

# MARKETING IN AN ECONOMIC DOWNTURN

Partners Marketing Meeting  
March 5, 2009

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# VEGAS

- + Three campaigns in the last 8 months
  - First campaign: [What happens here, stays here](#)
    - Pulled in lieu of needing to generate immediate visits
  - Second campaign: [Almost There](#)
    - Recognized they need to identify with current consumer sentiment
  - Third campaign: [Crazy Times Call for Crazy Fun](#)
    - Now, onto [Cranfills Gap](#)

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# BACKGROUND

- + Meat & Threes
- + Basketball
- + Cars and Beer
- + Talent

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# TOP DRIVING TIPS

- + Dial in your strategy
- + Balance the long-term and the short-term
- + Fine tune your messaging
- + Increase communication with your customer

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# STRATEGY COHESIVE RESPONSE TO A CHALLENGE

- + Understand the value proposition of your brand
  - [Wal-Mart](#)
  - Apple

“What has happened in technology over the last few years has been about the downturn, not the future of technology. A lot of companies have chosen to downsize, and maybe that was the right thing for them. We chose a different path.”

Steve Jobs, Apple, 2003,  
Dow was at historic 10-year low

# STRATEGY COHESIVE RESPONSE TO A CHALLENGE

- + Understand the value proposition of your brand
  - Fortune Magazine
    - Launched February, 1930 (4 mo after crash)
    - Outrageous price \$1 per issue
    - 30,000 subscribers in year 1 -> 460,000 in year 7

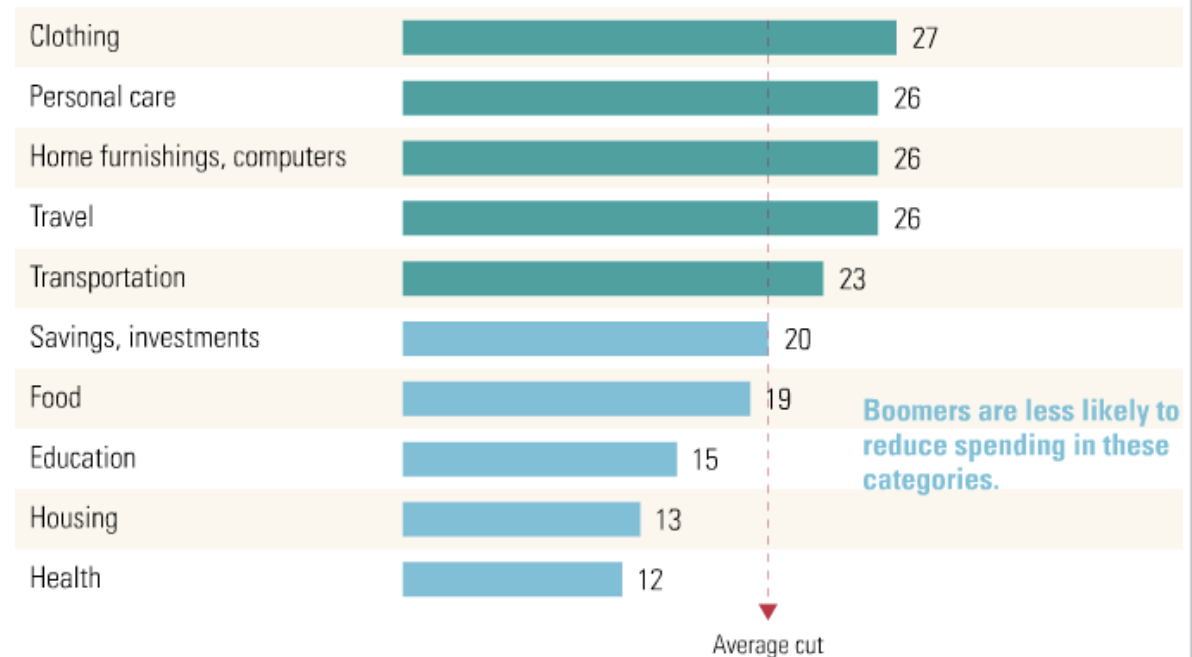
Fortune worked for the very same reason that all great new products work: it made a uniquely relevant contribution to its customers' lives (period).

