

# 10 PRINCIPLES FOR BAD TIMES THAT WORK IN GOOD TIMES, TOO

**Gute Kommunikation in schlechten Zeiten:** In diesem Sommer erscheint ein Buch mit dem Titel "Survival of the Smartest: Marketing That Works in Good Times and in Bad" von Philip H. Geier Jr. Aus aktuellem Anlass übernehmen wir im Originaltext einen Auszug daraus, welcher im *Ad Age Daily News* vom 6. April erschienen ist. Die "10 Principles" gelten hierzulande ebenso wie in den USA – die Agenturen für die Kommunikation (auch in schlechten Zeiten) finden Sie auf [www.bsw.ch](http://www.bsw.ch).

Text: **Philip H. Geier Jr\*** Bild: **Saatchi & Saatchi NZ Auckland**



Auch in schwierigen Zeiten: Gute Kommunikation ist alles.

Even if you're not in the midst of a bailout, bankruptcy or a merger, chances are this "Great Recession" has created turmoil and uncertainty in your business. What we are living through today may be a once-in-a-lifetime economic downturn. It's a time when tough short-term decisions may need to be

made. But smart marketers must always keep one eye on the future and not forget what it is they want to create for their companies. Here are 10 principles for managing, marketing and motivating in a recession that work equally well in good times and bad.

**1. ADAPT.** A recession of this magnitude forces change upon everybody. This is the time to do whatever it takes to fix new and lingering problems, reinvent your product lines, and adapt your business strategy. It's time to ho-

nestly assess your strengths and weaknesses. Confront the changes that you expect to be permanent. Respond quickly to the short-term realities. Making the right changes now will make you stronger coming out of the recession.

**2. MOTIVATE.** A recession takes its toll on your work force as much as it does on your bottom line. Be upfront about the realities your company is facing. Make sure employees hear and understand the strategy. If you have to cut staff, do it quickly and well. Don't just use a "last in, first out" approach. Making a clear effort to keep the best people can enhance morale despite downsizing. Cut as deeply as you can in the first round. That will make it easier to say, "No future cuts." In most cases a sudden, sharp shock to the organization is better than continuous layoffs, which only increase the sense of impending doom.

**3. FOCUS EFFORTS.** Not all companies/brands will survive this recession. Get back to basics and focus on your core business. Concentrate your efforts on product lines and brands that tie into major industry trends and offer both short- and long-term potential. By emphasizing the right products, at the right price, with the right marketing support, you will create a competitive advantage.

**4. STAY TRUE TO YOUR VISION.** Thriving beyond the current recession means knowing where

## MARKETING IN A RECESSION

Ad Age explores what marketers, media and agencies are doing to survive and even thrive in the downturn.

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you want your company to go when the recovery begins. Start by understanding how your company and your products fit into a changed world. Understand the position of your company and products and the realities of the categories that they are competing in. Don't let the recession cause you to doubt or pull back on a major initiative. Look at Apple. It opened its first retail stores in the recession of 2001. That same year it introduced the iPod, which transformed the music industry.

**5. COMMUNICATE.** Make sure your key constituencies – customers, employees, business partners and investors – understand what you are changing and why. Is this the time to reemphasize your heritage or to announce a new company strategy? Either way, communicate. Fight to keep your marketing budget, but if cuts are essential, at least maintain visibility with an umbrella brand. Allow that brand to carry others if necessary.

**6. INNOVATE.** A recession may delay the introduction of new products, but it cannot stop innovation. If big companies cut back on research and development now, they risk being blindsided by an onslaught of products created by the downturn-fueled “garage economy.” The little guy has a real chance when the big spenders cut

back. If you are not thinking about revolutionizing your business, someone else will be.

**7. SEIZE NEW OPPORTUNITIES.** In a recession, just as venture capital dries up, the garage economy begins to take hold. This creates occasions when companies can acquire start-ups, companies and technologies that help them position themselves for the long term. Before making any acquisitions in a recession, ask yourself: “How essential is this? What do we gain that we couldn't do ourselves? Are the products truly innovative?” Buy wisely, and you will position yourself to be even more competitive in the recovery.

**8. INTEGRATE MARKETING.** Even in bad times, smart marketers know how to increase market share and position themselves for the recovery. Integrate your campaigns to connect with consumers on TV, online, in print and out of home. Build campaigns around one, big, central idea – and push the same message through all the marketing “pipes.” Marketers that are able to maintain or increase ad spending gain real upside during and after a downturn. Even a small increase in spending can deliver tremendous additional visibility. Recognize the need to deliver value, and don't depend on price cutting alone. Where possible, add value and excitement

through themed sales promotions. When executed right, they will help you maintain a price point, drive consumer behavior and increase market share.

**9. RETAIN CREDIBILITY.** When the news is bad, it's tempting to try to sugarcoat it. Retaining credibility with investors is essential in a downturn. If results are down, communicate why – and what you are doing about it. Keep surprises to a minimum. If you lack the visibility to make quarterly forecasts, don't make them. Above all, communicate to Wall Street that you have a plan.

**10. INSPIRE CUSTOMERS.** Along with innovation, optimism has been a key ingredient in inspiring consumers and building great brands through the last 10 recessions. Coca-Cola's history of optimistic messaging is legendary. The brand epitomized American optimism as it expanded globally during World War II. During the recession of 1980, consumers were reminded to “Have a Coke and a smile.” Amid the funk of the mid-1970s, Coke famously announced it was time to “Look up, America!” ■

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