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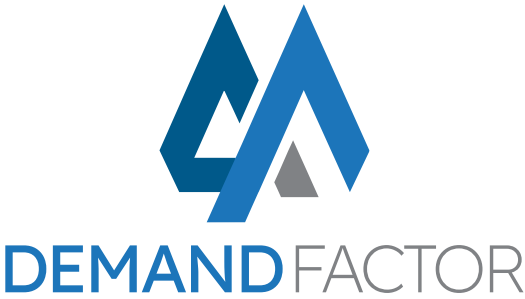
DEMANDFACTOR

RECESSION MARKETING:

GUIDELINES TO RECESSION-PROOF YOUR BUSINESS

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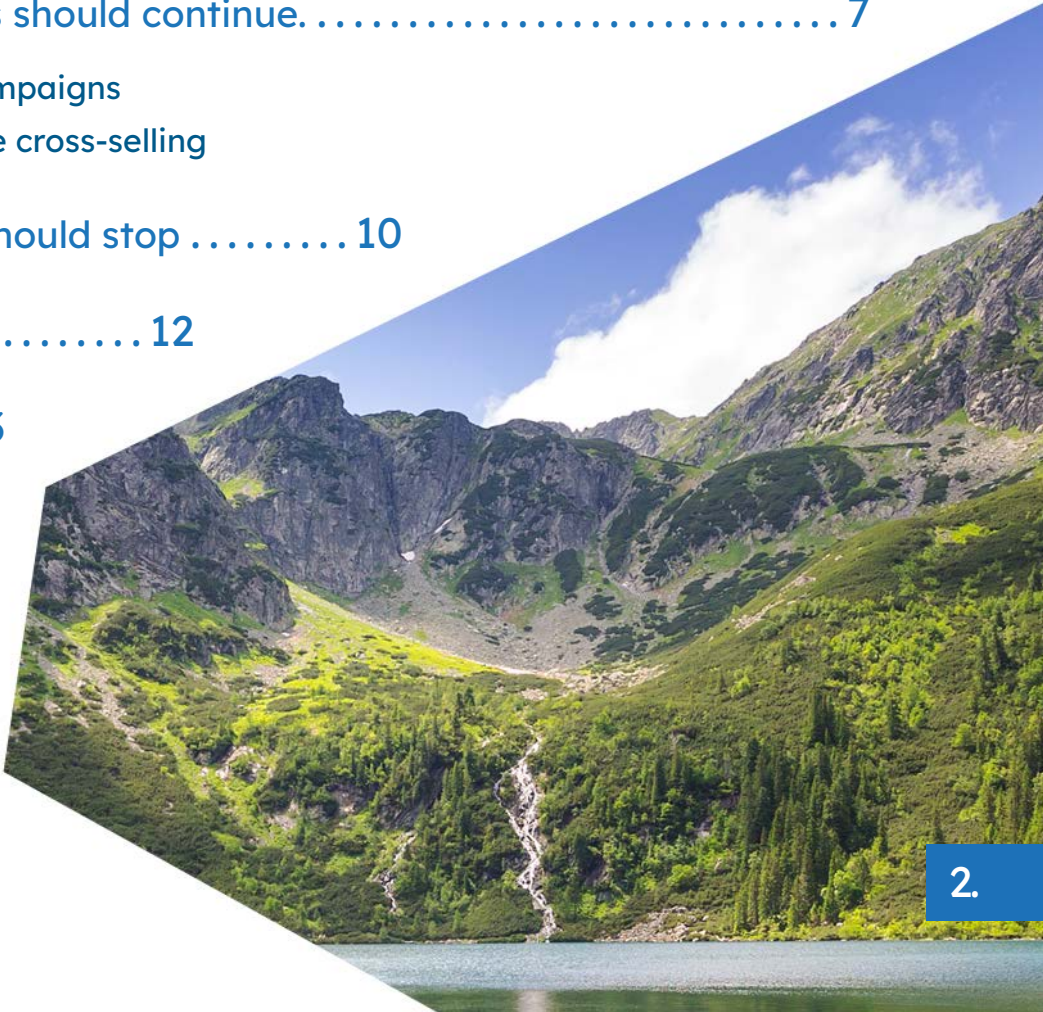
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Introduction

