



# Recession marketing

 Lesson code: 83S9-2A8B-8AL5-B

INTERMEDIATE

## 1 Marketing tools and strategies

Study the following marketing tools and strategies. Which ones does your company use? Why?

*direct mail   trade advertising   PR   loyalty schemes   email marketing   brochures  
promotion on social media   discounting   pay-per-click advertising   press releases*

## 2 Key words

Complete the sentences below:

downturn  
prospect

encouraging  
reassure

false economy  
reluctant

luxury  
sustainable

1. If a country's economy is less successful, there is an economic \_\_\_\_\_ .
2. If something is \_\_\_\_\_ , it makes you feel more confident.
3. If you \_\_\_\_\_ somebody, you make them feel less worried about a situation.
4. If you buy a cheap car, you save money at first, but in the long term you could waste money because of frequent repair costs. It can be a \_\_\_\_\_ .
5. If a business is \_\_\_\_\_ , it is able to continue over a long period of time.
6. If something is \_\_\_\_\_ , it is very important and necessary.
7. A \_\_\_\_\_ is a potential customer.
8. Something expensive that gives you pleasure but is not necessary is a \_\_\_\_\_ .

## 3 Find the information

Read the article on the next page. Which strategy mentioned in the article...

1. may devalue your brand in the long term?
2. is a false economy?
3. allows many companies to win customers?
4. is the most effective and powerful way to market for small companies?
5. allows you to see in detail what your customers think of you?
6. doesn't require significant design or production costs?




 THE  
 INDEPENDENT

# How the downturn can represent new business opportunities

**Businesses that spend money on innovative marketing campaigns will benefit.**

- 1 Bill Gates famously said that, if he had one dollar left, he would spend it on marketing. But, with countries still stuck in a deep economic crisis, many companies are focusing on survival instead of strategies for growth.
- 2 And who can blame them? The signals are still not that encouraging. Spending on marketing plans is surely crazy. Not according to the UK's Chartered Institute of Marketing (CIM), which claims that companies are increasingly realising that the creative marketer, with imagination and the right budget, sees the downturn as an opportunity.
- 3 According to the CIM, there are six key reasons why committing to a marketing plan pays off in a downturn. The first is that the obvious alternative - heavy discounting - may devalue your brand in the long term.
- 4 Secondly, people don't stop buying in a downturn they just buy more safely. If you find out how your customers are redefining value and reassure them that they're making the right decision, they're likely to feel more confident about you both now and when the downturn is over. People don't necessarily want cheaper versions of things, according to the marketing agency Dragon Rouge - they just want more convincing reasons to put their hands in their pockets.
- 5 Third, if you don't communicate with consumers, you risk an "out of sight, out of mind" response. "Consumers cannot understand why, in a recession, companies aren't desperate for business," says Carole Lowe, executive planning director at the advertising agency Archibald Ingall Stretton.
- 6 Fourth, companies of all sizes need to adapt to survive. Paul Spaven, strategic growth partner at the building and property consultants Tuffin Ferraby Taylor, says: "This was my fourth recession, and I knew that cutting marketing costs is a false economy. So we invested in specific marketing campaigns to support the most sustainable areas of our business. We mixed trade advertising, direct mailing and PR support. In fact, our total marketing spending increased from 2.4 per cent of turnover last year to 3.1 per cent this year."
- 7 Fifth, consumers want to know that you're "on their side". Many companies are winning customers through incentive and loyalty schemes.
- 8 Finally, the difference between this downturn and the last is the growth of the internet as a cost-effective, measurable platform for marketers to test different messages and learn about the consumer. Many small companies report that the most effective and powerful way to market is through email marketing.
- 9 Promoting on social networking sites, such as Facebook, is also essential as it allows you to see in detail what your customers think of you.
- 10 Meanwhile, Patrick Peal, managing director of Tribe PR, is a big fan of online search advertising. "Pay-per-click does not require significant design or production costs," he says. "With search marketing, there is no wasted money either. Because you only pay when a prospect clicks on your message."
- 11 Brands need to stop thinking that marketing is a luxury, says Scott Knox, managing director of the MCCA (Marketing Communication Consultants Association). "If companies take advantage of the quietness in the rest of the market and deliver innovative marketing communications, they will achieve greater market penetration by spending less."

