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In the midst of turmoil, steer by skepticism

By Simon Kooyman, CEO

Personally and professionally, it is difficult not to be influenced – or even swept away – by the ever-swelling economic tempest. This is a time in which many will be ruthlessly labeled as losers, and a select few will be called winners; a time in which the light at the end of the tunnel is fading because the train is riding in reverse.

So, when it comes to marketing information, is now the time to duck and cover? To let our knees buckle, or even to amputate below them? To rely, in short, on outdated or shoddy data?

The answer is a resounding “NO!”

The current business climate must be recognized as the explosive, uncontrollable overlap between dramatically changing external circumstances and a poisonous internal cocktail of cost cutting, portfolio overhaul, confusion, delays and corporate disillusion.

On the one hand, marketing and general managers will tend to stick to their knitting, hanging on to the most recent, pre-crisis strategic plans. They will monitor carefully defined but now outdated KPIs, measured against norms that were built up during what we now ironically view as “the Golden Age.” And, on the other hand, the pressure to

prune will build to unbearable levels, cutting dangerously close to the arteries, vital organs, and bones of marketing.

How can one make smart moves when every action is fraught with risk?

Don't skimp on your compass

First and foremost, do not resort to research “on the cheap” – relying on just any representation of the U.S. population, pushed by fly-by-night or economically challenged sample gypsies. At a time when each marketing dollar spent is more precious, getting it right through accurate research is your best tactic for efficiency. You may not be able to do all that you intended; but better to do fewer things well than a constellation of things in unsound ways.

To understand consumers when so many of your assumptions about them are suspect, you need to start with a reliable sample of the population. Almost one-third of U.S. households are without Internet; and one-fifth are unreachable by landline, a large portion of them with nothing but a cell phone. It is difficult to hear these analog or digital voices unless you know and care that they are there, and make a special effort to harvest their perspectives.

Now is also the time to start a process of continuous, dynamic, strategic marketing planning – to acknowledge that the external factors are not stable, and thus will be a variable input in any plan. A good starting place is to recognize that technological innovation, or international growth, or changing logistics, or better marketing mousetraps on their own merits will not provide the magical solution. The competition for the consumer’s dwindling attention, for the contents of their thinning wallets, can best be described as a dogfight, where the baddest of the Amores Perros may win.

To make a go of this fight, you need to reassess what you are doing for relevance. Just like cleaning your closet after you have boldly decided that you cannot take the smells, colors, sizes and styles anymore, look at your marketing information with that mix of frugality, melancholy and decisiveness.



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Demolish your assumptions

For starters, renew your segmentation – open it up for flexibility, throw out norms that you know will never fit you again. Segmentation can be an extremely powerful tool for defining where opportunities lie; but it can also keep you trapped in outdated perceptions of your

best consumers. A research company that knows your business and is expert at the dynamics of segmentation can help you build on what you have done already without letting it cut you off from fresh insights.

Here are some other bullets for the bailout-era to-do list:

- Stop spending money on endless, meaningless trackers; self-assuring concept tests; and garbage-in-garbage-out copy testing
- End your reliance on currencies provided by ratings-dealing dinosaurs.
- Recognize that the media landscape is becoming a kaleidoscope, in which Nielsen, Arbitron, and others are tacitly admitting that one-stop behavioral data models are Magritte-like mirages.

Replace your old assumptions and approaches with a willingness to learn everything anew. Go to your consumers to ask, observe, listen and uncover on a level where fragmentation is meaningful.

Realize that the way to look at consumers is not limited to the view of your existing customers, however valuable their loyalty is. Much of today’s consumer growth is coming from a Latino population, half of which prefers to communicate in Spanish; a Baby-Boomer generation that is being rudely confronted with a dramatically changing perspective on work and retirement; and a Millennial generation groggily leaving the La-La Land club to face a hung-over morning-after.

Look to your new audiences as well as your existing ones. Know why they are buying yours or your competitor's products and services, and through what channels. And keep a step ahead of the landscape that is shifting under our feet and remaking the world. That is what we do at KN, better than anyone else.

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