

COLUMNS

Marketing during the economic downturn

April 1, 2020



Scoping out an opportunity

By **Beau Fraser**

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246** ▶

Plunging stock markets and economic recessions are nothing new we have been through these before and know what the right course of action is: tighten our belts a bit, keep investing in our brands, and be shrewder about short-term tactics.

We know the research will bear this out. Study after study has shown that those companies that maintained spending or invested modestly during recessions gained share at the expense of those that cut marketing budgets.

Crisis as opportunity

Some forward-thinking marketers even saw in these downturns a way to reassess the tactics they employed. They came out of those recessions not only with more market share and stronger brand relationships with their customers, but a decided edge in how to market effectively over colleagues who stuck their heads in the sand.

Now we are experiencing something we have never seen before in our lifetimes an economic hiatus caused by a global public health emergency.

In the months to come, we will turn the corner on this, most businesses will revive, and the stock market will come back. The question is, who will see this crisis as an opportunity to market better, and who will pull back, and miss all the opportunities out there?

You are going to get a lot of messages from marketing agencies and media telling you the old shibboleths about the value of investing now in marketing.

I am not going to waste your time making any more of a case for them than I have here you know them to be true.

Instead, I would like to talk with you about some smart tactics I think you should consider that will help get you through these tough times, find new opportunities for growth, and position you a lap ahead of your competition when this hiatus is over:

Tap people's primal need for community

With most of us working at home and strongly encouraged to keep our distance from others, we will grow ever more

needy of ways to connect, to feel a sense of belonging.

This is a perfect time to get serious about social media and foster communities around your brand.

Do you manage or belong to a professional association? Offer tips and encourage members to share theirs on weathering the downturn.

Market a utility? Offer advice on energy-efficient appliances and alternative heating/cooling systems and ask customers to rate local suppliers and installers.

Speak to the positive, but make it real

Turn to any medium, and there is this bizarre juxtaposition of negative news bracketed by upbeat ads that act as if nothing has happened.

Yes, people are hungry for the positive, but they are more likely to embrace positive messages if they recognize the reality of today.

"Family feeling a little cabin fever? Here are some great things you can bake with your kids." "Five sectors to invest in when the market begins to turn around that will help you rebuild your portfolio."

Rethink your audiences, and then target messages precisely to them

With the world temporarily upended, who will be most receptive to your products and services may be quite different than you think. There may be opportunities in target segments that were not priorities in the past.

Marketing insurance? With mortality on everyone's mind, this might be a good time to talk with underinsured middle-aged policyholders. Selling sporting goods? Grandfathers isolated from their grandkids can order lots of equipment online.

Turn lemons into lemonade

Financial service companies are always trying to sell young people on investing. And this may be a time when they are receptive to saving a bit after all, they cannot spend their money on drinks out with friends, Uber rides or movies, so why not start to put a little aside for the future every week?

This might also be the perfect time for millennials to learn how to cook from local chefs working for savvy food and restaurant marketers.

Give people virtual ways to escape the confines of home

This is a great time for marketers to engage customers virtually with places they can go to and things they can do when the WFH mandate is lifted.

Cruises may be impossible now, but why not give customers virtual cruises they can take today to get them booked for the fall and winter?

Museums can take people on video tours of exhibits. Car companies can give drivers GoPros to capture some excellent road footage without ever interacting with another human being.

Be a rock consumers can lean on

These are scary times no one is quite sure how long or how bad this will be for our health and for our economy.

If you have knowledge that will help consumers, share it.

If you can improve your products or services during the hiatus, let your customers know about how things will be better when they are ready to buy again.

If you can help those in financial distress, skip a payment or two, or refinance, you will make customers for life.



Beau Fraser is president of The Gate

*Beau Fraser is president of **The Gate**, New York. Reach him at beau.fraser@thegateny.com.*

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.