance to gamble (and win) big. And let me assure you: you cannot succeed in marketing if you aren't willing to take risks. It's just impossible.

So get over your fear of risk. It's easy to say and harder to do, I know. But consider how dangerous fear can be to your marketing initiatives. Lois Kelly had this to say in the recent *Age of Conversation 2*: "People are so fearful about being different that fresh ways of communicating are often never allowed their first breath." How sad.

Once you get over the fear of being different, of possibly failing, a world of possibilities opens up. Are you still worried? Well, maybe this will help tip the scales:

You've got no choice.

DAVID ARMANO AND SETH GODIN ON THE INEVITABILITY OF RISK

In a recent must-read post, succinctly titled "*Everything Is Risky*," David Armano outlines why risk is inevitable and therefore worth embracing.

*"With every post I write, I'm taking a risk...When all roads lead to risk, there's only one thing we can do. Live. We live lift by learning, by trying, by falling down and getting up and learning from the best teacher we've ever had - life itself...Those who barricade themselves indoors thinking they avoid risk end up risking the quality of their social interactions."*⁷

If risk is inevitable, doesn't that change the definition of risk? Instead of just a chance to do harm or incur injury, risk allows for huge wins - it gives you the opportunity to succeed.

Everything is risky, all the time.

"It's all a risk - always. That's not true, actually. The only exception: It's a certainty that there's risk. The safer that you play your plans for the future, the riskier it actually is. That's because the world is certainly, definitely, and more than possibly changing." – Seth Godin, *Tribes*, audiobook 2:47:50

Everything is risky, all the time.

If all this is making you nervous, don't worry - it should. However, while risk may be inevitable, your return on that risk is anything but certain. That's where you come in as a professional marketer.

JOSEPH JAFFE AND THE NEW WORLD

Our job as marketers is to manage this risk, not try to eliminate it. And we have more tools than ever to access information, review metrics, and make bold, calculated decisions.

Joseph Jaffe has this to say in *Join The Conversation*:

"Mitigating risk is no longer a best practice...Risk is relative, and the return is most certainly going to be more and more a function of outthinking and outsmarting, compared to outspending and outlasting" (page 280).

Risk is inevitable. But failure is not.

Risk is inevitable ... failure is not.

The next chapter deals with the role of failure in this new world of marketing. Instead of the permanence of a printed brochure or the 30-second lifespan of a television commercial, online marketing campaigns can (and should) be re-worked as situations require. In fact, failing can often bring the type of marketing insight that will eventually allow you to succeed on a massive scale.

I will explain why failing can be the best thing to happen to your brand. Then, I will end this e-book by discussing whether the recession could cause social media marketing to tip over into the mainstream.

MARKETING DURING A RECESSION:

Failure Isn't Fatal

To discuss marketing during a recession also requires a discussion of stability and risk. But what if you take that risk and fail? Prominent marketing gurus have framed failure from their perspective and here are a few insights.

IT'S ONLY A FLESH WOUND

Seth Godin has this to say about failure:

“The secret of being wrong is not to avoid being wrong. The secret is being willing to be wrong. The secret is realizing that ‘wrong’ isn’t fatal.”

The only thing that makes people and organizations great is their willingness not to be great along the way. The desire to fail on the way to reaching a bigger goal is the untold secret of success.” - Seth Godin, *Tribes*, audiobook 2:43:43

Our job as marketers is not to mitigate risk by going along with the status quo.

If you were successful all the time, how would you know? It's likely you would never learn the truly difficult lessons that make marketers great.

Sometimes failing, or at least having the freedom to fail, can lead to great insights into your audience, your methods, and your business model. The actual failure is among the least important aspects of any experiment.

“The most important creative freedom by far is the freedom to fail...Just remember, the consequences of failing are small compared to the consequences of not trying at all.” - Ron Hunter Jr. and Michael Waddell, *Toy Box Leadership* (page 63)

“[Sir Ken Robinson] has said that ‘to take chances is to not be frightened of being wrong.’ In other words, those who are not prepared to be wrong will never come up with anything original or be creative.” - Joseph Jaffe, *Join The Conversation* (page 117)

Our job as marketers is not to mitigate risk by going along with the status quo. Our job is to manage the risk and sometimes we fail.

That stinks, but there's nothing we can do about it. It's inherent to the job. That's why it is better to get in there and figure out your best odds of success (and learn from your mistakes).

3 RECENT EXAMPLES

It's not difficult to find examples of how failure affects some companies. Here are three very different responses to failure:

- **MOTRIN:** Depending on your point of view, Motrin's failure lies either with the offensive ad itself (most of us) or the fact that they pulled it so quickly. Either way, their trip-up was a golden opportunity to jump into social media and get to know their customers a little better, in order not to repeat the failure. Instead, they raised the white flag and hunkered down - not a peep since. This is truly an all-around failure.
- **MOLSON:** The beer maker got into hot water for a Facebook photo campaign that some Canadian university administrators claimed promoted irresponsible drinking. Paul Gillin, in *Secrets of Social Media Marketing*, attests that they at least are thinking correctly. "[T]he company actually considered the campaign to be a success, according to Dawna Henderson, CEO of Henderson Bas, the advertising agency behind the content. 'We learned a lot about what not to do next time,' she said." (page 224)
- **DELL:** After blogger Jeff Jarvis' *DellHell* blog, the computer manufacturer got the message. Though Jarvis' blog posts rightfully cited Dell's resistance to conversation, they started Direct2Dell, a collaboration and conversation vehicle. In February 2007, they launched IdeaStorm, a glorified (but successful) suggestion box. They also have quantifiable data that shows they have reduced the percentage of negative online conversation. Dell really did turn a failure into a success.

