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11 April 2009

Marketing In A Tough Economy
By Barry Judge, CMO of BEST BUY

*Editor's Note: From the Blog of **Barry Judge**, the CMO for Best Buy Co., Inc. Barry helps provide overall vision and leadership to all areas of marketing for the enterprise, including brand management, customer R&D, trend, promotions, advertising, marcom, public affarirs and internal communications. He helps guide the brand strategy for the company, drive the development of new marketing capabilities and empower marketing innovation as the company transforms to put the customer at the center of our business model.*

Recently I was asked to provide my philosophy on marketing in a down economy by a marketing publication In response to that request, I penned three marketing planning principles for dealing with a bad economy. These are just my thoughts and I would be interested in your feedback to my thoughts as well as any different POVs.

Principle 1: *Seek out pockets of demand, and invest*

Take a closer look at the marketplace for areas where consumer demand remains relatively strong or where demand is emerging as a result of the weakening economy:

First, identify and focus investment on your highest-value customers. These customers are your most identifiable and reliable source of revenue and profit across your business; and because they are enthusiasts for your products or services, they will be most likely to continue spending in your categories during a down economy. At Best Buy, we can identify them through our database and loyalty programs, so we can target offers, communication, and investment directly to them.

Second, target product segments based on “need” where your value propositions are strong enough to drive revenue growth and share gain. For example, in our industry, some products have become consumer necessities (e.g., cell phones, PCs) and therefore may be more resilient during times when consumers pull back their spending on more discretionary items. Direct efforts to drive greater share in these segments while cutting back in areas where demand has declined.

Third, identify and invest in consumer segments or geographic regions that are likely to grow during a declining economy. For example, unemployed workers tend to startup small businesses during a recession and create demand for small business IT products and support. We can direct our efforts and our value propositions toward these segments or regions in order to capture that demand.

Principle 2: *“Sweat” your marketing assets*

Take a new look at existing marketing programs to find new ways to create leverage and customer preference.

This effort includes maximizing advertising ROI by intensively focusing on how each program effectively targets demand. It includes trimming programs that no longer make sense in an environment where advertising ROI is at a premium, cutting programs that target segments where demand has disappeared, increasing investment in areas where demand is relatively strong, or squeezing more out of fixed asset programs that have the capacity to work harder.

Principle 3: *Invest in brand experience and the brand story*

Find ways to improve the brand experience and tell the story of how the brand is differentiated during a time when price becomes more important to many customers.

For Best Buy, marketing investments in the brand experience have included initiatives like improvements to our Web site to support a better customer experience at the first touchpoint of the brand. We have also demonstrated our support of customers who have been disappointed by technology by offering $50 gift cards to all our customers who bought obsolete HD-DVDs.

We are also continuing to refine our messaging (internal and external) to support our brand story so that we have a clear point of view on how Best Buy is a relevant and better choice for our customers.

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