

Marketing in Tough Times

“Crisis” is both a threat and an opportunity, delivering new winners and losers.

Peter Fisk introduces 50 strategies for surviving and thriving in a downturn.



The most valuable asset in your business today is not capital but customers, and the source of your competitive advantage is no longer your products but your people.

Tough times mean focusing on what matters most. And nothing matters more than staying close to your customers – understanding them better, doing what matters most to them, and retaining them profitably. It’s easy to forget about customers in a crisis. But that is the mistake of losers.

Winning companies use tough times to attract, serve and retain the best customers - to do more for them when they also need help; to show how good you are, and can be in the future. They are also the ones with a winning mindset, who think smarter not only about how to survive, but also to thrive.

Marketing

Business needs marketing more than ever: to generate the revenues that are its lifeblood, to develop smarter ways of securing it, and to innovate so that you succeed in the next upturn.

1. Don’t panic, don’t abandon your strategy, don’t stop marketing
2. Customers not capital are your most valuable assets
3. People not products are the source of your competitive advantage
4. Focus on retention not acquisition, do more with your best customers
5. Think like a winner, it’s time for thinking and acting smarter

Market strategy

There is no shortage of opportunity, but most people aren’t looking. Tony Fernandez, the US tech entrepreneur, however invested in Air Asia, and sees a vast market that will keep booming.

1. Clarify purpose – ensure your vision and difference are crystal clear
2. Follow the money – focus on best markets, best customers, best products
3. Strengthen your strategy – adjust and respond to the changing market
4. Find new opportunities – emerging markets and failing competitors
5. Reduce your risks – move activities from fixed to variable costs

Customer insights

They call it the Miracle Whip insight. More new businesses and products started in the Great Depression than at any time. Downturns are times for new priorities, and new innovations.

1. Understand customers – do new research to understand changing needs
2. Redefine priorities – explore the customer's new essentials and aspirations
3. Feel their pain – they feel poorer and lack confidence, and make careful choices
4. Segment for profitability – identify customers of highest profit and highest risk
5. Price patterns – understand the new dynamics of price elasticity

Customer propositions

Customers still have money - they still eat and drink, meet and travel, work and talk. If nobody wants a SUV sell them a Hybrid, or move Starbucks from an everyday essential to small indulgence.

1. The end of extreme – Local and caring rather than humour and adventure
2. Value conscious – focus propositions on value, articulating the benefits more clearly
3. Empathise with customers – show you care, help them, good for each other
4. Focus on price points - think backwards to design solutions at key points like 99c and \$99
5. Avoid discounting – use tactical promotions and better terms, not lower prices

Engaging experiences

Nintendo Wii - not just another computer game, but a whole family experience, and saves you time going to the gym too – but you will struggle to get hold of one, intensely popular even in tough times.

1. Do more – help customers practically to achieve more with your solutions
2. Restructure solutions – lower entry point, unbundle or bundle as appropriate
3. Help channels – work with distributors, better terms, easy returns, joint promos
4. New models – franchising not owning outlets, leasing not selling products
5. Stay positive – energise your people, keep smiling, make service your difference

Building brands

Brands are something to hang onto when everything else changes. They are familiar and trusted. Tesco and Wal-Mart moved from laggards to leaders in downturns, and stayed there.

1. Build trust – provide clarity and reassurance to customers, be the most trusted brand
2. Rearticulate stories – adjust the reasons why people should buy from you
3. Smarter media – focus on most effective communication, shorter and faster
4. Everything sells – use everything to drive sales, from sampling to packvertising
5. Networks work – endorsement and advocacy, word of mouth physical and virtual

Innovating business

The Barbie effect on Disney was remarkable. Manufacturers Mattel never thought they would work with such partners, until tough times forced them to form a successful collaboration.

1. Rebalance portfolio – accelerate key products to markets, mitigate risks, focus effort
2. Get together – form new partnerships and alliances, better solutions, broader reach
3. Bigger impact – get value innovations to market, whilst competitors are distracted
4. Business models – rethink how you work, be ready to acquire failing competitors

5. Antidote – offer people a reason to smile, to feel good whilst all else is gloomy

Delivering results

Marketing drives business results, but as a large discretionary spend it needs to demonstrate through financial metrics why it is essential to retain in tough times.

1. Positive impact – now is the time for metrics and ROI to prove marketing matters
2. Spend smarter – renegotiate deals, change communication mix, eliminate waste
3. Forecast future – rethink the rising stars, recalculate the sources of future profits
4. Loyalty matters – work harder with existing customers, sell more, cost less, stay longer
5. Build communities – target the best groups to work with, and be part of their world

Inspiring leadership

This is moment for marketers to show their leadership qualities, to give direction and focus whilst all around them are losing their heads. It's time for heads up, not heads down, marketers.

1. Heads up – the business needs leadership, where to focus, what matters most
2. Be agile – respond to change fast and positively, as others fail, as green shoots emerge
3. Drive action – get the whole organisation focused on customers, retention and selling
4. Bigger picture – don't get stuck in the trenches, stay integrated and moving forwards
5. Be confident – about marketing, about customers, about opportunities, about the future

Economic downturns are the worst and best times for marketers. Whilst some may rush to slash the advertising budgets, they forget that marketing is about much more than communication. And indeed, that communication is much more than advertising. It's a time for focus and efficiency, but also for rethinking some of the fundamentals, doing things differently, and making a few bold moves.

As the scientific genius Albert Einstein said “you cannot solve a problem with the same thinking that created it” whilst creative genius Pablo Picasso reminded us that “times of turbulence provoke the greatest ideas and opportunities”.

© Peter Fisk 2008. “Marketing in Tough Times” is also a highly practical and interactive two-day masterclass bringing together the best strategies for effective marketing in a downturn.

Peter Fisk is an inspirational author and speaker, consultant and entrepreneur. His best-selling book *Marketing Genius* has been translated into 28 languages, and he was recently described by *Business Strategy Review* as “one of the best new business thinkers”. *Business Genius* was published in 2008 and describes the challenge of sustaining business growth through turbulent times.

He has worked internationally with market leaders including British Airways and Coca Cola, Marks & Spencer and Microsoft, Virgin and Vodafone, O2 and Orange. He was the transforming CEO of the Chartered Institute of Marketing, led the global strategic marketing consulting team of PA Consulting Group, director of Brand Finance, and partner of strategic innovators The Foundation.

He now leads The Genius Works, helping business leaders to see things differently – to develop and implement more inspired strategies for customers, innovation and marketing. *The Genius Lab* is an accelerated innovation process, *Zoom Ventures* is an incubator bringing together business investors and social entrepreneurs, whilst *The Fast Track* offers executive development and global retreats.

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