



H-Paper

**Five Tips for Marketing in a Slow Economy:
Find the Hidden Opportunities in a Financial Slump**

The H Agency www.theHagency.com

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Yes, by all indicators, the U.S. economy is not doing so well. And in some companies, the first thing the CFO will suggest is to cut marketing and advertising dollars to counteract sliding profits. However, that could be a big mistake. There are unique opportunities that exist in any economic situation. It's simply a matter of adjusting your marketing plan to changes in consumer buying decisions, and understanding which medium will carry your message most effectively.

We've done some digging into what's working for other marketers and have boiled it down into five main points. You can use them to help you get the most from your marketing dollars and show others (like your CFO) that spending on marketing in a slump is actually good for business.

Wall Street is biting its nails. Consumer spending is off. Credit is tightening. But people are still buying goods and services. And they still need information that marketing communications and advertising provides to help them make purchase decisions.

Even in a down economy, many companies are not cutting marketing budgets, because they know that change creates opportunity. This is when trust in a brand is most important, and when tracking ROI becomes a critical part of proving the value of marketing. Here are some helpful tips and information that could help you adjust your marketing plan to take advantage of the current economic trend.

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DIRECT MARKETING

1. Fine-tune your message—When consumers are spending less, they are more interested in benefits like “value” for their dollar, just like you. So, adjust your marketing message to focus on benefits like cost, value and savings. Emphasize or introduce special free trials, and money-back guarantees. Make sure that your customers understand exactly what they’re getting for their hard-earned dollar.

2. Pick the right medium—Business-to-consumer marketing numbers have been trending down for the past year and cost of new customer acquisition is rising. This is due to many factors including cost of production and delivery. Many marketers are turning to direct mail and the Internet to get the most mileage for their money. Direct marketing and direct mail are efficient ways to get your marketing message in the hands of someone most likely to need what you have to sell (refer to our H-paper on direct marketing for details). Direct marketing (both direct mail and e-mail) is potentially more trackable for measuring return on investment than other media. It also offers the possibility of combining brand message with product message so you can build brand and response rates simultaneously.

3. Tighten down your ROI—If you don’t already have a reliable system for tracking and measuring response to your marketing and sales promotion efforts, now’s the time to put such a process in place. CFOs respond favorably to hard numbers. That means numbers on the actual revenue generated by a campaign, not just the number of respondents. It may be a challenging process to set up, but it is well worth the time and effort. When you know precisely where your dollars are working and where they aren’t, you know exactly where to spend and where to save.

4. Keep your customer satisfied—Your current customers are your best prospects. Invest your energies and dollars in keeping them happy. Whether they’ve purchased from you recently or not, keep talking to them. Nurture that relationship. Listen to what they want and try your best to give it to them. They’ll show their appreciation through new sales.



DIRECT MARKETING

5. Initiate Web 2.0 tactics—The Internet is your friend, or at least it connects you with friends and potential customers cost-effectively. Social networking and video sharing sites are relatively easy to use and maintain. Your cost is simply the cost of a staff person implementing or updating a post on your company's blog and to link to other bloggers that might post comments about your products. In return, you improve your company's ranking on search engines and make it easier for potential customers to find you and your product online.

Conclusion—At the H Agency, we see a downturn as a time to use smarter, more efficient marketing tactics. While your competition is cutting back, we believe that's the ideal time to shift marketing dollars into more targeted trackable efforts that keep your brand and product prominently positioned in front of your customers. The slump will pass and you'll have gained valuable ground and sales.

SOME SUGGESTED METHODS FOR TRACKING PRINT ADVERTISING RESPONSES:

1. Promotional code: Use a designated code on your ad that your customer is asked to use when they call or visit your location to make a purchase. To ensure they use it, consider offering a special discount for using this code.

2. Landing page: In the call to action in your ad copy, instead of just sending someone to your general website address, use a special landing page with a specific url. The landing page can have specific follow-up language to help close a sale and guides the customer directly to the product or service in which they're interested. This has proven to be a much more effective process than just sending them to a general website address and letting them find their way to the thing they're interested in.



DIRECT MARKETING

3. Web statistics service: Another option is to use a web-based service that will track your website activity for you. These services provide you with easy-to-understand information about your website traffic that doesn't require a lot of technical knowledge. All you need do is embed a small amount of html code on your web pages and then you can access the data online in real-time. There are several different companies that offer this service. An example is called Web-Stat.

4. 1-800-telephone tracking: If you're interested in doing detailed tracking and have the ability to assign someone in your business to answer incoming prospects' calls, there are telephone services now that offer use of distinct 1-800 phone numbers that you can run in your ads. This 1-800 service can be used for all of your non-Internet advertising like print, radio, outdoor and television. Each ad can feature a different phone number, so you'll know exactly the response rate from each one. The calls to these numbers are routed through a computer network that tracks the calls and routes them to any number in your business that you choose. They can even route calls to different sales persons in various locations, depending on who is available that day. And best of all, it alerts the sales person with a "whisper message" before connecting the call that it is from a prospective lead. As part of this service, you receive regular computer-generated reports listing all incoming calls from your ads, the time the calls were made and the phone number and name (if listed) that the phone number is listed with. Your sales staff can then keep an accurate record of what became of each lead so you can have a bullet-proof method for tracking ROI.

WHAT DO YOU STAND FOR?TM

The H Agency is a strategic branding firm founded in 1990 by owner and creative director Winnie Hart and now with offices in New Orleans and Houston. The company has grown from a local New Orleans design firm into a regional strategic branding company that specializes in developing marketing programs and brand strategies for health and wellness, financial services, and consumer and retail companies.

The “H” in The H Agency stands for the things that make us unique — heart, horsepower, helpful, high-flying and heroic. Defining the core values we practice each day in our work and relationships helps us refocus our perspective, rethink our strengths, and refine our continued path to success.

For more information about how to make your next direct marketing project more successful, contact The H Agency, 504-522-6300.

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