Chapter 11

How to Promote Your Personal Brand in Tough Economic Times

It's a recession when your neighbor loses his job; it's a depression when you lose yours. —Harry S. Truman

If you think you have it tough, read history books. —Bill Maher

Energy and persistence conquer all things. —Benjamin Franklin

Competition is always a fantastic thing, and the computer industry is intensely competitive. Whether it's Google or Apple or free software, we've got some fantastic competitors, and it keeps us on our toes. —Bill Gates

BRING IT ON. —Graffiti on a New Orleans street in preparation for Hurricane Gustav

Life isn't always smooth sailing; the same is true in business. In life, karma catches up with us sooner or later. We are rewarded or punished with unerring precision according to our past actions. Similarly, business rewards the diligent and innovative entrepreneur and worker. It also punishes slackers. It is an inescapable truth that sometimes business climates become a bit Darwinian, weeding out the insincere and inefficient, and only the strong survive. Tough economic times make the going difficult for businesses indulging in extravagance and characterized by hubris. Businesses that have been delivering low-quality products or adhering to dishonest business practices are taken down ruthlessly by tough market conditions and the competition. At the same time, these difficult times bestow ample rewards upon businesses that are ethical, hardworking, and sincere and that offer quality products and services.

Recession, inflation, and other economic factors can make market conditions tough. Of all these, recession is the hardest to handle. Difficult times test the mettle of business owners and employees. Only those with emotional and mental resoluteness and resilience come out with no or minimal damage, and they can actually prosper.

The prescriptions for maintaining a healthy and profitable brand in difficult economic times are similar to those for maintaining equipoise in a personal crisis. They may not guarantee a strong personal brand for everybody in tough economic situations, but they can help take most brands in that direction. These measures for maintaining healthy brands in difficult economic times are culled from real-life experiences and examples. They are not intended to give mere solace. They are meant to see us through the tough times and keep our brands strong. In fact, economists and business strategists regard these measures as powerful recession fighters.

Thriving During Recession and the Birth of Mickey Mouse

History has proven that the human spirit is indomitable and no setback can check the onward march of our civilization for long. We have overcome wars and economic depressions. Businesses and brands have survived, and some have even thrived during recessionary periods. In fact, some of our great modern architectural wonders were planned and completed during recessions. The Golden Gate Bridge and the Empire State Building, two great symbols of American architectural excellence and economic prosperity, were built and opened for public use during the Great Depression. GE, Disney, and Microsoft were all started or expanded during a recession.

Although GE was started in 1878, it only became commercially operational a few years later, when the U.S. economy was reeling. The stock market had collapsed, precipitated by the failure of the Reading Railroad and the withdrawal of European investments. The company remained unruffled even during this depression. One of its scientists, Irving Langmuir, in 1932 became the first industrial chemist to win a Nobel Prize in surface chemistry. GE developed innovative plans to cater to consumers in a difficult economic environment. For example, it created the GE Credit Corporation to help customers finance purchases of GE appliances. The aim was to meet American families' growing needs for electric items. With consumers having less disposable income, the idea of buying electric goods on credit and paying for them over time was welcomed. Additionally, GE launched an electric washing machine, formed a new division for plastics, and broadcast its own TV programming three times a week. The company was clearly looking forward: it was diversifying its brand and forging ahead undeterred by economic conditions. It was not blind to the depression. By adjusting its brand to the economic conditions and prevailing mood of the nation, however, it thrived.

Disney was formed in 1923, and the adorable Mickey Mouse character was born in 1928. Mickey Mouse grew immensely popular in the 1930s. Was the funny character an antidote to the gloomy economic mood? Definitely yes. And in a time when many cartoonists, draftsmen, painters, and other artists couldn't find work, some were offered steady employment at the Disney studio. Disney was a happy place, and their creations, especially Mickey Mouse, reflected unflagging good cheer and intense resourcefulness.