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# STRATEGY COHESIVE RESPONSE TO A CHALLENGE

## + Refine Target Audience

- 67% of AMA marketers feel it is important to mitigate the impact of an economic downturn by refining target audiences. (AMA Marketing Survey)



Source: 2006 McKinsey survey of aging US consumers; McKinsey analysis

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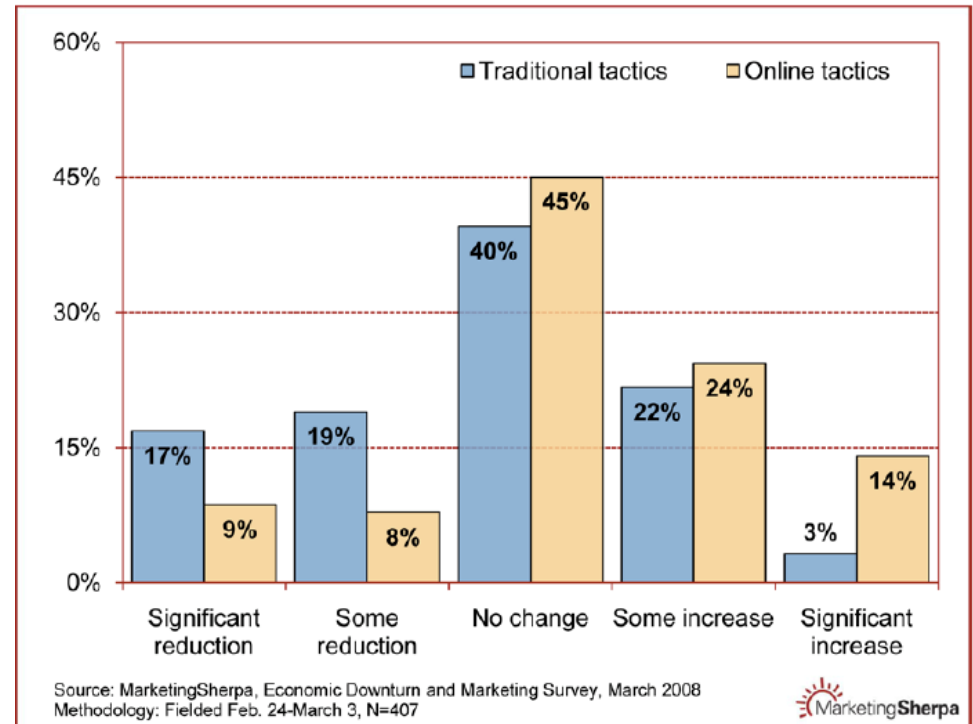
# STRATEGY COHESIVE RESPONSE TO A CHALLENGE

