

OUTLOOK 2010: WELCOME TO NEW HOPE

2010 brings the welcomed promise of better times for almost all sectors. Companies are expected to spend more on infrastructure, personnel, research, product development and marketing. Customers, in turn, are expected to return to their pre-recession spending ways as credit eases; the threat of job layoffs diminish; and general confidence re-emerges. Of course, it is not hard to beat the terrible economic times that began in late 2008 and carried through 2009. But it is critical to realize that growth is likely to be tepid well into 2010 and that the Great Recession has probably put a well-defined dent into the psyche of businesses and consumers alike – ultimately affecting how they think and spend. Companies, in turn, need to respond accordingly. The Salak Group's Outlook 2010 provides guidance on driving returns in the New Year by identifying seven marketing shifts to keep in mind.

RECESSION: THE AFTERMATH

The Great Recession that began more than a year ago has already safely claimed its place in history and its mark on our collective consciousness. But as the recession retreats in the face of the pending recovery, the market must come to terms with the intermediate and long-term impact of the last 18 months. Investors, for example, took years to return to the tech sector after the Dotcom Crash of 2001. So what are the consequences of this economic collapse?

There are several. The cult of the business executive, while not entirely dead, will be lessened for the next few years as companies look to promote their brands instead of their C-level executives. Corporations will undoubtedly increase their spending on IT, marketing, sales and product development going forward, but they'll also strive to identify and secure greater returns on their outreach investments. This will result in an uneven move to digital-based outreach as companies wrestle to determine how these initiatives can effectively drive business. In line with the focus on ROI will also come a shift to centralized decision making – at least for the next few

years as companies focus on getting it right (read: making money).

Ultimately, the legacy of the Great Recession won't actually hinder or help the recovery. As always, the economy will be driven and led by companies that can connect to their targets, leverage new channels and integrate their outreach.

MARKETING 2010

The good news for marketing companies is that 90 percent of all businesses plan to spend more on various outreach initiatives in 2010 – which comes as at least 50 percent of their customers report they'll also spend more this year, according to a *Print in the Mix* survey. Not surprisingly, these executives say they'll be driving most of their increases into popular and inexpensive digital initiatives such as e-mail marketing, social media and search engine optimization.

“Hope is like a road in the country; there was never a road, but when many people walk on it, the road comes into existence.”

– Lin Yutang

The greater challenge for marketing executives is distinguishing between popular (read: inexpensive) digital tactics and effective outreach that will take advantage of the rebounding economy. Marketing heavyweights Kevin Clancy of Copernicus Marketing and Charles Colby of Rock Research recently told *MarketingAcademics* that winning the sales and marketing battle of the recovery is going to require leveraging customer loyalty, targeted marketing, and data driven initiatives – in short investments in business intelligence. Merging the digital-centric approach with highly focused customized outreach isn't impossible. It is just not a slam dunk either.

Ultimately, effective marketers are going to have to figure out how to manage customize digital marketing so that their messages resonate. Once that's in hand, they'll have to integrate these efforts into their overall marketing strategy.

FACE TIME: VIDEO GOES ONLINE

Video is everywhere. From mobile devices flawlessly streaming video in your Palm to YouTube developing into a unique search engine, video is becoming the populist

communications channel of choice. Chances are if you are not already employing video to build your brand, you soon will be. Want proof? Comscore reports over 75 percent of the U.S. public now views online videos each month with a preferred length of three minutes for each video.

YOUTUBE ACCOUNTS FOR MORE THAN 90 PERCENT OF ALL ONLINE VIDEO CONSUMPTION. IN THE U.S. ALONE, 100 MILLION VIEWERS WATCH 6.3 BILLION VIDEOS EACH MONTH. – Comscore

The advent of broadband wireless networking, effective and inexpensive video cameras, and related production and editing software are opening the floodgates to widespread video distribution. YouTube, in fact, now accounts for more than 90 percent of all online video consumption, with 100 million viewers watching 6.3 billion videos per month in the U.S. alone,

according to Comscore. With this type of development, chances are that video will soon become as ubiquitous and as effective as e-mail.

But shooting and showcasing videos is only one challenge. And given the advent of user-friendly technology, video production may be the easiest part of the equation. More critical and challenging is producing the video's message. It has to be meaningful, entertaining and visual. The Hollywood treatment isn't required for every clip. But each video (just like any message) has to provide value for the person viewing it to be effective. This means knowing your audience and delivering videos tailored to visually resonate with targets. One size doesn't fit all for e-mails, hard letters and executive speeches. And it won't work for video messages either.

Companies and organizations, of course, can't afford to overlook video. But success demands that they understand this medium; effectively customize their clips; and leverage tight delivery channels to reach targeted audiences.

CONFERENCES CALLED

Big flashy conferences that traditionally attract tens of thousands of visitors aren't what they used to be – and that's probably a good thing given their diminishing return on investment. The question now facing conference organizers, however, is what they will and should be doing heading into 2010. The answer? Develop more focused, productive and smaller events in order to enhance high-value networking opportunities.

“What would life be if we had no courage to attempt anything?”

– Vincent Van Gogh

Reduced staffing levels, budget cuts and negative press coverage of company “junkets” during the past year all but decimated the mega-conference concept. The Las Vegas Convention & Visitors Authority underscored the point by reporting that some months in 2009 saw an attendance drop almost 60 percent from 2008. The US Travel Association chimed in by predicting overall spending on US events in 2009 will fall almost 13 percent against the previous year.

