



## Marketing in a Recession: The Best of Times or the Worst of Times?

Pick up the newspaper: Our country and the world are in a state of anxiety about the economy, especially in light of a potential recession. What does that mean to us as marketers? Just how does the recession affect direct response advertising? Recessions are different from other economic downturns and need to be approached differently, but there are ways to weather the storm.

History teaches us that recessions reward the aggressive advertiser and penalize the timid one. Indeed, firms that maintained or increased their advertising expenditures during the 1981-1982 recession averaged significantly higher sales growth, both during the recession and for the following three years, than those that eliminated or decreased advertising.

By 1985, sales of companies that were aggressive recession advertisers had risen 256% over those that didn't keep up their advertising. Why? One reason is that a recessionary market can provide an opportunity for businesses to build a greater share of market through aggressive advertising. Sometimes we need to remind ourselves about the short-term benefits of advertising: It creates sales immediately; it generates added business from current customers; and it brings in new leads and prospects. In short, as one marketer pointed out, "When times are good, you should advertise. When times are bad, you *must* advertise. "

One trait of a true recession lies with shifts in consumer patterns. We can no longer expect even our core base of customers to behave in ways familiar to us and comfortable to them. Preparing for changes in consumer behavior will allow us to jumpstart new messaging, platforms and technologies—when this makes strategic sense—to capture the attention of both loyal and new customers. One false assumption is that it's safe to reduce the advertising budget if the competition is reducing theirs. Research shows that companies maintaining or increasing advertising during periods of economic slow-down will boost market share.

Some companies will even see an increase in sales over their competitors who decrease advertising. And while it may be beneficial to look at cutting costs for some advertising activities, marketers must not abandon smart practices solely for the sake of the bottom line. Rather, you must ask how to best optimize your marketing success with restricted resources. According to a recent Forrester Research report, marketers who move into areas like word of mouth, blogging and social networking will withstand tightened budgets. In contrast, marketers are likely to decrease spending in traditional media and even online vehicles geared to building brand awareness. A recession brings fickle consumers and tightened budgets, but smart marketers will

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### Upcoming ERA Events

#### April 30, 2008

Electronic Retailer Magazine's LiveEdit Lab  
American Conference Center  
New York City, NY

#### April 30, 2008

LiveEdit Lab Networking Cocktail Reception  
American Conference Center  
New York City, NY  
6:00 p.m. - 7:30 p.m.

#### May 19 & 20, 2008

ERA's Government Affairs Conference  
Washington, D.C.

#### May 22, 2008

ERA's Webinar Series - Customer Service/Optimization  
2:00 p.m. - 2:30 p.m. EDT

#### June 12, 2008

ERA's Webinar Series - Online Video and Social Networking  
2:00 p.m. - 2:30 p.m. EDT

#### June 22-23, 2008

The Electronic Home Shopping

transform these challenges into new opportunities.

And, as we know, the smartest marketers will embrace the fundamentals of direct response advertising. DR marketers know that even though consumers will tighten their belts during a recession, a solid consumer relationship will last longer than any recession. Further, DR marketers know how to optimize their media spending, whether it will be for TV, online, in print or in other media. This allows us to cut media that doesn't perform while media rates adjust to the pressures of supply and demand. For my money, if I'm going to sell a product or service during an economic downturn, direct response is the only way to go. Who wouldn't go with the only accountable form of advertising?

### **Edwin Garrubbo, Board Chair**

CEO, Creative Commerce, LLC

[www.retailing.org](http://www.retailing.org)

Conference 2008  
Fairmont Hotel  
Monte Carlo

#### **July 16, 2008**

Networking Reception - Santa  
Monica  
Casa del Mar  
Santa Monica, CA

#### **September 21, 2008**

ERA's 18<sup>th</sup> Annual Convention  
Paris Hotel  
Las Vegas, NV

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## ***Electronic Retailer Magazine LiveEdit Lab***

**Wednesday, April 30, 2008**

**American Conference Center, New York City**

Unique from other programs, the LiveEdit Lab delivers the editorial content of *Electronic Retailer* magazine through a dynamic, live forum. You will interact with the editors, columnists and industry leaders who make *Electronic Retailer* the leading publication for multichannel retailers. For full information and registration, [visit here](#).