As of the writing of this paper, many global brands and start-ups alike have made the decision to cut budgets and lay off staff. It's highly likely we are in a global recession, albeit one that is asymmetrical across business sectors. This is supported by the opinion expressed in [The World Economic Forum's Chief Economists Outlook](#) that explores many of the key forces currently driving the global economy and disturbing the lives of people and businesses across the world.

In the absence of contingency planning, recession fears can create a self-fulfilling prophecy. Reacting on the fly, companies can feel compelled to act in ways that are counterproductive to their survival and long-term success. Whether it be making steep cuts to marketing budgets, or retaining a business-as-usual approach, which is the equivalent of sticking one's head in the sand, companies that fail to adjust to the new landscape, risk entrenching revenue hardships that will stifle business growth long after the recession ends.

Early preparation gives companies more options during a recession

Science reveals why some companies succeed in spite of recessions, while others collapse. Back in 2019, [Bain Capital published research](#) that identifies some very specific steps that businesses can take that will guarantee their profitability during and post-recession. Of these, the overarching differential was pre-preparedness.

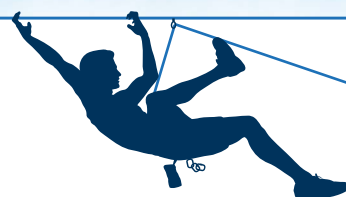
Bain's research found that **89%** of companies saw a downturn in their profitability during the last recession (that is, the recession of 2008).

However, **11%** remained profitable, and of

17%

saw higher revenue than during the previous non-recession period.

In other words, the top performing **11%** saw growth during the recession and of these almost one fifth outperformed their pre-recession revenue.



Here are four questions and insights based on Bain's key recommendations

- **Cost reduction:**

How can you rapidly reduce your costs?

One notable aspect of cost reduction is that companies with high levels of debt are particularly at risk during a recession.

- **Working capital:**

How can you fine-tune your practices to release more working capital?

Navigating a recession requires skilled working capital management as liquidity is essential to survival as the cheapest source of funding.

- **Efficiency:**

How can you restructure business units and processes to be more efficient?

History shows that relying less on layoffs and leaning toward operational improvements strengthens a company's position during economic downturn and into the future.

- **Be on the offensive:**

What do you need to leverage to be strategically offensive during economic downturn?

Rather than playing a waiting game, Bain's research showed that the top performers were all proactive, keeping a laser focus on the company's future.

Despite budget cuts leading to market contraction and a drop in demand for a wide-ranging cross-section of products and services, there are strategies marketers can adopt to sustain their momentum and emerge stronger once the economy moves from downturn to expansion.

Here are seven actions that fall into start, continue, and stop categories that will sustain companies during recession and stimulate future growth.

7 actions B2B companies should start

1. Become more proactive

Lead the way in adopting an all hands on deck approach to focusing on what must get done, and encourage fellow team members to do likewise without feeling undermined in their roles and responsibilities. If you see operational gaps, step up and fix them. If you encounter employee relations issues, bring them to light. Be prepared to step out of your lane, take action, and help the C-suite and your teams operate more strategically and efficiently.

2. Boost customer engagement to the next level

It is not that consumers do not buy during an economic crisis, but they will buy differently. Talk to your customers and find out how they are doing and what is on the horizon for them. While you're at it, ask them what they need most from you. The point is to understand your customers' current behavior. Ask questions of your model clients to draw out and document useful information. Utilize this information for its insights when communicating with other customers.

3. Update your messaging

Your audiences will have undergone significant change. Team members may have been subject to restructuring or layoffs. Their priorities and timelines will have evolved, especially as buying cycles lengthen and become more complex. It is important to figure out what has changed and adjust your brand message and/or GTM (go-to-market) position to resonate with new audiences. It may be necessary to pause and evaluate all content to avoid out-of-date messaging from reaching leads. Assess if there are necessary changes for it to keep pace with the challenges being faced by your clients and prospects.

