

## Advertising, Marketing & Beating the Recession How to Make Customers Choose You

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Date: January 7, 2009

There are many unique opportunities when advertising in a down economy - from cost saving offers to capitalizing on the weakness of competitors. Before launching into an ad campaign, it's imperative for a company to understand the importance of its brand and the message the brand is communicating. The right brand image and the right brand message will make customers choose you.

### **Increase Brand Awareness**

Brand is the image that a product or a company projects - it says "I'm reliable" or "I'm for successful people" or "I cost less". It's the idea that makes a consumer buy one product over another.

When the economy is down, it's critical (often more critical than when the economy is strong) that marketing and advertising communicates a brand image that is relevant to customer's concerns. Businesses need to promote the right message, and ensure it is heard loud and clear in the marketplace. If customers are looking to cut costs, and brand name paper towel X isn't promoting why their towels are better than the less expensive store brand, the customer is more likely to try that generic product. The benefit of the low price will win, because there was no other brand message competing in the shopper's mind.

An example of great branding was executed by Cadillac during WWII. While the plant had shifted to producing equipment for the war, and new cars were not available for purchase, Cadillac continued its consumer marketing. The company promoted new technological advancements and mechanical improvements that made their product better, and repeated patriotic themes which strengthening their brand allegiance. They saturated the market with the messages consumers wanted to hear at a time when some of their competitors had stopped advertising. By the end of the war the Cadillac brand was stronger than ever. When the company shifted back to automobile production, they were back-ordered for a year.

### **Build Customer Loyalty**

Studies have noted that 75% of consumers are likely to continue to buy the same product, unless given a reason to switch. But if your brand becomes "quiet" while your competitor is promoting its benefits, a consumer's loyalty likely will wane. Your competitor advertises "I Last Longer" or "Save Money with this Coupon," and the consumer thinks "I like to save money. I like things that last longer." They have incentive to try something new, and you're not reminding them why your brand is "better". The customer takes the bait and tries the new product. If the product is inferior they probably will regret that choice. But if it isn't, the shopper may have shifted brand allegiance. The new product understood that costs were a concern to that customer. "They 'understand' me." The consumer is now 75% as likely to keep buying that new item than to return to your product.

### **Maintain Rather Than Repair**

It's harder, and more expensive, to try to regain brand awareness once it's lost. Rebuilding an existing brand is similar to introducing a new product - the customer doesn't remember the benefits, and wonders why it went away for so long. "Is this the same product I used to buy?" "Why haven't I heard about XYZ item for so long?" You've given the competition an opportunity to present their product as better than yours, and most likely, also given your product an outdated, "dying" image.

Reestablishing a brand presence means building from the ground up - relaying that foundation people once recognized, then enforcing that image, brick by brick. "Hey, remember me?" just doesn't work. Rebuilding requires increased advertising repetition and a lot more money.

For companies that think they have a solid market share, and their brand is so well established it no longer needs advertising, just look at IBM. In 1992 the company felt they had the personal computer market cornered, so they reduced their ad spend and cut back on marketing. Compaq realized this and seized the opportunity.

Compaq's sales were not strong and they had a significantly smaller market share. Even so, they launched an aggressive campaign to establish themselves as a better personal computer option. Their market research analyzed what consumers wanted, and the company responded to customer comments by building new computers with better performance and improved features. Compaq then created advertising that promoted these new benefits, running a large ad campaign to promote the brand.

Compaq offered consumers the right benefits and saturated the market with their message, just as IBM grew quiet. Compaq's brand awareness grew quickly, and in short time sales increased to the point they were one of the biggest name in the PC marketplace. By the time IBM re-launched their advertising it was too late - the brand was viewed as inferior. Marketers have referred to Compaq's rise during this time as "meteoric," and today IBM no longer sells computers for the home user.