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Giving your
brand extra
armor for the
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Let's be honest, no one really wants to think about a recession let alone talk in depth about it. However, like many other challenges for businesses, these cycles of declining economic activity are inevitable. While most companies focus solely on expenses versus income, the most resilient consider their business objectives and brand when planning for the next recession. Both should be led by a single purpose and both are needed to endure in today's ever-changing marketplace.

While it's impossible to completely recession-proof your brand, there are steps businesses can take to minimize the impact. Use the following steps as a guide toward bridging any gaps and strengthening your strategy for staying afloat when consumers are spending less.

Resist the urge to slash your marketing budget.



This may feel out of the branding realm but understanding how your business operates from a financial standpoint is possibly the most important part in planning for a recession. Take time to understand the strategy behind where your business is spending money versus where you might be saving dollars. Are there unnecessary expenses occurring that could be trimmed or cut all together? For many businesses, the line item for marketing tends to get earmarked as one of the first things to go when a recession hits. The truth is, cutting marketing during a recession could nearly kill your business.

Marketing connects businesses with their consumers. It's how relationships are started and nurtured. When done well, it serves as a revolving door of important information: you share what matters to your business and why it should matter to your audience and your audience shares their thoughts about your business and the products or services it provides. The very best brands go even further and use that input to inform what decisions are made next. Cutting your marketing budget during a recession minimizes or ends the conversation with your customers. It can also greatly increase the risk of your competitors stepping in to engage them in your place.

Keep in mind that if you're considering cutting your marketing budget, your competitors are, too. If your brand maintains its presence as others are limiting their exposure, you have a unique opportunity to gain market share. Not only will your existing customers stay loyal but you open the door to reaching a broader audience.

Questions to consider when thinking about areas to trim or cut in preparation for a recession:

Do you have an emergency "bank" to cover core utilities and key expenses for the next 3-6 months?

Are there frivolous expenses that could be eliminated without damaging your culture or operations?

Can you replace any current expenses with more affordable options? (this could be employee perks or special events)

Listen even closer and engage your audience.



While keeping your marketing budget is wise in planning for a recession, reviewing where that money is spent can do wonders for preserving your brand. As a recession approaches, consumers' needs tend to shift. Consciously or not, they're making decisions about what products and services are necessary and what can go. Having a strong online community or ambassador program gives businesses the opportunity to learn from consumers and gain a deeper understanding of what they're concerned about and the choices they're considering. Whether dollars are reallocated to building an online community or engaging a third party research firm to conduct interviews or focus groups, doubling down on your efforts to stay connected with your customers will pay off in the long run as they'll feel valued and heard during stable and unstable economic times.

This creates an opportunity to consider implementing user-generated content into your strategy. Rather than all communications coming from your business, are there ways you can invite consumers to take the lead in sharing your story, advocating for your brand and helping you stay in the minds of more people? Consider your digital platforms, the effectiveness of your email solution, or other tools that meet your customers where they are.

Tools for creating a deeper connection with your audience:

Ask your customers what they need most right now, or ask what they need from your company to help them feel confident and secure through a recession.

Create ongoing opportunities for two-way dialogue with your customers.

Engage a third party research firm to learn about consumer needs and behaviors during a recession.

Identify and prioritize opportunities to implement consumer-generated content.

Poke holes in your positioning.



As you engage your customers and learn more about their changing needs, take time to compare what you're learning with your current positioning. Does it still resonate with those you serve? Are there any weak areas or opportunities to improve? Undergoing a brand audit as part of your pre-recession planning can go a long way in helping your brand remain relevant and differentiated.

The Daake team is well-versed in walking businesses through the brand audit process. Unlike a rebrand, this process focuses more on making sure the current brand elements reflect what truly drives your business. Marketing plans and materials are evaluated, customers and key stakeholders are engaged, and a recommendation is created that helps companies either double down on what they're doing or put steps in place to evolve their brand to where it needs to be. Companies can lead a brand audit on their own, however bringing in a third party brand expert often leads to deeper conversation and clearer insights into where your brand is currently versus where it could be.

