



Overcome slow times by getting marketing's house in order

By Naras Eechambadi

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THE SITUATION FOR "THE ANALYZER"

- Most companies become cautious spenders during recessions.
- Slowdowns are a good time to get aggressive with your marketing.
- Smart spending can help increase market share with less money.

For many of us, it does feel like we are entering a recession, if we are not in one already. Most companies faced with a slowdown are naturally inclined to pull back on their marketing. As one my clients put it, "marketing is the last thing in and the first thing out in our budget."

That may be the wrong thing to do.

WHY?

A study of 150 companies done by two professors at Penn State University right after the last recession found that recessions can be an opportunity for strong companies to further strengthen their competitive advantage.

HOW?

The answer is not just spending more money. You could be pushing on a string. It is about spending smarter. Companies that have a strong brand name, differentiated products, targeted communications and good customer support and service – good reputations – can take advantage of lower advertising rates and a lesser presence by their competitors to increase their "share of voice" in the marketplace with less money. It is easier to make your mark when your competition is silent.

Search engine marketing, or paying Google when people click through to your Web site, has grown rapidly over the past few years. Industry experts believe those prices will go down, or not climb as fast, during this recession. If that is the case, then a company that maintains this type of spending could get more visitors to its Web site for the same amount of money.



A recession is also a good time to look for waste inside a marketing department. Folks tend to get sloppy during good times. We recently worked with a credit card department within a bank to look at their marketing processes. We found inefficiencies in the way they went to market. One of these was a tendency to market to people who were not really in the target market. It was relatively easy to find cost savings. These savings could fund more touches with their most promising customers and prospects, while ignoring those who are not likely to respond to offers.

Some key things to keep in mind?

- ▶ Take care of your best customers, particularly if they are going through rough times.
- ▶ Identify and invest in customer segments that are still growing.
- ▶ Maintain your spending, to the extent possible

The old saw “when the going gets tough, the tough get going” is apt for marketing in a slowing economy. When the tide rises again, you will be well positioned to benefit with a stronger market presence.

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About Quaero

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Naras Eechambadi is the CEO of Quaero, a marketing and technology services company that helps companies looking to improve the effectiveness of their marketing efforts and marketing technology investments. He is the author of *High Performance Marketing: Bringing Method to the Madness of Marketing* (Kaplan Professional Press, 2005).

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