4. Deep-cleanse your data

During recession, competition for the customer wallet is particularly fierce. Take this opportunity to clean up customer data as it leads to enhanced targeting and better decision-making for the business. Take a deep dive into analytics to find places to optimize spend. Only 5% of your customers and prospects are actively in the market at any given time. Accurate data becomes even more critical in that marketing is not a volume game. The goal is to get the right message to the right person at the right time without forgetting the dormant 95%. The upshot is, when the economy picks up your company will be ahead of the curve.

5. Forge new partnerships

Strategic partnerships are crucial in times of downturn, and forming new partnerships will serve you well beyond the recession. Collaborate with other brands with regard to products or solutions that will benefit your common customer segments. Participate with allies in innovating to find solutions to new needs brought about by the altered environment. By forming strategic partnerships, you are sharing data and expertise, and perhaps even the cost of acquiring new clients. This is a win-win for all parties involved.

6. Embrace corporate social responsibility

Doing good when times are bad is not only the right thing to do, it will have a positive impact on your brand. Find and form partnerships with non-profit organizations that align with your brand and message. Provide the opportunity for your clients and employees to join you in practical support of a common cause. Engaging in Corporate Social Responsibility is both good for business and for recipient non-profits that currently need more help than ever.

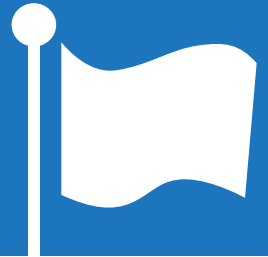
7. Reenergize stakeholders with a sense of purpose

There is increasing emphasis on the role of purpose in companies, and purpose-driven businesses find they are better positioned in their fundamental commitment to all stakeholders—customers, employees, suppliers, and communities alike—as they are called on to nurture a sense of common purpose and positivity. To this end, stay in constant communication with your clients that have walked away as well as employees you have been forced to let go. It is important to remind clients that you will be there for them in the long-term, even if they have to pause or cancel their contracts now. Your employees and clients are far more likely to return if they believe you genuinely care for their well-being.

7 actions B2B businesses should continue

1. Implement Human-to-Human marketing (H2H)

More than ever before, it is important to reveal the human beings behind a brand. Every client-facing person in the company, right up to and including the CEO, should communicate with your audience at least once a week.



How to implement H2H campaigns:

- **Position your executives as approachable thought leaders:** Encourage your leaders to publish their own articles about products and business challenges and add a personal touch to their posts. They are prime candidates to exemplify your company's commitment to meeting client needs in a relatable and authoritative manner.
- **Start employee branding:** When “non-marketing” employees talk about their brand, it comes across as particularly genuine and convincing. Onboard your team as brand ambassadors to promote your brand through internal communications campaigns, blog posts featuring their insights, or spotlights on individuals' contributions to the business and clients.
- **Get non-salespeople on calls with clients:** Include the people responsible for the products (such as engineers and product designers) on client calls. Not only can they share valuable insights on product intrinsics, gained from technical understanding beyond the expertise of your sales team, but they can also deep-question clients directly on their problems and needs. This will allow them to execute a plan to address issues using information straight from the source—and ultimately, help you meet your clients' objectives better.

2. Retain and expand on talent

Engaged and productive employees are the biggest wealth-generating asset within any company. While this may seem counter-intuitive, during a recession, retaining employees can mitigate long-term losses for a company. When times get tough, maintaining good staff morale is critical to productivity. Morale can be sustained through ongoing and effective communication and feedback, training employees to facilitate professional development, actively courting and acting on employee input, and offering rewards for outstanding performance.