*Adapted from The Independent, Thursday, 24 June 2010, by Kate Hilpern*



#### 4 Checking understanding

Answer the following questions according to the information in the text:

1. How do people's buying habits change in a recession?
2. Why is it important for a business to keep communicating with its customers during a recession?
3. What do companies of all sizes need to do to survive?
4. In what important way is this recession different to the last?
5. Why is there no wasted money with online search advertising?
6. How do companies need to change the way they think about marketing in a recession?

#### 5 Find the words

Find the words or phrases in the article which mean:

1. continuing to exist, especially in a difficult situation (*noun, P1*) \_\_\_\_\_
2. is successful (*phrasal verb, P3*) \_\_\_\_\_
3. giving a new or different meaning to something (*verb -ing, P4*) \_\_\_\_\_
4. when something cannot be seen and therefore is easy to forget (*saying, P5*) \_\_\_\_\_

Find expressions in the text with 'market' and 'marketing' and complete the phrases below:

1. a marketing \_\_\_\_\_ or \_\_\_\_\_  
⇒ a planned series of specific activities used to promote a product or service
2. a marketing \_\_\_\_\_  
⇒ a company that provides marketing services (advertising, brand design, PR, etc.)
3. marketing \_\_\_\_\_  
⇒ promotional messages delivered through one or more channels (e.g. print, radio, internet)
4. market \_\_\_\_\_  
⇒ how much a product is recognised and bought by customers in a particular market

#### 6 Talking point

Discuss any of the following questions.

1. Has your company's marketing strategy changed over the last few years? How?
2. In your opinion, how useful is the advice in the article for your or your clients' areas of business?
3. What are the most effective marketing channels for your or your clients' businesses?
4. Has the global financial crisis affected business people's attitudes to marketing in your country?



## 1 Marketing tools and strategies

For students who are currently not in employment, you could ask about their previous company or which strategies they think are most effective.

### Glossary of terms

*Direct mail:* delivering advertising material to potential customers by post.

*Trade advertising:* advertising, especially in industry-specific magazines, intended for businesses such as wholesalers and distributors, not for consumers.

*PR (Public Relations):* the activity of maintaining the public image of a business or organisation.

*Loyalty schemes:* marketing plans that reward and encourage loyal buying behaviour.

*Social media:* websites such as Facebook and YouTube that allow users to create, publish and share their own content.

*Per-per-click advertising:* an internet advertising model where advertisers pay their host, e.g. a search engine website such as Google, only when somebody clicks on the ad.

*Press releases:* news statements that are directed at members of the news media (newspapers, magazines, radio/TV stations, etc.) and are designed to attract publicity for a business or organisation.

## 2 Key words

- |                |                |             |                  |
|----------------|----------------|-------------|------------------|
| 1. downturn    | 2. encouraging | 3. reassure | 4. false economy |
| 5. sustainable | 6. reluctant   | 7. prospect | 8. luxury        |

## 3 Find the information

- |   |                              |
|---|------------------------------|
| 1. heavy discounting                    | 2. cutting marketing costs   |
| 3. incentive and loyalty schemes        | 4. email marketing           |
| 5. promoting on social networking sites | 6. pay-per-click advertising |

## 4 Checking understanding

1. People buy more safely.
2. Customers could forget about the business if it stops communicating with them.
3. They need to adapt.
4. the growth of the internet as a marketing tool
5. You only pay when a prospect clicks on your message.
6. They need to stop thinking that marketing is a luxury and delivery innovative marketing communications.

## 5 Find the words

- |               |                               |
|---------------|-------------------------------|
| 1. survival   | 2. pays off                   |
| 3. redefining | 4. Out of sight, out of mind. |

*Expressions with 'market'/'marketing':*

- |                     |           |                   |                |
|---------------------|-----------|-------------------|----------------|
| 1. plan or campaign | 2. agency | 3. communications | 4. penetration |
|---------------------|-----------|-------------------|----------------|

## 6 Talking point

Rephrase or adapt the questions for students who are involved in marketing their own businesses, responsible for designing campaigns or advertising for other companies or who do not actually work in marketing.

