

## Marketing in a Recession

by Ross Fishman

**Summary:** In a recession, many firms reduce the marketing activities that build their reputations. Resist the temptation -- a declining economy is the perfect time to leapfrog the competition. Organizations that increase their marketing when competitors are cutting back can grow market share and ROI at lower cost than during more robust times. Your 2009 marketing goal shouldn't be to maintain your current position; it should be to *dominate* your market and come out the other end in a much stronger position -- as a market leader.

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At least they're being honest this time.

Around 1987, the economy was in the tank and firms with significant real estate or corporate practices had to cut lawyers-- primarily fungible general associates and overpaid partners without enough portable business. Not wanting to appear financially troubled, many firms disingenuously declared mass terminations to be "part of the annual review process." That is, they preferred to declare their friends down the hall to be sub-par rather than admit that in a declining economy, law firms simply need fewer transactional lawyers. It was disgusting.

We're in a similar economic situation today, but firms have gotten used to culling the herd to prop up profits-per-partner: "Hey, it's just business. You're fired. Good luck." And when prominent firms like Heller Ehrman and Thelen start crashing down around us while others are teetering or terminating associates by the dozen, it's time to take a tough look at your firm and figure out where you want to be in two years.

Some would advocate getting closer to the client -- engage in more sales- or business development-oriented activities. That's a great idea -- lock in your most important

relationships; focus even more effort on the top 20 percent, the clients you can't afford to lose. Use the stagnant economy as the justification for opening new conversations and finding ways you can help them through the tough times ahead. Drag your lawyers out of the office to visit clients. But we need both sales- and marketing-related activities to manage a declining economy. Let's focus here on the marketing part.

### A Battle of Attrition

Back in 1987, law marketing was still in its infancy. Lawyers were just getting used to the idea that law was becoming a business, as well as a profession. Many firms resisted the change. Many folded. Most of today's managing partners have not led firms through such troubled times. When an economy is expanding, even bad management decisions can look like genius. In a declining market, those same decisions can be disastrous.

Your 2009 marketing budget can go one of three ways: up, down or sideways. Facing next year's uncertainty, many firms will cut expenses to the bone, disemboweling marketing and other administrative departments, while cutting "surplus overhead," *i.e.* lawyers. This is especially true in transactional firms that do not have a

surging litigation department to offset the declining revenue. They hope to cling to survival by their fingernails. Many won't succeed.

Other firms, often full-service firms where litigation and bankruptcy have grown just enough to cover the decline in deals, are planning to hunker down and wait it out -- no extraordinary spending, postpone discretionary projects, just retain the status quo for one more year and hope to ride it out. It seems the safe approach.

A select group of firms have the type of strategic leadership that recognizes a declining economy as the best opportunity to grow. They know their competitors are retrenching. They see firms spending less on broadcast- and image-oriented marketing. They recognize the opportunities that exist and plan to exit the recession on top. They use this as a way to leapfrog the competition. Those firms are planning their attack, intending to conquer the marketplace.

I'd suggest that your 2009 goal shouldn't be to maintain your position in the middle of your field; it should be to *dominate* your market. *Attack*.

Smart warriors don't seek protracted battles with competitors of equal strength on a level playing field. A battle of attrition without a clear path to victory wastes precious resources. The time to charge is when your competitors are weak or aren't defending their positions effectively. The best opportunity for victory is when your opponents are anxious, or warehousing their weapons or looking inward. That opportunity exists *today*.

Now is *not* the time to cut back on advertising, it's the time to get aggressive. Bolder strategies. Better creative. Stronger visuals. More focus. Corporate America has long known that brands that increase their advertising when competitors are cutting back can grow market share and ROI at lower cost than during more robust times.

- Hungry publications are more willing to negotiate rates, so lock them in for several years. With fewer advertisers, magazines shrink in size but not circulation, so your ad gets more visibility with less effort. That is, it's easier to gain attention in an 80-page magazine after it has withered to a thin 20 pages.
- Of course, with fewer pages to fill, public relations becomes more difficult because the magazines write fewer stories. You must work harder to get into print when fewer bylined articles are getting published.
- Now's the time to ratchet up your branding efforts. Market leaders do much better than the look-alike firms further down the ladder. If you're not already a market leader in something, figure out what you can lead the market in and execute that plan.
- Radical change creates opportunity for new players. You may not steal the obvious work from the market leaders, but smart firms can identify new issues or opportunities in areas where the big firms or other established players haven't locked in the historical work. Be creative and proactive.
- Find something to stand for and *do it*. Identify a recession-resistant industry you can own, and invest a disproportionate amount of your budget becoming the best-known firm in that industry.

- Individual lawyers need to think about their own marketing in a similar way. When “Nightline” needs a First Amendment lawyer, who do they call? Floyd Abrams or Alan Dershowitz? These guys own an entire *amendment*. What can *your* lawyers own, in a less grandiose way? What profitable slice of the law or business can you be known for?
- When a CEO is creating the short list of lawyers or firms who do X, when does your firm’s name routinely come up? Are you the automatic top three in your community? Once you’ve figured out what you’d like to dominate or be known for, the marketing plan to accomplish that becomes relatively straightforward.

At *that* point, you know precisely what you need to do, where you need to do it and whom to do it for. You know what seminars you need to hold, what articles to write, what speeches to give, what magazines to advertise in, whether you need a targeted Web site or blog and what they should say.

We’ve all heard the motivational-speaker canard that the Chinese ideogram for “crisis” is composed of two characters signifying “opportunity” and “danger.” We are to infer that a crisis provides an opportunity for growth and change as well as the danger of stagnation or indecision.

Although the story is apparently false, today’s economic crisis does create tremendous opportunity for bold leadership. Now is the time to plan your domination, and your 2009 budget must reflect those decisions. This is a conversation to have with your managing partner. Most won’t get it. Some will.

Hang on and try to enjoy the ride, it’s going to be a bumpy year.