## + Refine Geographies

- Can't be everywhere
- Where are your consumers

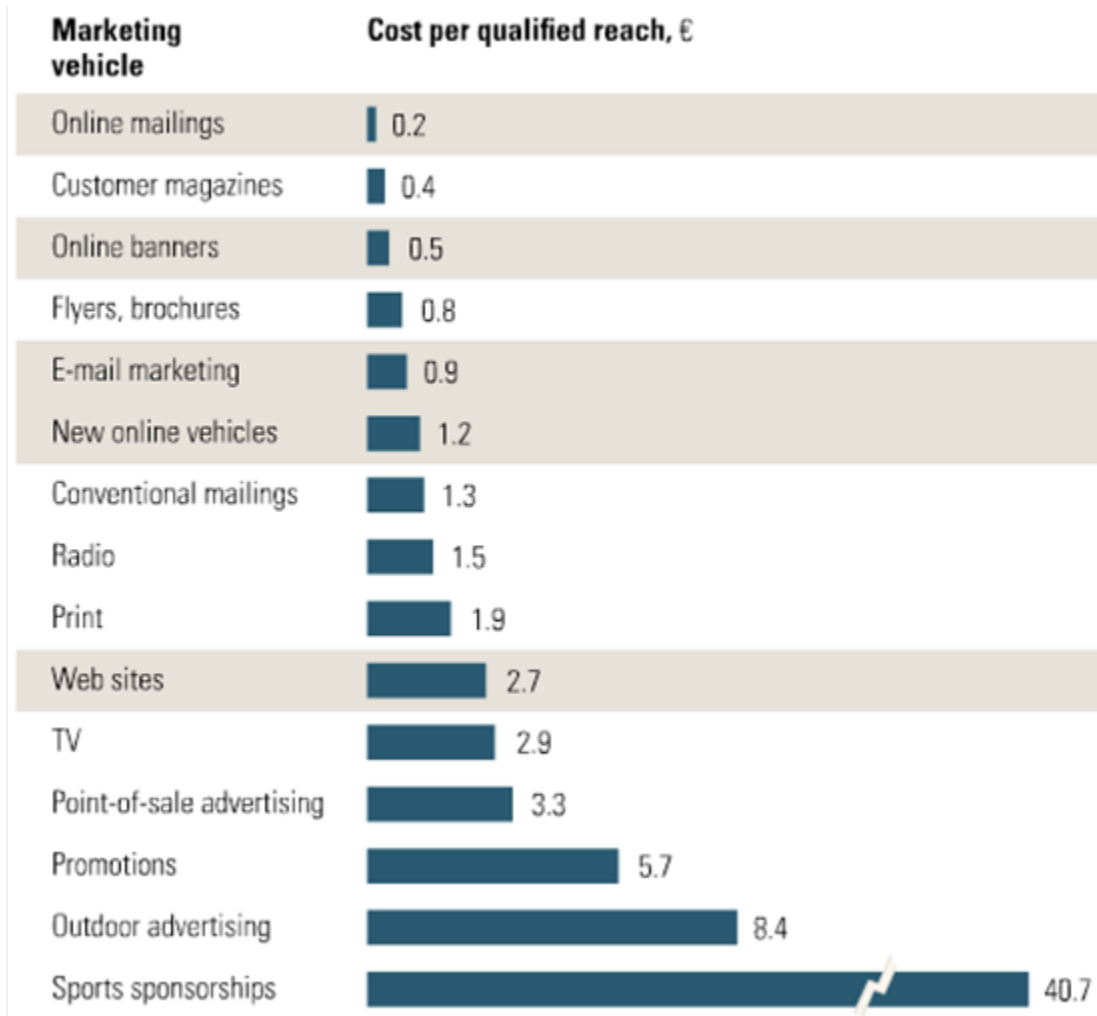
## + Refine Media Vehicles

- Traditional vs. online
- Effective vs. non-effective



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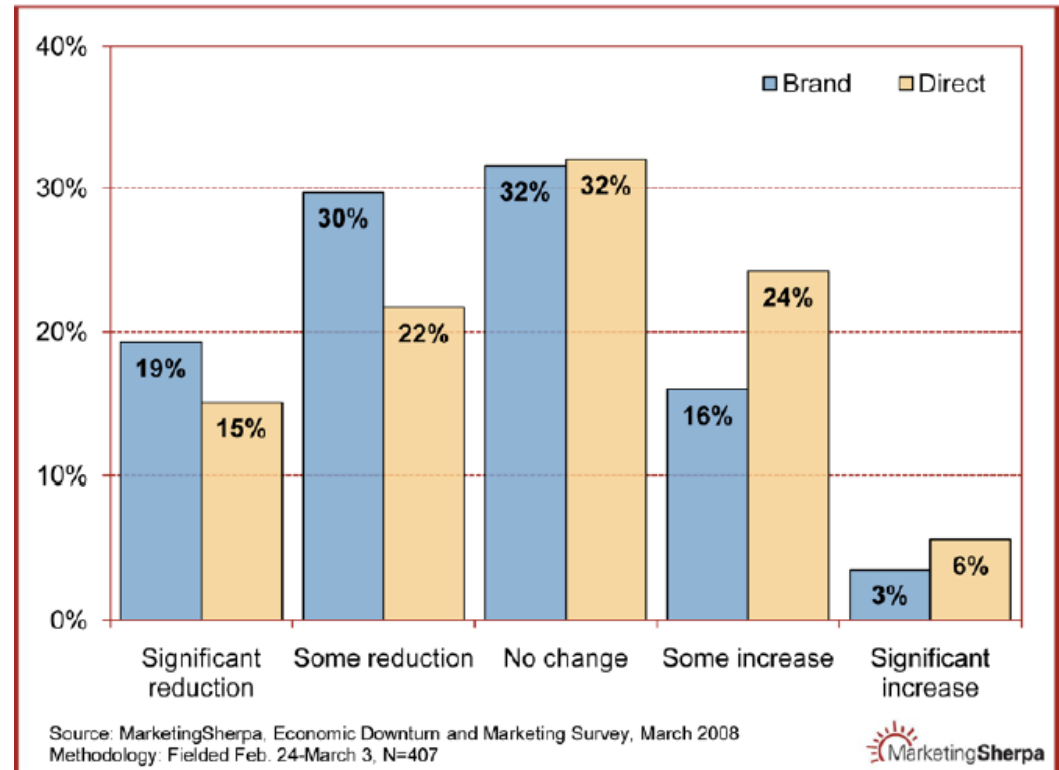
# STRATEGY COHESIVE RESPONSE TO A CHALLENGE



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# BALANCE

+ Short-term vs long-term



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# FINE TUNING THE MESSAGE- BEST BUY

“Find ways to improve the brand experience and tell the story of how the brand is differentiated during a time when price becomes more important to many customers.”

Barry Judge, CMO, Best Buy

- + Improvements to web site-support a better customer experience at first touchpoint
- + Customers dissatisfied with technology are offered \$50 gift cards (bought obsolete HD-DVDs)
- + Refine messaging (internal and external) to support brand story; clear point of view on how Best Buy is a relevant and better choice for our customers.

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# FINE TUNING THE MESSAGE- BEST BUY

+ Best Buy's [You, Happier](#) Campaign

“The intent for our communication messaging is to convey three important ideas. One, you can trust us to always have your best interests in mind. Two, we have a unique take on how technology and entertainment can make your life better and finally, you can always expect to find great prices. Ultimately our expectation is that, you walk out of the store happier, than when you came in.”

Barry Judge

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# FINE TUNING THE MESSAGE

- + Differentiate
- + Emphasize value (not low-prices, but value)
- + Communicate benefit (Wal-Mart “Save Money, Live Better”)
- + Reflect the times and consumer sentiment (not doom and gloom)

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# CUSTOMER COMMUNICATION

- + Increase communication with customers
  - Social Media (pro-active and reactive)
    - Southwest
  - Advertising
  - Website

# CUSTOMER COMMUNICATION

- + McGraw-Hill Research study researched 600 companies from 1980 to 1985 and found that the businesses which chose to maintain or raise their level of advertising expenditures during the 1981 and 1982 recession had significantly higher sales after the economy recovered.

Companies that advertised aggressively during the recession had sales 256% higher than those that did not continue to advertise

In 2001, another study found that aggressive recession advertisers increased market share 2 ½ times the average for all businesses in the post-recession economy

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# CUSTOMER COMMUNICATION

## + Ralston Purina

- Between 1930 and 1932, sales plummeted from \$60 million to \$19 million
- Limited marketing dollars

Ralston Purina launched a historic product placement by sending its Dog Chow Checkers dog food to the South Pole with Admiral Byrd thereby helping the company cut through the clutter and win the attention of consumers

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