Answer the following questions to determine if your positioning needs refreshed:

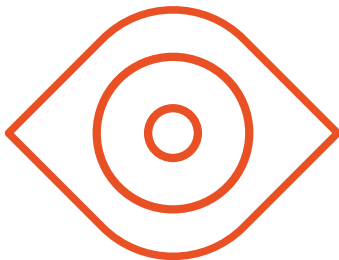
Is this statement still true?

Does it meet a core need for the identified audience?

Is it remarkably different from your primary competitors?

Does it clarify who you are/what you offer?

Keep your eye on what could be.



It may sound a little lofty but like most things in life, brands can get complacent with their customers and their offerings. If you've limited yourself, preparing for a recession can be the wake up call you need to rethink who could benefit from your business and what else you could provide.

Start by taking a closer look at your audience. A thorough brand audit will provide deeper insights into those who purchase your products or services. You should learn why they're choosing your brand over another. As you think about your existing customer base, ask yourself who else could benefit from your current offerings. This can be another opportunity to ask your current customers for input. Carve out part of your marketing budget to connect with the strongest possible prospects.

Another way to approach opportunity is through your products and services. Is there something new or different you could offer to your current customers? This is yet another area their input can influence your business. Through your focus groups or user-generated content, you should be able to identify opportunities to expand with potentially minimal investment. The more value you can offer people, the less likely they are to walk away during a recession.

Questions to ask regarding opportunities:

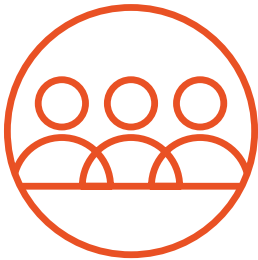
Can we add value to our existing customers by creating a new product or service?

Could our products/services benefit people who aren't currently choosing us?

Are there benefits to using our products/services we don't currently express?
(Is there something unique about your current offering that matters more to an audience other than your current customers?)

Are there opportunities for partnerships with companies that are closely aligned with a potential audience?

Keep your team members in the forefront.



In many ways, employees are the foundation to any brand. They directly influence what's said and believed about your brand. They can impact consumers and prospective employees alike, which is why one of the best things a company can do—recession or not—is keep employees informed and part of the process. When a recession is looming, leaders need to be intentional in how and when they share updates and plans with team members.

Much like your marketing budget, eliminating the amenities and added perks you offer your employees at the first sign of a recession could do more damage to your culture than save your company money. It's important to review where you're spending but take time to identify the level of value you're getting for the spend. Should you choose to trim back or change course, be intentional in explaining what's happening and why. Rather than leading with what's best for your profitability, speak to the steps you're taking to protect your team members and the overall future of the business. Placing more emphasis on people can do wonders for preserving your brand.

Recommendations for keeping your team connected before and during a recession:

Create an easy but effective plan for ongoing communication with your team members. This likely includes a combination of in-person meetings, emails or other internal communication tools.

Equip leaders and managers with talking points and ways to keep team members engaged and feeling valued.

Build in ways to celebrate small wins throughout a recession. This could include sending care packages to remote team members, setting up a surprise coffee or beverage cart, or offering other meaningful tokens of appreciation.

Consider no-cost engagement tools such as shoutouts or virtual high-fives that employees can use to recognize one another, which can alleviate some pressure leadership and managers may be feeling.

Regardless of the current economic climate, taking time to plan for a recession is a smart decision.

This creates the right space for building a deeper connection with your existing customers, looking closer at new opportunities, and setting the groundwork for continued movement toward establishing the brand you really want to be.

The most successful brands are playing the long game, making strategic decisions based on their purpose and the needs of their customers. Those only keeping their eye on what's happening in any given moment are most likely to experience the worst outcomes of the next recession. Play the long game by embracing your internal teams, maintaining a connection with your customers and bringing in experts who can help you see the hidden potential of your brand.



 We're a pivotal-moment brand agency

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