

GIBBS & SOELL

# Insight

FOR MARKETING AND COMMUNICATIONS PROFESSIONALS

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## Savvy Marketers Look Forward to the New Year Despite Market Conditions

As we close the books on another year, many executives are anxiously raising a glass to toast good riddance to 2007. Plummeting housing prices, sub-prime woes, soaring fuel prices, a falling dollar and job cuts—let's face it, the bad news certainly outweighed the good. While some industries fared better than others—technology for example did well—many faced challenges of a greater magnitude. For the first time in recent cycles, experts are even using the "R-word" to describe the U.S. economy.

### Cause for Optimism

While no one really knows for certain whether a recession may be on the horizon or not, there are some underlying economic factors creating cause for optimism. A recent article in the *Wall Street Journal* summed it up nicely: According to a *WSJ.com* survey of economists, forecasters placed the chance of a recession now at about 38 percent. With the Fed and Central Banks taking steps to shore up financing and keep interest rates low, growth occurring in global markets, job creation continuing in the service sector, and government spending on the rise, forecasters are choosing to view the glass as half full. In fact, some experts are betting that the U.S. will squeak by without further decline.

No matter the industry, smart marketing managers with an optimistic, albeit realistic, eye on the future are taking recent punches on the chin and returning to the ring for another round. This time management is opting for a different strategy, however, that focuses on solid execution and a fine-tuned marketing plan.

### Time to Invest

Savvy marketers know cutting communications budgets during a market down turn is not the way to go. While spending needs to come into balance with current sales levels, not investing in a brand during tough times can mean lost market share when the cycle reverses course. Spending in slow

times makes it easier to gain a greater "share of voice" from prospective customers. There is simply more exposure of your messages when your competitors cut back.

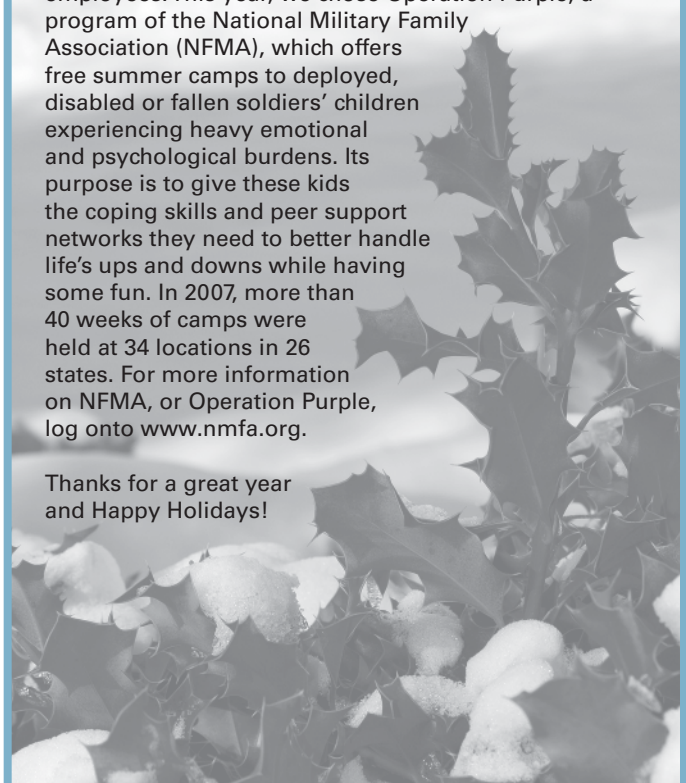
### *Operation Purple: Remembering Those in Need*



G&S would like to take this opportunity to say thanks to employees, clients and associates and to remind everyone of this special time of year—a time when we reflect, hope, dream and set new goals for the New Year. It is also a time when we recognize those that face hardships and give a little of ourselves to make the world a better place.

Each year, Gibbs & Soell selects a charity and makes a holiday donation on behalf of its clients and employees. This year, we chose Operation Purple, a program of the National Military Family Association (NFMA), which offers free summer camps to deployed, disabled or fallen soldiers' children experiencing heavy emotional and psychological burdens. Its purpose is to give these kids the coping skills and peer support networks they need to better handle life's ups and downs while having some fun. In 2007, more than 40 weeks of camps were held at 34 locations in 26 states. For more information on NFMA, or Operation Purple, log onto [www.nmfa.org](http://www.nmfa.org).

Thanks for a great year  
and Happy Holidays!



Multiple studies have found that companies that invest in cost-effective marketing programs in a down economy—whether through public relations, direct mail or social media programs—are perceived as having more commitment to their products and services.

The fact is the more frequently customers see products or brands the more likely they are to respond. As such, now is the time to fine tune that marketing plan and set your company up for creating a competitive advantage in 2008.

## 7 Rules for Marketing in the New Year

**1. Think Lean and Focus:** Cut fat, but not muscle, and invest in those communications programs you know will work. Communication objectives that relate directly to the company's business plan will also be better received by management at budget setting time than those that can be measured only by readership scores or column inches.

**2. Research Your Competition:** When the sales pipeline is full, there is seldom time—or need—for competitive research. Now is the time to learn more about your competition. Benchmark their brands and programs to determine weak spots, gain a better understanding of customer needs and monitor trends. Simple, inexpensive research methods such as customer surveys can go a long way toward telling you what works and what does not.

**3. Employ Cost-Effective Strategies:** With data in hand, it is time to develop communications strategies and tactics that allow you to come out swinging when the market recovers. New media technologies today, for example, offer a host of cost-effective means for communicating directly with your

key influencers and increasing brand awareness. Employ new leadership strategies now that target your customers directly with thoughtful opinions, and customers will remember you and seek your guidance in the future.


**4. Train Your People:** Not unlike research programs, employees also tend to get the short end of the stick when markets are running hot. Use communications now to reinforce employees' value to you and invest in some training and merchandising programs that will improve their sales and marketing effectiveness.

**5. Share Good News, Manage Bad:** There is a natural tendency to want to maintain a low profile when times are tough and news headlines about your industry are negative. While you may be feeling the pressure, it is important to maintain visibility to let customers know you have things under control. Manage your case, build credibility and correct misconceptions. If you cut your communications programs now, it may be too costly to rebuild your brand awareness later.

**6. Maintain Relationships:** Maintaining customer communications and other critical relationships with suppliers, associates and the media is critical for growth. While many companies become internally focused when times are tough, these times often present opportunities for forging deeper links with key influencers.

**7. Execute and Measure:** According to the biannual survey of The Business Council CEO's conducted by The Conference Board, execution has moved to the top of management's list of challenges—taking precedence over even profit and top-line growth. Nearly 40 percent of the CEO's surveyed ranked excellence in execution as their greatest concern. These

CEO's know that economizing has nothing to do with cost, but everything to do with results. Focus your communications initiatives on generating results and then measure them for success. Creating accountability throughout your marketing organization can lead to better results in the future.

Employing these strategies now will give you even more reason to toast the New Year. 

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