Mickey Mouse's humble barnyard origins and ability to make do with anything at hand appealed to Americans faced with hard times. The onscreen antics of Mickey Mouse and other Disney characters made movie audiences roll with laughter. These characters depicted the resilience of people in times of privation. Disney reminded Americans of a talent that they had nearly forgotten about—the ability to laugh in tough times. The Disney studio churned out one funny animated movie after another. They proved to be cathartic at that time, as they mirrored the prevailing conditions and showed ways to face adversity with optimism and humor. Nothing was more remarkable than 1933's *Three Little Pigs,* in which the pigs vanquished "the big bad wolf at the door." The taunting theme song, "Who's Afraid of the Big Bad Wolf?", composed by Frank Churchill, was a chart buster, voicing people's resolve against the "big bad wolf" of the Great Depression. The movie achieved phenomenal success, playing to packed houses for months, and the song became something of an anthem of the Great Depression.

Walt Disney became a household name during the 1930s. We can see that his meteoric rise was actually possible because of the economic depression. People want to laugh more when times are tough, so they can forget their woes for a while. The Disney brand provided that release. His cartoon characters helped rescue America from the morass into which it had fallen. In return, Americans have given him and his creations an iconic status and extended unwavering loyalty towards the Disney brand.

Microsoft started off during the 1973-75 stagflation caused by soaring oil prices and heavy government spending on the Vietnam War. The company grew in the face of the 1979 energy crisis, the recession of the 1990s, and the dot-com bust of the early 2000s. Even during the recession that began in 2008, Microsoft still made profits. In the first quarter of 2008, the company earned revenue of $15 billion, an increase of 9.4 percent over the earnings of the corresponding quarter in 2007. Earnings in the holiday quarter saw a spike of 30 percent, attributed largely to the solid sales of the Xbox 360.

During a recession, people are more likely to cut back on high-ticket items such as vacations and cars. Microsoft's bet on the Xbox 360 was based on the idea of allowing families to have quality time and entertainment together on the cheap. The company says that the Xbox is recession proof, and many business analysts agree. Imagine a substitute for a vacation that costs only $200-$400 and provides more hours of entertainment per dollar than any other form of entertainment. Gaming, karaoke, and streaming videos—any family gathering can be turned into a party with these features. Nearly 81 percent of families with children are keen on being entertained at home, and the Xbox aims to do that. People at Microsoft are sleeping well at night, assured that their brand is shining brighter than ever before even during tough times.

So what lessons do these resilient brands teach us? The mantra is hard work, optimism, and a sense of humor. Add to those the ability to identify the indispensable needs of consumers when the economy is slow and to meet those needs innovatively. Consumer needs are different in tough economic times. If your brand targets those needs, then it will not only survive but thrive. GE realized that people do not stop washing clothes because times are tough. Their foray into selling washing machines and other appliances, with the help of GE Credit, met the needs of people who suddenly had less disposable income. People also would like to have some entertainment to keep their attention away from the economy. GE's venture into TV programming delivered that entertainment.

Refocus your brand to keep getting business during tough times. Your brand should be in line with consumer demand in such times. As Michael J. Swanson, an economist at Wells Fargo Economics, said, "Having the right attitude and fortitude trumps any forecast or plan." That's as good a strategy as any.

Don't Cut Jobs—Cut Waste and Costs

Businesses given to Lucullan ways find it hard to survive when things become difficult. Extravagance has no place in an economy that is in a tailspin. All wasteful spending must be cut back. Businesses tend to consider their employees expendable when they need to cut costs, but they should try to avoid slashing jobs. First their executives should stop traveling in private jets, for example. Recently, Congress and the public strongly disapproved when the CEOs of the major car manufacturers flew to Washington in personal jets to seek bailout money for the auto industry. In a time when business is down, the highly paid CEOs should curb unnecessary expenditures. They also should forego annual incentives and bonuses that run into the millions of dollars.

Parties and celebrations can cost a substantial sum of money. Keep these events to a minimum. And showering lavish gifts on staff during Christmas and other holidays is a thing of the past in the corporate world. Especially during a recession, the staff will understand if the company does not distribute expensive gifts for Christmas.

