



For Immediate Release

Contact:

Christine Heath

(312) 932-2804

christine.heath@fleishman.com

Marketing in an Economic Downturn

New American Marketing Association Survey Highlights Greatest Mistakes, Challenges and Opportunities for Marketing Community

Chicago, IL (June 30, 2008) – According to a recent American Marketing Association (AMA) www.marketingpower.com survey, 60 percent of AMA member marketers believe that halting or reducing spending on key marketing programs is the biggest mistake marketers can make in an economic downturn. Marketers also report that focusing on short-term tactics and sticking to the status quo are some additional missteps marketers make.

“Our survey reinforces that these are challenging times to be a marketer” said Nancy Costopolous, Chief Marketing Officer of the American Marketing Association. “Management is pressing for greater accountability from the marketing function, and the industry must rise to the challenge.”

Many marketers surveyed feel their greatest internal challenge is demonstrating the value of marketing when sales are decreasing. Other top internal issues include realigning marketing strategies to match business objectives and focusing on longer-term brand strategies.

To help the marketing community manage these mistakes and challenges, American Marketing Association offers the following four strategies to enhance marketing plans in a downturn: shape the message, don't slash the price; focus on who NOT to target; stand apart from the crowd and invest in innovation; and sustain the brand.

1. Shape the Message, Don't Slash the Price

“Focus on the company's value to the market” -- Anonymous survey respondent.

Survey Fact

Only 3 percent of American Marketing Association marketers believe that it is important for marketing functions to adjust pricing strategy to help sustain and grow business during an economic downturn.

Implications for Marketers

- ⇒ Conduct research to understand your competitor's positioning and your target audiences' perception of the economic environment.
- ⇒ Hone and refine your messages.
- ⇒ Highlight the value of your product or service, rather than slashing the price.

2. Focus on Who NOT to Target

“Fish where [your] fish are” – Anonymous survey respondent.

Survey Fact

Sixty-seven percent of AMA marketers feel it is important to mitigate the impact of an economic downturn by refining target audiences.

Implications for Marketers

- ⇒ Assess which segments of potential customers you do NOT want to target.
- ⇒ Demarket to inappropriate market segments. Simply stated, some customers are more costly to serve than to lose.
- ⇒ Focus marketing strategies on customer segments that will produce the greatest ROI.

3. Stand Apart from the Crowd and Invest in Innovation

“Major opportunities when others are cutting back” – Anonymous survey respondent.

Survey Fact

A majority of AMA marketers, 66 percent, report that they would take the same amount or less risk with a new product and/or service innovation during a time of economic uncertainty.

Implications for Marketers

- ⇒ Differentiate through innovation with a product or service that performs in a faltering economy.
- ⇒ Invest in R&D now to ensure your company is in a position to compete when the economy rebounds.

4. Sustain the Brand

“Sometimes it is the reeducation of a product [that can help sustain or grow a brand]” – Anonymous survey respondent.

Survey Fact

Sixty-three percent of marketers believe that they can lessen the impact of a downturn by investing in brand building, as part of their marketing plan.

Implications for Marketers

- ⇒ Establish access to executive officers to understand ongoing shifts in business strategy.
- ⇒ Realign marketing strategies to match business objectives quickly to demonstrate a commitment to the bottom line.
- ⇒ Qualify and quantify results quarterly to establish an ongoing dialogue with executive officers.

“The key to success for marketers in this economy will be supporting the short term, and managing for the long term” said Costopoulos. “It is more important than ever that marketers simultaneously run a sprint and a marathon.”

Survey Methodology

From May 6, 2008 through May 16, 2008, the American Marketing Association conducted online interviews with 244 AMA members in the continental United States. The sampling error associated with a sample size of 244 respondents is plus/minus six to seven percentage points at a 95 percent confidence level.

For an executive summary of the data, please contact Christine Heath at christine.heath@fleishman.com

About the American Marketing Association

The American Marketing Association is the largest marketing association in North America. It is a professional association for individuals and organizations involved in the practice, teaching and study of marketing worldwide. It is also the source that marketers turn to every day to deepen their marketing expertise, elevate their careers, and, ultimately, achieve better results. American Marketing Association members are connected to a network of experienced marketers nearly 40,000 strong.

American Marketing Association offers highly acclaimed Training Series, professional conferences and Hot Topic events focused on the immediate needs of marketers, as well as trends shaping the future. American Marketing Association's website, MarketingPower.com, is the everyday connection to marketing data, articles, case studies, best practices and a robust job bank. Additionally, the American Marketing Association is the source for the field's top magazines and journals, including *Marketing News*. Through local and collegiate chapters, American Marketing Association members are connected with the best people and the best practices.

American Marketing Association is also the creator of Mplanet, the unparalleled industry event that brings together the world's most creative thinkers, including senior marketing executives, top academicians and other thought leaders, to share fresh insights, new concepts, the latest research and solutions for the most pressing marketing challenges and opportunities. Mplanet 2009 will take place in Orlando, Florida, January 26-28, 2009.

For more information on the American Marketing Association or Mplanet 2009, please visit www.MarketingPower.com.

###

A Sign of the Times

Marketing in an Economic Downturn

Today's Opportunities

Greatest Challenges

Demonstrating the value of marketing when sales are decreasing

Realigning marketing strategies to match business objectives

Focusing on longer-term brand strategies

Biggest Mistakes

Halting or reducing spending on key marketing programs

Sticking to the status quo and adopting strategies of other organizations

Focusing on short-term tactics



Shape the message

Only 3 percent of marketers believe it is important to adjust pricing structure in a downturn

Sustain the brand

63 percent believe that they can lessen the impact of an economic downturn by investing in brand building

Focus on who NOT to target

67 percent feel they can lessen the impact of an economic downturn by refining target audiences

Stand apart - invest in innovation

66 percent say they would take the same or less amount of risk with new product and/or service innovation during a downturn



Survey Methodology: From May 6, 2008 through May 16, 2008, the AMA conducted online interviews with 244 AMA members in the continental United States. The sampling error associated with a sample size of 244 respondents is plus/minus 6 to 7 percent at a 95 percent confidence level.