3. Create new content

Make data-informed decisions and double down on content creation. Build new content pipelines and content consumption platforms having audited your channels, your media campaigns, and your pipeline. Use Google Analytics and Search Console to examine your landing pages to ensure they are at optimal performance. Scrutinize the results of your organic social media and paid search channels so that you are not putting all your eggs in one basket.

4. Encourage client reviews

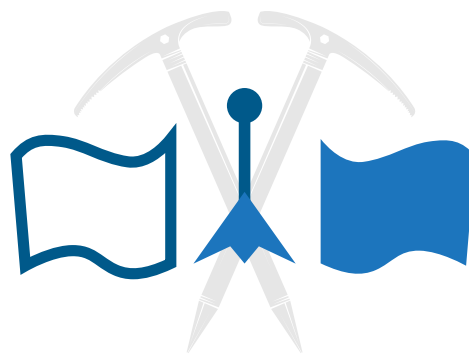
As the post-Covid, recessionary business landscape grows in complexity, more than ever before, B2B buyers choose to be informed by the opinions and expertise of colleagues, industry peers, and trusted networks when researching and making buying decisions. Ask your most loyal clients to generate reviews on G2, TrustRadius, PeerSpot, and other platforms. Send clients gifts to incentivize publishing reviews.

5. Keep your employees informed

It's important for leaders to be transparent with their employees during a time of recession. Your teams will likely be anxious in this time of uncertainty and it follows that their productivity may slow down as a result. Continue to keep your people informed as to what is going on. Be honest, accept challenges, and use these moments of transparency to demonstrate your commitment and resilience—as well as sharing how the company will continue to be profitable. Making communication a two-way street will give you a pulse on how your employees are feeling about the current state of the company, and also allow you to address any issues or concerns they may have in a timely and effective manner.

6. Cross-sell your best products

To stimulate demand, cross-sell your best products as solutions to your clients' needs, at a discount, or even with free short-term trials.



Four ways to maximise cross-selling:

- **Create a cross-sell nurturing cadence:** Create a cadence with at least three emails that follow the “problem-results-offer” format that will ultimately speak to solving your target audience’s pain points. You could cross-sell a content creation service by highlighting the problem of producing content at scale in the first email, the results you have already delivered to clients in the second, and lastly an email offering a discount to acquire the solution.
- **Personalize cross-sell bundles for your target accounts:** Offering a personalised bundle with a discount when the lead is going to sign a contract could tip the scale, providing enough of an incentive to seal the deal with some added offerings.
- **Cross-sell after delivering results:** Check in about 75% into the campaign to ensure optimal renewals.
- **Work the entire buying committee:** Don’t forget that during recessions, employees are more likely to move jobs. Sustain impetus by being proactive in building deeper relationships with the entire buying committee.

7. Re-evaluate your investments

Keep investing in lower-cost channels like SEO and content marketing. DemandFactor has seen many clients double down on Account Based Marketing (ABM) and intent, with excellent outcomes, as these tactics are ideal for targeting prospects most likely to convert in times of economic uncertainty.

7 actions B2B companies should stop

1. Don't be complacent

It may be tempting to put the brakes on momentum during an economic downturn in order to conserve resources, to wait it out for the economy to turn around before launching new initiatives. This is a big mistake. It is tantamount to using the recession as an excuse to stop growing and is guaranteed to lead to missing out on rewarding opportunities. Do not stay silent, or take crisis communications lightly. A recession is an opportunity to stand out by posting original, interesting, and authentic content that your audience will enjoy and benefit from.

2. Don't overlook supporting your sales team

Do not overlook your sales team just because selling got harder and marketing priorities have shifted. Your salesforce still has targets to meet and needs marketing support now more than ever. Reach out to your sales team and find ways to improve lasting marketing and sales alignment. The alignment of sales and marketing teams is a business best practice regardless of economic conditions. Consider providing your sales team with an enablement toolkit, updating it continuously to meet the changing needs of your customers.

3. Don't bank on business-as-usual

Do not expect the recessionary pipeline or velocity to stay the same. Nurturing will take longer as the buying cycle lengthens, sales pipelines will extend as more participants enter the buying process. The upside of this extended cycle featuring more players is that you will have abundant opportunities to build deep and meaningful relationships that will last long after an uptick in the economy.

