

There is value in marketing being loud during recession

As reserve banks continue to increase interest rates in a bid to curb inflation, a global recession may be inevitable in 2023.

 By Ross Sibbald ^{9 Feb 2023}



Source: www.unsplash.com

In the face of that economic difficulty, many organisations are already looking for ways to cut back on costs and keep the business profitable. One of the first and most common costs to be cut is marketing and customer communication.

While that's understandable to a degree – many executives simply don't see those things as core business competencies – would be a massive mistake to engage in that kind of short-term thinking. Instead, organisations should use recessions as opportunity to be loud, focus on communicating with their customers, and give themselves the best possible chance of coming out of any recession poised for growth.

With the right approach, organisations that understand the importance of being loud even when times are tough can actually steal a march on any competitors that take a more traditional approach and grow in spite of a broader recessionary environment.

Don't expect loyalty without communication

The fact remains that out of sight leads to being out of mind. In order to understand why being loud in the face of recession is so important, a good place for organisations to start is to think about the very customers they should be talking to. Unless the specific organisation only services the ultra-wealthy, chances are those customers will feel the effects of the recession too. Indeed, many of them will already have felt serious pressure on their monthly budgets over the past few months.

In the wake of spiraling inflation, coupled with rising fuel and energy costs, consumers around the world have been contemplating what they can cut back on. Should they let go of one or two of the streaming services they pay for every month? Or will it make more of a difference if they ditch the insurance they've had for years but have never used and find something cheaper?



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All around the globe, people are asking themselves those kinds of questions. And as the recession bites, those questions become more and more common and affect an increasing number of companies. The best way to ensure that your organisation isn't among those facing the consumer cull is to keep working on the relationship you have with your customers.

Remember, just as is the case with your friends, family, and colleagues, you can't expect to build fruitful and lasting relationships in silence. You have to communicate and understand that failing to communicate makes it that much more likely that you'll lose customers.

It takes time and resources for a company to build up their brand awareness and to achieve this you need to be constantly visible. Investing in marketing and communications will help a business build their brand awareness, acquire more customers and increase their sales. When times are tough it is natural that your sales will be down but this means you need to work harder to try to get back to where you were. Reducing your marketing spend now is going to either stagnate your efforts or negatively impact the previous hard work in building up your brand.

Demonstrating value in difficult times

But it's also critical that you not just communicate for the sake of communication. If your communication is to have a real and meaningful impact, you have to demonstrate value. That's true not only of your product and service offerings but also your ability to help customers get through the difficult times they're experiencing.

If you're a financial services company, for example, you don't just want to be talking to customers about how tweaks to the portfolio can ensure they keep making money throughout the recession. Instead, you might also send out budgeting tips or even look at collaborations with major retailers to ensure that customers get as much value as possible for sticking with you even in the toughest of times.

Throughout the communication process, it's also that the organisation is even more sensitive than usual about ensuring that all the communication it sends out is hyper-personal and relevant to each individual customer. If you're spending more time at home and very clearly spending less on fuel, for example, chances are you're unlikely to greet the offer of a new car loan from your bank with any kind of enthusiasm.



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That kind of messaging would be like a friend telling you all about their all-inclusive holiday to reunion after you've just told them that you had to cancel your annual camping trip to the Drakensberg because your last tent got damaged and you can't afford a new one. It is, in other words, tone-deaf, unempathetic, and to be avoided.

Conversely, if you get your messaging in such difficult times, then your customers will become your best advocates. They recommend your products and services to family and friends, bringing you new customers along the way.

Overcoming industry fears

The reality is that you cannot only build your brand when times are good. You also have to work hard when times are tough. This doesn't mean massive budget on TV ads but targeted, personalised, affordable digital communications that go a long way in maintaining brand awareness amongst your existing customers.

Of course, it can be frightening to take such an aggressively loud approach, especially when everyone else is cutting costs wherever possible. But a little bravery, coupled with an approach that's sensitive to your customers' wants and needs can go a long way to ensuring that you come out of the recession better off than your competitors.

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