Now is not the time to shy away from risk, but to embrace bold maneuvers.

Failures are often great opportunities. And great opportunities can make all of the difference for your business during a recession. Now is not the time to shy away from risk, but to embrace bold maneuvers.

Many marketers are looking to social media and considering whether it is right for their business. Of course, this depends on many factors.

On one hand, the cost of buy-in is extremely low and almost every aspect of a social media campaign is measurable. However, many managers and marketers alike are timid to try something unknown or untested during a time of so much financial unrest.

How will your marketing change during this recession?

How are you taking advantage of these opportunities?

MARKETING DURING A RECESSION:

Social Media Tipping Point?

Can the recession tip social media marketing into the mainstream? Could we see a widespread embrace of blogs, Twitter, and other forms of social media? Answer: probably, but not positively.

EMBRACING NEW MEDIA OUT OF DESPERATION?

Budgets are drying up, but the online channel is cheaper and easier to measure than traditional PR and print advertising. Television and the automotive industry – not usually bastions of innovation – are two examples of industries putting a bigger percentage of their marketing budget into digital (despite the ever-shrinking total budget).

As copywriter and author of *NewMediaLisa.com* Lisa Hoffmann says, necessity is the mother of bravery. She claims that “[t]ight budgets will prod [small businesspeople] to do what all the preaching and prodding won’t.”⁸

Likewise, Julie Power, author of the *Internet Marketing Report*, states that the “recession could transform Twitter from an influential fringe network to a mainstream marketing movement.”⁹

I think they’re right - that the recession will cause business to look toward new media, that it *could* transform it into the marketing mainstream. That’s why I predict 2009 as a year of false starts and quickly abandoned Twitter accounts.

WINNER AND LOSERS

Don’t get me wrong - winners will emerge and knock our socks off with their social media campaigns. Heck, not even just “campaigns.” They will understand social media in such a way that they’ll forget a short-term campaign and just add social media directly into their corporate DNA.

*You are not safer in the foxhole.
Hunkering down will leave you with
nothing when you emerge.*

But of course, others won’t. And that’s fine. I’m reminded of a quote from Bruce Barton, former Chairman of BBDO: “*In good times, people want to advertise; in bad times, they have to.*” It’s a prescient warning to go against human nature. You are not safer in the foxhole. Hunkering down will leave you with nothing when you emerge.

There are plenty of smart people claiming that marketers will stick with the tried and true methods in 2009 and they have valid points. Companies will still sink millions of dollars into Super Bowl ads and maybe that works for them.

But the ones who include new approaches, who take the advice of people like Lisa and Julie, who experiment and figure out now exactly how their audience wants to interact - those will be the winners *after 2009*.

Social media is the Wild West and there is the opportunity to eat up some real market share. Just make sure you're ready for what's out there.

CONCLUSION

This e-book should give you a lot to think about, including risk, stability, the role of social media, and the future of your business.

But the main thing I hope it conveyed is the necessity to do something.

David Alston wrote a piece for *MarketingProfs* entitled, *Social Media ROI – What’s the ‘Return on Ignoring’?*¹⁰ that speaks to a lot of these points. He quotes many successful marketers to gauge what they see as the “return on ignoring” social media in response to an obsession with traditional return on investment (ROI).

Here’s the link between a recession and the emergence of social media marketing: they both require guts.

As I described, you can make a lot of money and gain a lot of market share during a recession. You can do the same by expanding your social media marketing. But both require effort on your part.

Marketers may have squeaked by being lazy before. They may have fudged details about products or told little white lies. Those days are over. Your audience will find out, publicize the truth, and punish you relentlessly for your untruths.

[the] link between a recession and the emergence of social media marketing: they both require guts.

But if you get involved, stay true to the community, and join the conversation during this economic downturn, the rewards could be many. You simply can’t afford to ignore your audience or the discussions they are having online.

Get in there and make bold moves. Then come back and share with this community how you found success during a recession.

Good luck!

ABOUT DJ FRANCIS

DJ Francis is the author of OnlineMarketerBlog.com, a blog at the intersection of online marketing, social media, and copywriting. He can be reached on most social networks, via email at [OnlineMarketerBlog \[at\] gmail \[dot\] com](mailto:OnlineMarketerBlog@gmail.com), or via Twitter at [@MarketerBlog](https://twitter.com/MarketerBlog). Feel free to email comments, suggestions, and questions, including those regarding advertising or consulting rates.

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FOOTNOTE REFERENCES

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