## ***New York City Networking Cocktail Reception***

Following the LiveEdit Lab, ERA will hold a festive and valuable networking reception open to all ERA members as well as participants in the LiveEdit Lab. Free for ERA Members and retailers. Nonmember suppliers: \$99. RSVP to Katie White, [kwhite@retailing.org](mailto:kwhite@retailing.org), phone: 703.841.8284.

## **ERA Government Affairs Conference Fly- In**

**May 19 & 20, 2008**

**The Hotel George**

**Washington, D.C.**

Keynote Speaker: Sen. Bill Nelson (D-FL)

The ERA Government Affairs Conference Fly-In is your once-a-year opportunity to connect with the policymakers who directly affect the issues of interest to you, including Net neutrality, behavioral advertising and the Consumer Product Safety Commission (CPSC). You don't need to have the extensive knowledge of legislation in order to benefit from Conference participation: Team Captains will brief each participant on the details and updates of all related legislative issues. Kick off the program with a dinner on May 19 followed the next day with breakfast, a walk to the US Capitol, speaker and luncheon, appointments with representatives and closing reception. Sign up online [here](#) to participate in this unique free program or send an email to [bmcclellan@retailing.org](mailto:bmcclellan@retailing.org).

## ERA Webinar May 22<sup>nd</sup>

### *ERA Webinar Series:*

### **The Most Critical Element to Customer Service: Your Website**

**Thursday, May 22, 2008**

**2:30 p.m. - 3:00 p.m. Eastern Time**

The key to exceptional customer service can be found with a winning website. Spend just 30 minutes and explore solid solutions to customer service initiatives from the comfort of your office. Join Aaron Kahlow, managing partner of BusinessOnLine, as he focuses on:

- **Top 5 best practices** for a website experience to better serve your customers
- **reducing operational costs** through a properly built site
- **optimizing and integrating your existing site** into all sales and service efforts

**Moderator:** Ed Garrubbo, CEO, Creative Commerce and Chair, ERA Board of Directors

[Secure your space now.](#)

ERA Members: Free / Nonmembers: \$99

## Plan to Attend

### **ERA Leadership Dinner**

Network with Leaders & Support the Industry During the ERA Leadership Dinner!

**Sunday, September 21st**  
**Foundation Room**  
**House of Blues, Mandalay Bay Hotel**  
**Las Vegas, NV**

A buffet dinner, cocktails, a jazz trio and high-powered networking are all on the menu for this special evening highlight of the Annual Convention. Roundtrip transportation to the Paris Hotel is provided. Sponsored by the ERA Past Chairs: Dan Danielson; Edwin Garrubbo; Jeff Giordano, Linda Goldstein; Jack Kirby; Jeff Knowles; Rick Petry; and Greg Renker. For more information, contact [Bill McClellan](#).

## **Will You Be Forced to Collect?**

Benjamin Franklin famously stated that "In this world nothing is certain but death and taxes." On the heels of Tax Day, I am sure many of you can relate. On the e-retail front, the main tax related debate is not the certainty of taxes but rather if our community is required to collect sales taxes for communities across the land. The effort known as the Streamlined Sales Tax Project (SSTP) is an effort to mandate that e-retailers collect sales tax. Championed by state governors and taxing authorities, the SSTP looks to take center stage with the introduction of legislation by Representative William Delahunt (D-MA) garnering interest as the states begin to look for new revenue streams due to weakened economic conditions and budget shortfalls. ERA will continue to oppose these efforts, but we expect calls and support for the SSTP to increase through this session of Congress.

Bill McClellan  
Vice President of Government Affairs

## **New Research Available to Members**

As an ERA member benefit, the following two research papers from Forrester are available to members this month:

### **1. Ten Ways to Recession-Proof Market Research**

Market researchers should act quickly to establish their business relevance and preserve their budgets before recession fears start affecting budgets and spending. Read this March Forrester study which offers the business case for funding and relevance. These 10 tips apply in boom and down-turned times.