The challenge facing meeting planners is how to attract companies, create a buzz and guarantee traveler ROI without the benefit of large crowds. The answer better be clear-cut value either through bona fide development or team building opportunities. The concept isn't lost – at least publicly – on the conference market. “It's not extravagant if it produces results,” read a recent Ritz-Carlton ad in *The Wall Street Journal*. “It's not a bachelor party. This is my sales team,” another trade publication ad announced on behalf of the Las Vegas Convention & Visitors Authority.

“Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all.”

– Dale Carnegie

How will this be measured? Clear take-away messages from conference sessions in the form of analytical executive summaries that can be shared are an option. Conference organizers also need to think about

helping speakers and attendees expand development and messaging opportunities through better attendance data management, onsite networking dinners, and strategic post-conference follow up. The bottom line: these meetings have to matter.

AIM SMALL, MISS SMALL

The New Year brings the promise of an economic recovery – and with it the race for many companies to tear open the purse strings in anticipation of a burst in business activity. What we're likely to see – at least among smart companies – is a highly focused approach to business development and marketing to ensure they're securing the highest return on their communications outreach. And this is likely to be the case whether companies are focused nationally, locally and internationally.

Tight focus won't be limited to just the physical or financial extent of the outreach. It will also be reflected in the type and tone of the message. Projecting an image of sensible confidence, growth and service will resonate most deeply. As 2009 wound down, some major companies like Caterpillar, United Airlines parent UAL Corp. and Yahoo Inc.

were quick to pat themselves on the back by flagging improved profits in their latest quarterly financials, according to *The Wall Street Journal*. But it is doubtful this corporate chest beating is instilling much confidence in investors and customers given that these gains are coming on the heels of great, extended losses.

Messaging will be most effective when it is tailored to specific markets and audiences by providing precise value propositions. Successful outreach in the 2010 market will leverage focused channels such as local newspapers, micro sites, affinity Web sites, social media attached to defined and receptive audiences, exclusive executive conferences and networking events (read: small) that include customized messaging and follow up.

Better days are at hand. Nothing, however, is guaranteed. So think tight: aim small, miss small.

SPENDING ON U.S. BUSINESS EVENTS WILL FALL ALMOST 13 PERCENT IN 2009.

– U.S. Travel Association

TIME TO MAKE HAPPY

It is not only hard to feel good when you're sad. It also makes for pretty bleak business prospects. This has never been more apparent than during the Great Recession when it has been very tempting to stand still, not invest in future opportunities and just get through each month in hope you're still in business or at least employed. The approach was so tempting, in fact, that many brands

“How come ‘fat chance’ and ‘slim chance’ mean the same thing?”

– Ziggy

tried to empathize with the economic plight of just about everyone by delivering a “hang on for dear life – we'll all muddle through somehow” message. Unfortunately, as the great Henry Ford once said, “You can't build a reputation on what you are going to do,” Nor can you build a business by simply empathizing with troubled consumers – we suspect Mr. Ford would have added.

Expect Corporate America to come to grips once again with the power of positive messaging in 2010. That's more than good marketing.

It is good business sense. Ron Jaworski, former NFL quarterback, made the point perfectly when he said: “Positive thinking is the key to success in business, education, pro football, anything that you can mention. I go out there thinking that I’m going to complete every pass.”

NINETY PERCENT OF BUSINESSES REPORT THEY’LL SPEND MORE ON VARIOUS OUTREACH INITIATIVES IN 2010.

– *Print in the Mix* survey

No one is suggesting unbridled spin of course. But thoughtful and confident messages, demonstrating leadership and offering positive vibes are all on the marketing menu for the first half of 2010 to motivate customers, employers and partners alike. That’s good news, right?

WORN OUT IN THE RECOVERY?

Clothes don’t necessarily make the man or woman. And well-dressed employees sure don’t guarantee companywide success. But as corporations, clients and potential

targets tentatively emerge from the nightmare of the Great Recession – they are increasingly drawn to professionally dressed associates to do business with them. That shouldn’t be surprising or overlooked because what’s more likely to instill confidence – someone well dressed or an individual boasting an untucked shirt, ripped jeans and rumpled blazer.

The importance of professional attire isn’t lost on the nation’s leading business schools, many of which dedicate sizeable portions of their Web sites to driving home this point. Recent surveys of Fortune 1000 executives and their clients also support the importance of a professional presentation. Management Recruiters International, for example, reports that more than one third (34.2%) of executives they polled think that business casual dress has gone too far, eroding respect and effectiveness.

Beyond this, the margin for error in misjudging the impact of your professional perception is tighter than ever. Research reveals that in less than 30 seconds new business associates make three basic judgments about a new contact

“The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.”

– Winston Churchill

based on their appearance. They determine their socioeconomic status, education level, and their desire to work with them.

Admittedly, a tailored suit, well pressed shirt and a pair of shined shoes isn’t going to make up for poor preparation, thin experience and a dearth of business acumen. But it does instill confidence and professionalism. Expect to see more starched shirts in 2010. ■

The Salak Group is a focused strategic communications company that works with organizations worldwide to achieve their business development goals. Our clients enjoy a high return on their communications investment because wasted effort is eliminated; effective programs and tactics are developed and deployed; and competitive positioning issues and international cultural hurdles are addressed. The firm’s messaging, media, executive networking, event planning, custom publishing, design and development initiatives are supported by in-depth research.

SCHEDULED REPORTS:

StratComm 2010: TSG’s annual survey of executives designed to identify critical issues and trends in strategic communications.

Media Matters 2010: TSG’s inaugural research program on how media and broadband entertainment leaders determine their “success” in delivering news, information and content.

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