4. Don't assume your pipeline is fixed

As aggregate demand decreases and companies become more risk-averse, it could be tempting to limit your pipeline to the existing list of customers you've been nurturing. This is a short-sighted approach as recessions jolt prospective customers into starting to shop for new products and solutions. As a result, new customers enter the market. This is also why it's imperative to re-evaluate your brand message and align it with new audiences.

Here are three steps to upping your sales funnel velocity:

- **Increase your top of funnel lead generation**, to ensure that even if your conversion rate decreases, the resultant number of marketing qualified leads (MQL) or sales qualified (SQL) leads remains more or less the same.
- **Increase your nurture and re-evaluate your channel mix**, as buyers are likely to engage in more and different channels than they did prior to the recession.
- **Offer your customers recession-proof solutions**, with potentially higher guarantees. These could include a guaranteed return on investment, or ROI.

5. Don't keep unrevised legacy campaigns running

Long-standing campaigns that have been running, unchanged, for months may have become irrelevant, tone-deaf, and ineffectual during a recession. This is why it can be brand-damaging to let them continue running as is. Do not rely on pre-recession content without first ensuring it is still timely and valuable. Pause existing campaigns, rewrite content, and only re-engage campaigns that make total sense in the new environment.

6. Don't recycle old content

In the same way old campaigns can become outdated and irrelevant, old content can become stale. Do not rely on pre-recession whitepapers to resonate with your audience. Messages that come across as tone-deaf will have a negative impact on your brand as failing to be up to date and in the know. Sift through and update your content assets to ensure the messaging is still on point.

7. Don't ignore advertising

It's common for businesses to cut back on advertising in recessionary times. However, in relation to your goals and strategy, curtailing or pausing advertising activity can cost you dearly in the long run. At times of diminished demand, advertising platforms lower their costs, providing you with the opportunity to run ads—including display and PPC—cheaper than in boom times. And in a less “noisy” environment where many of your competitors have pulled back on their advertising, your increased share of voice can make significant headway in telling your story.



Key takeaways

To summarize this guide on recession-proofing your business and building a foundation for post-recession growth, here are the seven key takeaways to guide your marketing and sales strategy for the remainder of 2022 and into the future.

1

Meet marketers where they are in their journey

Create opportunities along the entire sales funnel to increase your top of funnel leads, and most importantly, your conversions.

2

Maintain your marketing budget

Resisting slashing your marketing budget will guarantee post-recession growth for the business in a less competitive ad space.

3

Create H2H campaigns

Engage your buyers, authentically, through relevant messaging and pain points that strike a chord in the current recessionary climate.

4

Expand your team with talent

Futureproof your business with strategically chosen people capital to equip the company to take on new era opportunities while competitors are distracted.

5

Listen to your sales team and clients

Book frequent meetings to interact with your salespeople and utilize tools such as Gong or Wingman to glean valuable insights from your audience.

6

Collect and analyze data to grasp opportunities

Knowledge is power. Act on your findings to secure positioning while your competitors are distracted and concerned with the recession.

7

Be bold in pivoting your organization

Reposition your offerings as solutions for resolving new economic challenges for your clients.

In conclusion

Economic downturns pose umpteen challenges for every business. Recession is no time to panic, but it is time to be open to making strategic changes and improvements in your company, avoiding any missteps so it can withstand the downturn.

Two of the biggest mistakes marketers can make are to continue business as usual and cut back drastically on their marketing activities. Both of these are short-sighted reactions that lead to missed opportunities.

In periods of economic downturn, armed with intelligence brought by internal research and data analysis, companies and their marketers should rapidly make any appropriate shifts to strengthen their position, drop counterproductive activities, and double down on what works.





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**DemandFactor is revolutionizing performance marketing
and demand generation by adding in the missing piece:**

We align our success to the success of our leads and our clients.

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