### **2. Should You Be in Second Life?**

More than 19 million consumers worldwide participate in virtual worlds like

Second Life. For marketers, these rich interactive environments provide a promising channel for consumer brands which are nearly impossible to reach via traditional media.

[Click here](#) to access.

[Click here](#) to join ERA.

## Have You Heard?!

Have you gone green? Looking for new products? Take a proactive approach. The incredible expanding/shrinking web analytics market. Join the discussion today at [www.electronicretailerblog.com](http://www.electronicretailerblog.com). We dare you!

## Nominations Open for the ERA Board of Directors

The ERA Nominating Committee seeks candidates for the 2008-2011 term on the ERA Board of Directors. Please [click here](#) (PDF) to download the nomination form. If you have successfully completed and submitted the nomination form by COB Wednesday, May 9, you will be eligible to meet the Nominating Committee for an in-person dialogue on Monday, 19 May, from 2:30-4:00pm, at the Hotel George in Washington, DC, ahead of the Government Affairs Fly-In. Please email Sigi Friedman at [sfriedman@retailing.org](mailto:sfriedman@retailing.org) to RSVP and to secure your time for a dialogue with the Committee.

## Industry News

[CHANNELSINTERNATIONALTRENDSBUSINESSINDUSTRY GOVERNMENT AFFAIRS](#)

### CHANNELS

- **[Report: Podcasts Thrice as Effective as Online Ads](#)**  
Online ads? How last millennium. According to Podtrac, the leading network of podcasts and online shows, that is.

*Adotas*

- **[Surprise, Surprise: Google Rocks comScore Search Rankings](#)**  
comScore's recently released U.S. search engine rankings show Google's continuing dominance in the field. Americans launched 10.8 billion searches last month – a 9% increase over February – Google sites accounted for 59.8% of the searches, a slight upgrade from 59.2% in February.

*Adotas*

- **[CTIA - The Wireless Association\(R\) Calls for Passage of Cell Tax Fairness Legislation](#)**  
WASHINGTON, D.C., Apr 15, 2008 (BUSINESS WIRE) -- On Tax Day, CTIA-The Wireless Association(R: 63.59, -3.09, -4.63%) and its member companies are urging Congress to pass legislation requiring a five-year hiatus on new discriminatory state and local wireless taxes.

*Fox Business*

- **[Blended Search Format Increases Marketers' Visibility](#)**  
The recently released iProspect Blended Search Results Study, conducted by Jupiter Research, found that search engine users click specialized content within general search results more than they do within vertical search results.

*Center for Media Research*

- **[3 Minute Ad Age: April 17, 2008](#)**  
NEW YORK (AdAge.com) -- In an on-stage discussion about TV audience metrics at the National Association of Broadcasters Show, Carlton Cuse, executive producer of ABC's "Lost," explained why he's really peeved about what the Nielsen ratings fail to show.

*Advertising Age*

## INTERNATIONAL

- [Wal - Mart Eyes Russian Market](#)

Wal-Mart Stores Inc. is moving closer to a possible expansion into Russia with the appointment of an experienced European executive to scope out possibilities in a vast retail market worth more than \$140 billion a year in food sales alone.

*The New York Times*

- [India Joins the Social Networking Village](#)

A recent Nielsen Company survey of Internet users in India sheds some light on their reasons for joining social networks.

*eMarketer*

- [Google: We're Going to Crush Baidu in China. We Think.](#)

Google (GOOG) is the undisputed champ of search just about everywhere in the world except Russia and China (anywhere else? Please let us know). In the latter, Google has surged ahead of Yahoo China and other competitors but is still getting clobbered by Baidu (BIDU), which has also been a NASDAQ moonrocket.

*Silicon Alley Insider*

- [Deal Gives MySpaceTV's Viral Tendrils Global Reach](#)

MySpace has tapped ShineReveille to distribute its original television content internationally, opening new channels for overseas markets. MySpace intends to use its reach in television as a launch pad for testing out new content. Major studios might see it as a low-cost way to get a feel on whether a new show might be a hit, rather than filming a more expensive pilot episode.

