

Good Strategies for a Bad Economy

Q&A with **Michael Fassnacht**, EVP, Chief Customer Intelligence Officer
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As Chief Customer Intelligence Officer at Draftfcb, Michael brings more than 20 years of data expertise to the agency. He is responsible for bringing data to life for clients in unique and relevant ways.

As this year's global economic downturn continues with markets fluctuating around the world, Draftfcb's Chief Customer Intelligence Officer and data guru, Michael Fassnacht, provides some answers and insights for marketers as we head into 2009.

Q: What do you think should be keeping marketers up at night as they approach 2009?

By now, brand marketers should have uncovered how the economy is affecting their category and their consumers' mindset. Understanding of both is critical to move forward. We need to accept that the world, and thereby its consumers, has dramatically changed over these last weeks. If you don't understand these changes, then you're headed toward many a sleepless night.

Q: During a Recession, doesn't it always become all about price?

In down times, many marketers jump immediately to promoting or cutting prices and cramming multiple messages into their communications to appeal to the widest swath of consumers. This approach is short-sighted, and it fails to consider that when consumers are living paycheck to paycheck, their attention span falters.

Believe it or not, when consumers are confused, nervous and unsure about their future, they may actually be concerned about something other than price. Wise marketers know to focus on their brand's core attributes; they may be the one thing that makes sense to consumers, the one thing they are willing to pay for in tough times. It is now less about a pure price message than about a clear focus on a relevant story centered on value.

Q: What are the opportunities for marketers in a down economy?

With risk comes opportunity. In some categories (i.e., telecommunications) there is a lot of movement, as people look to get the most for their money. This can result in more leads and the opportunity to increase market share. It's possible, despite the big downside, to create a big upside if you recognize opportunities as they surface. Think about ad spending as a way to grow market share, not just protect it.

Q: How will the shift to reaching consumers through multiple channels synch up with potentially shrinking advertising budgets?

The growing use of multiple channels and integrated programs will accelerate the issue of accountability. Expect increased pressure from the CEO and shareholders about marketing's ROI. Investment analytics will be top-of-mind as everyone seeks the "real return" of their marketing efforts: Do we really need to do that promotion? Must we continue to support flanker brands in this economy?

Q: What is the forecast for global marketers?

Marketers attempting to operate globally may have an especially difficult time due to ever increasing complexity. Our job is to help them simplify their marketing world and how they make decisions.

My recent travels make it clear the global economical crisis has impacted many marketers. Our most progressive clients are trying to win more business in these tough times.

Consumers want to trust a brand's known heritage and safety, which newcomers or upstarts often lack. Brand strength and loyalty will result in a big advantage in the coming year.

Q: What role will data analytics play in 2009?

Information helps marketers with two core challenges: Understanding their consumer and optimizing the marketing mix. They should deeply mine the Web for a true representation of consumers' feelings and thoughts. Additionally, they should leverage accessible free data, and build their own proprietary data if there are knowledge gaps. Most marketers have too much information but too few insights.

Especially in the year ahead, marketers would do well to not just create cross-company centralization and analyses of their data but also create a data-inspired or data-guided culture. This is critical to become a smarter marketing organization; the best tools alone won't help you, you need the right mindset, too.

From a technology standpoint, the amount of data available will continue to escalate. Admirably, many leading marketers now consolidate their data into one centralized database. Sadly, however, sometimes what happens is that five departments pull out separate data and the marketer winds up without a cohesive view of what is really going on with the consumer, with sales and with its overall marketing mix.

Q: Besides information and technology, are there other areas where marketers must focus?

Of equal importance are your people. As marketing gets more complex, having the right people on board is critical. In his book, "Artscience: Creativity in the Post-Google Generation," author David Edwards suggests that "in many individuals, crossover learning provides a remarkable kind of catalyst to innovation."

For marketers, and agencies like Draftfcb, who covet both accountability and creativity, quality strategy people are those on the borderline of the statistical world and the creative world. A great deal of innovation happens in the grey zone between art and science. Marketers need people who can bridge the gap.

Look for people comfortable with numbers who can explain regression analysis, yet also write a novel or admire Kandinsky on weekends. Don't settle for hard-core data folk; instead, seek out creative thinkers interested in understanding people's motivation and behavior. Agencies and marketers filled to the brim with ArtScientists will work together to explore how to improve targeting strategy, segmentation and creativity. They will sharpen not only our whole marketing discipline, but they will also ultimately deliver an optimum ROI in 2009 for their brands.