Business owners and executives should consider staying in budget hotels, as ABC News started doing. Traveling for business can be very expensive. The airfare, hotel bills, food bills, and taxi fares can be staggering. In tough times, travel only when it presents an earning potential or it's an absolute must. Stay in cheaper hotels and ride in taxis instead of limousines. When the media flashes the news "CEO Stays in Cheap Hotel to Save the Pink Slips," what will it do for your brand? What will investors in your brand feel? Your brand will get heartfelt appreciation and unprecedented mileage. Investors and customers will view your brand as responsible and committed. On the other hand, splurging will be scorned. AIG was severely scolded in a hearing before the House Oversight and Government Reform Committee for its alleged fat-cat ways even after receiving an $85 billion lifeline from the government. AIG General, the insurance division of AIG, has done well despite the recession. But having a weeklong retreat for its top sales executives at the St. Regis Resort in Monarch Beach that cost $442,000 was roundly denounced. Former AIG chief executive Martin Sullivan took heat for this, as documents proved that the company spent $150,000 on food and $23,000 on spa services. More than the costs, it's the attitude of the company's top executives that has damaged its brand reputation.

The number of meetings and conferences should be reduced to the bare minimum in a bad economic climate. Normally, meetings are hosted in swanky hotels in lavish settings and include gourmet lunches and dinners. Virtual meetings and conferences are perfect money- and timesavers. You can even reduce your phone bills by talking to your colleagues and clients on many of the free or low-cost VOIP telephone systems.

If you have moved your small business from your garage to a building recently, go back to your garage to save on rent and gas bills spent on commuting. Hire staff on an hourly or contract basis. Contract work will save you health-insurance costs. Encourage new hires to work for you from their homes in a virtual-office setup. There are many competent people willing to work for lower wages when given the opportunity to work from home.

A spa chain realized that big bucks were being washed down the drain when hairdressers used gobs of shampoo instead of a little dab that would suffice for each client. When the total was calculated, something small amounted to something expensive. Similar economies can be applied to every business. Just switching off lights at proper times and avoiding the use of energy-consuming equipment can save a lot of money annually. The only caveat is that the employees need to be asked first. They know dozens of ways to cut costs, so ask their suggestions, instead of hiring a market-research company. Get closer to your employees. They will tell you how to improve efficiency.

Customer behavior changes during a recession. Ask your frontline employees about customer sentiments and expectations. Will they cooperate? Of course. They will be glad that you asked and wonder what took you so long.

A recession is the time to protect your employees, not show them the door. Save their jobs, and they will go the extra mile to help you stay profitable. Share whatever profit you make with them. They deserve a piece of the action. If it becomes essential to cut wages to bring them in line with current market rates, do it, but let them have their jobs. Explain your position to them. Assure them that, once things improve, you will restore the old pay scales, and maybe you will pay even more. They will appreciate the fact that you kept them employed when job cuts were the norm. Together you can weather the storm.

Employees' Brands in Tough Times

Similar to business brands, employees must brace themselves for tough economic conditions. The first reaction of many businesses to difficult economic times is to cut jobs. This, however, is one of the main reasons for a deepening recession. Only those employees who prove that they are indispensable to the organization will keep their jobs. Employees must do everything they can to prove their worth in order to avoid the axe. Have ready a detailed report of your performance for the last two quarters. Keep communication with senior management open. If you are going to be sacked, they will give you enough of a hint or even outright advice to start looking for a job elsewhere. It is much better to seek work when you are still employed.

Negotiate with your employer to keep your job with a voluntary reduction in hours and/or wages. Maybe it will work out. But if you have lost your job, start networking furiously to get another one. Settle for a lower salary with better benefits. This is not the best time to bargain.

How Much Cost Cutting Should You Do?

Cost cutting is a natural response to tough economic conditions. The problem with many brands, however, is that they cut costs so much that the brand almost withers. Cut costs reasonably, and do not make the mistake of cutting meaningful advertisement and PR investments. In fact, this is the time when you should spend well on advertising. When others are fading away, you can shine brightly and get noticed. Any spending that could contribute to sales and result in profit should be encouraged. The mantra is not spending less but spending smart.

The chocolate producer Cadbury kept its advertising budgets high during World Wars I and II, while others had few or no advertisements. It wasn't such a popular brand before the wars, but in the postwar period, it was as if the only chocolate that people knew was Cadbury.

Advertising on the Internet instead of buying TV spots or newspaper space can save thousands of dollars and at the same time reach your target audience better. People will be more inclined to surf the Internet than watch TV and be bombarded with gloomy news over and over again. In addition to the regular Internet surfers, in tough economic times, a lot of people will be spending more hours on the Internet searching for jobs or business opportunities. Thus a brand has a better chance of getting noticed on the Internet during a recession. It's an ideal time to advertise on job boards, business-resource blogs, networking Web sites, affiliate marketing Web sites, and sports Web sites.