*www.ecommercetimes.com*

## TRENDS

- [1/3 Of Moms Buy Baby Products Online; 2/3 Research There](#)

While most moms still prefer buying products for their babies and young children in person, one-third buy some of them online--and nearly two-thirds (61%) research their buys on the Net before heading for the store.

*MediaPost's Marketing Daily*

- [Postblack and Postdigital: Part 1](#)

This take on the intersection of race and digital media has nothing to do with any "digital divide." It's about convergence as we evolve in awareness and in the use of tools.

*Advertising Age*

- **[Low-Hanging Fruit Can Feed Brands Well Into The Future](#)**

Regardless of religious persuasion, most of us know the story of the loaves and fishes--how two loaves a bread and a handful of fish satiated a crowd of 5,000, eager for insight and intelligence.

*MediaPost's Marketing Daily*

- **[Economy's Fate Hinges On Shoppers' Stamina](#)**

Their houses are less valuable, credit is harder to get and goods are more expensive. It is shaping up to be a hard year for American consumers.

*washingtonpost.com*

## **BUSINESS**

- **[The 4-Year-Old and Her Grandma](#)**

My wife and I are the proud parents of a beautiful just-turned-4-year-old daughter. She shares a number of hand-me-down traits from our collective gene pools -- she's a little shy, personable when she's warmed up to you and absolutely loves tapping into her creativity. And though I adore her inherent curiosity, I'm even more amazed by her rapid capability to learn new behaviors.

*Advertising Age*

- **[AOL CPO Jules Polonetsky on Hitting the Privacy Sweet Spot](#)**

AOL has launched a new privacy campaign in an effort to make users more aware of how the company utilizes their search data and other information. "We've been so concerned about the legalese and the technical accuracy and exactly what the regulator wants to say that we've lost the average user," said Jules Polonetsky, AOL's senior vice president and chief privacy officer.

*www.ecommercetimes.com*

- **[How To Get Used, Really Used...Online](#)**

Creating things for the Web is interesting because so many different things are possible. Creating things for the Web is hard because so many different things are possible. Creating things for the Web, especially in today's advertising environment, pretty much always involves explaining to someone (clients, agency management, curious strangers) just how many things are possible, and how that makes the Web a very different place to put the things you create.

*Adotas*

- **[Shipping 2.0](#)**

Doggypads.com founder Mark Stern was thrilled about outgrowing his 3,000-square-foot leased warehouse—until he discovered that moving to a larger one would eat up his 4-year-old company's

margin advantage over competitors.

*U.S. News & World Report*

- [\*\*Show Me the Money: Setting Up Payment Methods\*\*](#)

Time and time again, studies show that offering alternative payment methods increase sales (see related articles). After all, the more payment options an e-tailer offers, the more likely it is that shoppers will find a method that makes them comfortable with making a purchase online. And not everyone wants to share a credit card number on the Internet, even on a secure site.

*www.ecommerce-guide.com*

## INDUSTRY

- [\*\*Yahoo Merger Holds Peril for Small Biz\*\*](#)

It's like we're watching a scene from that dumb reality show, "The Bachelor," and in this case the bachelor is Yahoo.

*MSNBC: Your Biz*

- [\*\*How Shutterfly Tapped Into Its Online Customer Community\*\*](#)

Jeffrey Housenbold was an eBay vice president with an MBA from Harvard . His wife had earned an MBA, too—from equally prestigious Wharton —and she had a high-powered job to match. They were also raising three sons under the age of 5, a full—time job all by itself.

*CIO*

## GOVERNMENT AFFAIRS

- [\*\*Bill requires online retailers to collect a sales tax on items purchased by state residents.\*\*](#)

It was only a matter of time I guess before one of the states in the Union decided to try and tax the internet. New York State legislators, not alone in a perennial state budget deficit, have decided that the state should start requiring online retailers to collect the sales tax on items they ship there.

*Zero Paid*

- [\*\*Consumer groups urge 'do not track' registry\*\*](#)

Washington (dbTechno) - Microsoft has come out and stated that they are not opposed to the guidelines for online privacy in relation to internet advertising, proposed by the Federal Trade Commission.

