

HOW TO DIG OUT OF A DOWNTURN

The crash of the last few months is going to hurt every possible business across so many markets – few will be immune. How you handle it and battle out will shape your brand's position for the next five years to come.

Here's some things we've seen to prove effective

1. Time for 'Advertising Innovation'

The only way to do more with less is through real innovation – and big ideas. The budgets are no longer there to have the launch of your dreams. Look to what Microsoft achieved with Halo 3 last year – still the biggest entertainment weekend sales in history, ahead of any Hollywood movie. Look at what Burger King is doing now with Whopper Virgins; what Dove did two years ago. All created an innovation on the model – it wasn't about getting higher LINK scores or lower CPRP's

2. Time for New Metrics

Simply measuring awareness and viewership will no longer have enough meaning - you have to track engagement and aspiration. Unless people have a love for your brand and product, you won't generate enough loyalty and repeat purchase. And unless you have insights into what's next, it will be past you, or worse, leveraged by your competitors. This means new types of research and new types of analysis.

3. Time for Collaboration

It will now be impossible to cost effectively continue to manage five agencies independently for advertising, PR, media, digital and activation – something will have to give. Pfizer recently in one Asia Pacific market fired forty roster agencies to transfer the business to one. Coca-Cola created a new model with their agency partners for the Olympics. Clients are looking to their agencies to take the lead on this now – or else they may not stay their agencies.

That collaboration will also extend to media owners, who will be hurting more than most groups. We have marketers now talking about three year deals to lock in rates and commitment. We have seen media owners developing unique content and giving far more added value than before. It will be rare for the

market to be this soft again for a while

4. Time for Portfolio Management

There are plenty of studies around (mostly by agencies) that show that investing in a downturn will generate significant market share increases. This is fine, but to most companies in this downturn, that's a pipe dream, as access to capital for these kind of marketing budgets is just impractical. Yet still, too many marketers are relying on traditional media and traditional support for their brands – they won't be able to afford it now – so the smart ones will set priorities. One of our clients has just created a "Tiering" system for their twenty two brands by market – not all can be treated equally. Coca-Cola recently successfully launched VitaminWater in Australia with no traditional media. While this is not a time for act on 'stunts', there is also a basic threshold below which TV and other media cease to be effective.

This downturn will be tough for everyone – not only will the paranoid survive, but so will the patient and the well planned.

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