Back to the Basics—Put the Customer First

You are in business because of your customers. Create a genuine atmosphere and culture in your organization, so that the customers will feel that they are really wanted and welcome. They should be convinced that you understand their needs and have developed products and services to match their requirements. Customers should perceive your brand as the one that understands them. Do these ideas sound like business basics? They are, because fighting a recession means digging deeper and getting back to the basics. A recession shakes out brands that have lost touch with the basics of business.

Going back to the basics includes providing the best-quality product or service possible. The monster of recession easily gobbles up brands that are not known for quality. Add value to your service. Deliver what you promise. Be sure that you are following all the basics of business and following them perfectly. Brands that do this will find themselves securely positioned against any adverse conditions.

Improve Customer Service

Excellent customer service is a powerful recession fighter and brand builder. In tough economic times, your clients are cutting back too. For you to keep their business, you have to have a rock-solid relationship with them. Your customers expect immediate attention and service when they spend their precious dollars on your product or service. Instead of putting them through a time-consuming and annoying "press 1 if you want this and press 2 if you want that" process when they call your customer-service department, send them straight to live customer-service representatives who can take care of their problems. A human voice that answers within a short time is very reassuring to customers who have complaints and are dissatisfied with the product or service. People want to be heard. If you don't hear out your customers, they will go and tell twenty people or maybe thousands through blogs and forums. That is bad for your business and your brand.

The last thing that you want is dissatisfaction with the customer service itself. The customer-service staff should be retrained and educated about their roles in tough economic times. Announce incentives and promise job security to good performers. Non-performers should not be tolerated. This is a time when jobs are scarce, and people who do not value their jobs should make way for people who are willing to put in extra effort. It's simple.

This is also the appropriate time to win over unhappy customers with unexpected gestures. Replace faulty products with new ones and offer gifts or gift vouchers to dissatisfied customers. They may realize that you are doing it because of the recessionary conditions but will appreciate the gestures nevertheless. We know that it is five times costlier to acquire a new customer than retain an old one. So a gift or a replacement shouldn't be much of a problem for you if it makes an existing customer happy. In return, you will be assured of long-lasting loyalty.

Connect to your employees and existing customers better. They can expand your network and help you sell more.

Unite and Focus on the Larger Goal

This is no time to squabble with your competitors. When overall consumer spending is low, it makes no sense for small businesses to fight over fewer opportunities. Rather, you should unite and focus on the larger goal—bringing customers back to the market. If you do not have the specific product or service that a customer wants, and know that your competitor does, then help the customer with that information. The customer will be impressed with your attitude and so will your competitor. Chances are that your competitor will return the favor, and the customer will think of you first when she needs a product or service that you do offer. When spending slows down, such cooperation can boost the market size.

This reminds me of a wonderful example. I stopped at a drugstore to buy some Kleenex and medicine. It had what I needed except for one particular medicine. The owner asked me to wait for two minutes and sent his assistant to fetch the medicine from an adjacent drugstore. I was surprised that a competing shop would help in such a way, and that the first shop would seek such help. Maybe they are related or are family friends, I thought. Curiosity got the better of me, and I decided to find out for myself. After I inquired with the owner, it became clear that the two owners were neither friends nor relations. They were just doing business, and it made sense to help each other so that customers would not go to the big drugstore a few streets away. Many customers from the area who regularly visit one of the two stores do not go to the big store. They know that if something is not available at one store, it will be fetched from the other. They get all the big-store advantages in either one of the small stores.

When you cooperate with your competitors, they become more like your networking partners. It can be hard, but it's not impossible to do.

Recent Recession Success Stories

Strong brands do not make excuses. They perform. A recession need not mean that you will not make profits. Many savvy entertainers and businesses make more profits during a recession than they ever make when times are good. It's true. Not every industry gets affected equally. Banking, finance, and housing are the sectors that took a solid blow in 2008. Higher education, entertainment, luxury goods, and advertising also took a hit. Food and healthcare, however, were not affected as much. Businesses such as collections, legal services, and accounting services actually saw a rise in business. Even if your brand doesn't belong to these lucky categories, you can still keep your profits high.