*Recent Technology News*

- [\*\*Virgin Media chief slams net neutrality, reveals producer-pay plans\*\*](#)

Virgin Media is in negotiations with content producers about introducing a system that would slow down customers' access to material from producers that did not pay Virgin a fee, its chief executive has said.

[www.out-law.com](http://www.out-law.com)

## Member Press Releases

- [JORGE HANÉ from PREMIER SOLUTIONS joins ventures with INTERMARKETING EXPRESS](#)
- [Eunjung Lee of Cannella Response Television to Speak at First Annual Ingenuity Expo at MIT \(PDF\)](#)
- [Hawthorne Direct Rolls Out Meaty Direct Response Television Campaign for High Plains Bison, Premier Purveyor of America's "Original" Red Meat](#)

ERA IS NOT RESPONSIBLE FOR THE CONTENT OF PRESS RELEASES. NOR INFORMATION AS A RESULT OF LINKING TO INDIVIDUAL COMPANY WEBSITES.

## ERA in the News

## Classified Ads [Advertise in ERA's E-News Weekly](#)

### VP Acquisition/CRM

The VP Acquisition/CRM will be responsible for setting and meeting sales goals and developing and executing strategic business plans to enable the further acquisition, retention and backend development of the IDD customer base. Will also own P/L responsibility for IDD/DTC business. Responsible for Acquisition, Retention, Training and Customer Service.

Qualifications:

- Bachelor's Degree required; MBA preferred
- 7-10 years experience in direct response industry, management experience including staff development, project management and client/vendor relations
- Exceptional Team building and leadership skills
- Analytical, business and strategic planning skills
- Exceptional interpersonal skills

For complete job description visit:

[http://www.bareescentualscareers.com/job\\_detail.asp?JobID=1166126&user\\_id=](http://www.bareescentualscareers.com/job_detail.asp?JobID=1166126&user_id=)

## **Infomercial Producer, PREMIER SOLUTIONS**

PREMIER SOLUTIONS is looking for a full time INFOMERCIAL PRODUCER to work full time at our newly post-production facility located in Miami Beach Florida. Those people interested please e-mail us your resume at [jorge@premiersolutions.com](mailto:jorge@premiersolutions.com).

## **PER INQUIRY RADIO, TV, PRINT AND INTERNET CLIENTS NEEDED.**

William Sullivan Advertising, specialist in per inquiry / remnant radio, TV, print and Internet advertising is looking for more clients to place per inquiry with us across the country. Presently we have over 50 satisfied clients using our per inquiry radio, TV, print and Internet service paying a specific price per lead. Feel free to read some of Bill's articles on DR Radio which had been published in Electronic Retailer Magazine [http://www.williamsullivanadvertising.com/articles\\_0607.html](http://www.williamsullivanadvertising.com/articles_0607.html). We are looking for more clients to place advertising in our per Inquiry program. We have a proven model for over 22 years making direct response advertising work for our large and expanding list of clients. For samples of our radio commercials please visit <http://www.williamsullivanadvertising.com/samples.html>. Our present client categories start from Natural Cures book to acne products to stress and anxiety relief programs to inventions companies to hair replacement and much more. We are dedicated to expanding our clients business and you can be a part of our growth. Contact Bill Sullivan at 973-379-8555 or email [bill@williamsullivanadvertising.com](mailto:bill@williamsullivanadvertising.com).

## **Submissions**

Are you an ERA member? As a membership benefit, you can submit press releases, company/personnel announcements and calendar items to be published in the E-News Weekly. Please contact Peter Howson, [phowson@retailing.org](mailto:phowson@retailing.org).

## **Advertising Opportunities**

If you are interested in advertising, please contact Peter Howson, [phowson@retailing.org](mailto:phowson@retailing.org).

[Please follow this link to opt out of ERA mailings.](#)

## **Electronic Retailing Association**

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(800) 987-6462 · (703) 841-1751 · [contact@retailing.org](mailto:contact@retailing.org)  
Contact us: Monday – Friday 8:30 am – 5:00 pm ET

[Learn more about the Electronic Retailing Association.](#)

We  
never  
spam.

We  
never  
sell our  
lists.  
[Read  
our  
privacy  
policy](#)