



## Marketing in a Tough Economy

Spend more time on the keys to success – strategy and planning – and less time on what is, too often, the hard labor of campaign execution.

In these tough economic times, the pressure is greater than ever for marketers to wring every penny of value from their marketing budgets.

For many of our clients, that pressure is forcing them to shine a spotlight into every corner of their marketing organizations, looking for efficiencies that will allow them to spend more time on the keys to success - strategy and planning - and less time on what is, too often, the hard labor of campaign execution.

Below are six key lessons we share with our clients to help them uncover and capitalize on marketing efficiency opportunities.

### **Lesson Number 1: Keep Your Friends Close and Your Customers Closer**

In tough times, it's good to consolidate and deepen the customer relationships you have worked so hard to cultivate. And that means, above all, sharpening your understanding of your customers. When you truly understand your customers, you can cement your relationships and deliver a great experience at every interaction, no matter the channel.

Data-driven insights can help you succeed by revealing what customers care about, predicting what they will do, and guiding your decisions about the content, timing and sequence of your offers.

Remember, marketing messages can easily get lost in the endless stream of negative economic reports, so you must work harder than ever to get the right message to your customers through their preferred channel and when it is most relevant to their needs.

As an example, we have been working with a large multi-brand retailer to optimize their marketing contact strategy across their many individual business units, with a focus on deepening their customer relationships. The result? Increased cross-sell opportunities across brands and overall growth for the company.



## Lesson Number 2: More is Not Always Better

We usually recommend that our clients take a hard look at how they prioritize marketing campaigns and other initiatives. These days, we're finding this is more important than ever.

Without a good prioritization process, you can fall into a "more is better" mindset which can lead to an increasing number of campaigns that are not well aligned with your strategy or with your customers' concerns and priorities.

The key is to have a well-defined and broadly agreed upon set of criteria for making investment decisions (either of dollars or resource time). That way, you'll know when it's right to spend more, and when it's not.

Equally importantly, you must recognize the need to have flexibility in your internal processes. There should be a "fast-track" process for your foundational campaigns, which might not need as much preparation or as many approvals. Being able to understand and appropriately distinguish what is truly "new" (thus requiring more scrutiny and time) can be a big help in optimizing the use of your valuable resources.

We are currently working with a leading credit card company on how to better select and focus on the investments which are most aligned with their strategic goals and customer needs.

## Lesson Number 3: It's Not Always Good to Talk

They say that talk is cheap, but sometimes in marketing it can be very expensive. In fact, poor meeting management can be a major reason why a marketing team feels under-resourced and overwhelmed. Decision-making processes that get bogged down in talk and meetings can also increase the risk of re-work because decisions are somehow not "firm" and are too often opinion – as opposed to fact-based.

We urge our clients to develop some critical disciplines in this area, such as:

- Identify the decision-makers and the associated meeting forums
- Specify decision-making criteria and voting rights, and agree how exceptions will be handled
- Ensure that there is thorough preparation for, and firm management of, all standing meetings
- Make sure there is an "audit trail" for all key decisions in the event they are challenged or need to be re-visited.

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Our work in this area with a leading consumer banking division enabled them to realize a significant decrease in meeting hours, fire drills and general rework, with a corresponding increase in the organization's confidence that it is focusing its efforts on the right initiatives.

## Lesson Number 4: Let the Machine Get It!

The software applications available to support and enable marketing processes have come a long way in the past few years. It's smart business to take advantage of them.

In the case of one key technology in particular – Marketing Resource Management (MRM) – the applications available are now truly “enterprise-class,” meaning they can finally handle the volume and complexities of today's large marketing organizations. MRM reinforces standardized processes and establishes roles – areas where marketing has traditionally been weak. Other tools in the areas of campaign management and campaign optimization are now also rich in capability. As a result, we see more clients investing in and realizing the benefits of marketing automation as a key enabler for more efficient processes.

Recently we worked with a leading media organization on a new relationship marketing strategy for 2008 – and then helped them implement an MRM solution so they can effectively collaborate on and manage their many exciting multi-channel initiatives.

## Lesson Number 5: Measure Twice, Launch Once

Measurement is fundamental. You can't tell if you are spending your marketing dollars wisely unless you can clearly measure where you are spending and the relative return you are getting compared to other marketing investment opportunities.

Measurement is also getting more difficult. Many of our clients are under pressure to be both accurate and precise in their marketing measures. Accuracy – making sure that “on average” results are where we need them to be – is no longer enough. Precision is the new standard – making sure that every individual investment is consistently meeting or exceeding well defined targets. That pressure to measure and predict performance even before campaigns are launched is a new reality for marketers and will not go away – even if the economy improves.