Sure, the volume of business with each client will decrease as they will have less money and be less willing to spend what they do have. You can offset this by having more clients. The math is simple. It's easier said than done, but it's not impossible.

Despite the recent recession, strong brands made progress. General Electric's brand worth grew by $10 billion. Jim Stengel, former CMO of Procter & Gamble, strongly believes there are many opportunities in a downturn. He has no fear that consumers will prefer private-label versions of P & G's products as long as P & G gives customers value with their products.

Perhaps the biggest of all recession success stories is the story of Walmart. The retail-store chain was started in the 1970s. In the early 1980s, during a major recession, Walmart was regarded as a regional chain, with only 300 stores in the Southwest. It grew during the recessionary years of the 1980s and 1990s to become the world's largest retailer. Now it has 4,000 stores spread all over the country.

While other retail stores are in freefall and fighting to keep their brands alive, Walmart continues to thrive. Market analysts even named Christmas 2008 the "Walmart Christmas." Its basic policy of "low costs" is bringing in customers. This is exactly what Sam Walton had in mind when he started the company—to make available products at the lowest price possible. In the fall of 2008, the retail giant was registering a sales increase of 2.4 percent every month. In normal times, this figure may be insignificant, but this growth is noteworthy in the face of a slow economy and at a time when other retailers were experiencing double-digit declines in sales.

In a trying time, Walmart opened its Christmas Shop, an area within its stores catering to Christmas shoppers. It offered packs of Christmas-tree ornaments for only five dollars. Walmart has stuck to its brand image of a retail chain that offers the "lowest price." Policies such as labeling all employees "associates," "coaching" and not disciplining poor performers, and terming managers "servant leaders" have been key to the success story of Walmart. Although it has faced many controversies, including the alleged preference of men over women as employees, it still has emerged as a winner by sticking to its core brand value.

Soar Like an Eagle

Eagles soar high and fly right into storms. They let the turbulence lift them to heights few of us will know. You can be like them, but you will need to have the courage to do so. You can let tough economic times push your brand value sky high.

A recession is not all that bad if you have plenty of capital. You can buy businesses and assets that are being sold at rock-bottom prices. Invest in stocks that are selling very low but have a future. Bearish markets are a boon for nimble investors. You will reap the benefits once the economy picks up. Many astute businesspeople and entrepreneurs are investing time, energy, and money to build and enhance their brands.

Brad Sugars, an executive coach and author, built a 20,000-square-foot home in the Las Vegas suburb of Summerlin, thanks to the dirt-cheap prices. A bad economy is also the time to hire the best talent at affordable rates. With job losses, A-class professionals are willing to work for less. This is the time when you can augment your workforce with top-notch personnel.

Keep an Eye Out for Government Projects

An increase in public spending will give rise to more government projects. As the Federal Reserve pumps more money into the economy to tackle a recession, a lot of government projects will be up for grabs. Target them if you have a brand that deals directly or indirectly with such projects. For instance, a company dealing with constructing roads and government buildings can win a contract to construct a public building. If you are a supplier of building materials, you can pitch your products to the construction company. Be alert and keep an eye out for government spending. Some of it might reach you.

Look Overseas

Not all countries are equally affected by recessions. While our nation may be the worst hit, countries such as India and China may not feel the full impact. Looking for business from these nations can keep your brand healthy. Caterpillar, the construction equipment manufacturing company, got huge orders from Russia to Dubai in 2008. Australia and Brazil ordered earth-movers that they required to expand their mining operations. When local markets are drying up, brands can look overseas and flourish.

Attitude Is the Key

In the final analysis, it is your attitude that keeps your brand going in difficult times. Whether you are an employer or employee, you must be diligent, ethical, optimistic, and cheerful. Have the mental attitude that tackling tough times is easy. You may have to develop new strategies and change the way you operate, but you have to keep going if you genuinely believe in your product or service. If you can lie low and keep working, soon the clouds will clear and you can rejoice in the sunshine again. As Franklin D. Roosevelt, the president who saw us through the Great Depression, said, “We must have calmness and faith. And we must work hard and smart.”