Measuring performance requires a combination of metrics, processes and tools. We recently worked with a top 5 bank to aggregate individual campaign investments and performance metrics, creating a holistic cross-divisional view of marketing performance that will help them drive performance at a high level.



## Lesson Number 6: Monitor and Re-Balance Your Portfolio

Tough economies require faster marketing reaction times because they involve continual change – of customer behavior, of regulatory frameworks, of competitor strategies and more. At the same time, marketers need a balanced approach – much like a balanced financial portfolio – to protect against unpredictable fluctuations.

We recommend the following framework which categorizes initiatives into one of four groups based on relative impact and degree of innovation:

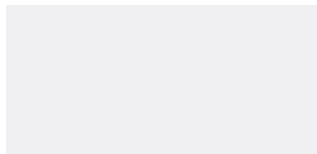
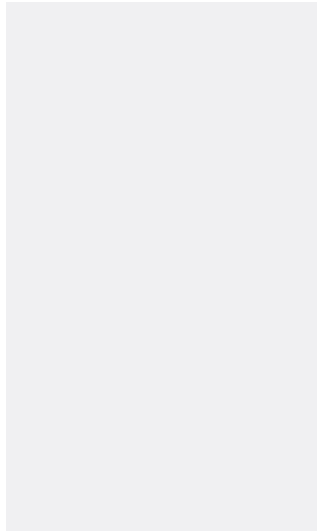
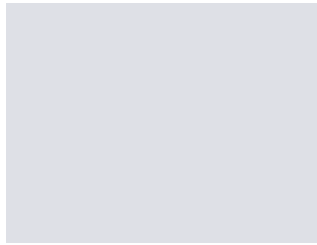
- Foundational Marketing Programs are the programs such as product brochures and basic Web sites that can be considered the cost of doing business. You don't measure the risk of these investments, because they are simply necessary and fundamental.
- Operational Marketing Initiatives make up the bulk of the typical marketing spend and include activities such as sponsorships, advertising and direct mail. These are considered medium-risk investments; they are not necessarily new or innovative, but they enable high levels of productivity and operational excellence, and can have an important impact on the delivery of business value. They may also provide differentiation in markets where competitors are not particularly proficient in an operational sense.
- Experimental Marketing Initiatives are essential to an enterprise's efforts to identify new and incremental sources of value creation. They may involve new types of marketing campaigns or media. They also may revolve around testing new or adjacent markets for growth opportunities. Risk is high, but so is the risk of not experimenting; the key is to control and limit the scope of experimental efforts, until you are confident of their results.
- Transformational Marketing Initiatives are game changers. While they typically represent higher investment commitments and higher risk, they also are designed to drive highly differentiated, breakthrough growth. These approaches transform and reframe markets – setting the enterprise apart from its competitors by generating striking new forms of value.

As a simple exercise, take a look at your company's marketing budget and classify the different expenditures into these categories. How much are you spending in each area? Is there an appropriate balance given customer needs, your goals, and the state of the economy? Being able to answer these questions is a critical part of the planning and decision-making discipline required today.

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## Where to Start?

One of the constants in our business is that no two clients are the same. They have different histories, strengths and weaknesses and are facing differing opportunities and threats, especially as the economy rapidly evolves.

As a result, we have developed a proprietary marketing capability assessment tool, MAST – (Marketing Assessment Survey Tool), which is designed to pinpoint a marketing organization’s current strengths, weaknesses and areas for improvement—both today and over time as marketing efforts and priorities evolve.

MAST is designed for ongoing measurement and improvement, and as such can offer valuable insight and recommendations for organizations at every level of the marketing maturity model. It is highly tunable and can provide a roadmap for a comprehensive marketing program, or for a handful of priorities at a time.

Take a first step today and visit [www.quaero.csgsystems.com](http://www.quaero.csgsystems.com) to sample our MAST tool and get a flavor of the kinds of improvement opportunities that may exist for your organization.

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### About Quaero

Quaero, a CSG solution, uses customer intelligence to help clients shift from traditional campaign-driven marketing to real-time, multichannel customer interaction. Quaero experts blend strategy and analytics with performance management and technology to establish dialogues that improve the customer experience while increasing overall customer value.

Headquartered in Charlotte, NC, the Quaero solutions group provides marketing services to category-leading clients within the Financial Services, Pharmaceutical/Healthcare, Travel and Leisure, Media, Consumer and High Tech industries. For more information, call 1-877-570-2199 or visit [www.quaero.csgsystems.com](http://www.quaero.csgsystems.com).