



A GLOBALSPEC **WHITE PAPER** FOR  
ENGINEERING, TECHNICAL AND  
INDUSTRIAL MARKETERS

## **Preparing for Economic Recovery:** How Industrial Sector Companies Can Successfully Emerge From the Downturn



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## Executive Summary

It's true that during difficult economic times, many companies are unable to increase their marketing investments or are forced to cut marketing spending. These tough decisions put those companies in a difficult position because they may lose market share or have greater ground to make up as the economy improves.

The important question during a downturn isn't whether or not the economy will recover—it will; it always does. The important question is whether your company will be in position to surge when the economy begins to grow again. To a large degree, the level of your success will depend on your marketing efforts and capabilities: what you have done during the downturn and what you put in place now to win business during the recovery. You will need to make strategic decisions about choosing new media, entering new markets, and positioning products.

Success will also depend on the timing of your efforts. Now is the time to establish marketing plans for the recovery—formulate strategies, design campaigns, make media choices, justify expenditures—so you are ready to go with an approved marketing plan when your company's budgets open up and you have marketing funds to invest.

But you must remember that as you plan for the future you will not be able to return to the old ways of marketing. Your customers and prospects now go online first to locate products, services and suppliers. And the demand for marketing accountability and measurement is stronger than ever. Both these trends were well-documented before the economic downturn hit, and they will continue to be more important than ever as the economy recovers.

That means marketers must choose an appropriate mix of targeted online programs that complement their traditional marketing efforts, offer measurability and ROI, and provide evidence to support marketing decisions. Only in this fashion will industrial companies be able to emerge from the downturn in a strong position to win business.

*Competition for customers is only going to increase as the economy recovers and companies hungry for new business compete aggressively.*

*Develop marketing plans now and get them approved so you are ready to go when budgets open up.*

*Make your first marketing targets the industrial sectors that held up best during the downturn or are recovering fastest.*

## Recover from Marketing Cutbacks

If you were forced to reduce your marketing exposure during the downturn, it's essential that you regain momentum early and quickly as recovery begins. Your visible presence in the market through sustained and frequent marketing will give your company a jump start before the market becomes overcrowded with messaging from competitors. Then, as demand begins to increase, you will have an advantage because potential customers will have been continually exposed to your messaging and have an affinity to work with you.

If you did cut back, you likely need to do more now to catch up. You will need to remind customers and prospects that you are here, a strong and viable company ready to serve their needs. Even if you did maintain marketing during the downturn, you must continue or increase your marketing efforts because the competition for customers is only going to increase as the economy recovers and companies hungry for new business compete aggressively.

## Plan Now to Ensure Success

A typical marketing cycle looks something like this: establish marketing strategy, identify marketing objectives, define target audience, research media options, conceive campaigns, calculate costs, craft messaging, gain executive endorsement and marketing funds, execute campaigns, measure effectiveness, refine tactics.

As every marketer knows, that's a lot of work. If you save it all until budgets open up and your company is ready to invest more in marketing, you'll end up scrambling to put together marketing plans and seeking budget approval. By the time you actually get out there in the market, you'll be well behind competitors who got an early start.

That's why it's imperative to get as much of the planning work done now. Here are two guidelines to help accelerate your planning process:

**Decide which markets to attack first.** Some industries will recover faster than others. According to the August 2009 Manufacturing Institute for Supply Management (ISM) Report on Business, 11 of 18 manufacturing sectors reported growth when comparing August to July. Those sectors include: Textile Mills; Apparel, Leather & Allied Products; Paper Products; Miscellaneous Manufacturing; Printing & Related Support Activities; Computer & Electronic Products; Transportation Equipment; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; and Chemical Products.<sup>1</sup>

In addition, some sectors have been less impacted by the economic downturn than others. Biotechnology/pharmaceuticals, utilities/energy, aerospace/defense, and packaging machinery have fared better than most industries.<sup>2</sup>

<sup>1</sup> "August 2009 Manufacturing ISM Report on Business."

<sup>2</sup> "GlobalSpec 2009 Economic Outlook Survey: How Industrial Companies can Succeed in the Current Economy."

*This is a good time to explore possibilities with new media partners. Some of your traditional media outlets may not even exist now, and many of them are no longer effective.*

These sectors might be good first targets, if your company's products and services are a good fit. You may need to re-purpose some of your marketing materials to focus on the needs of these industries or seek out marketing options that target these specific sectors. Get started on that work now.

Keep in mind that not only will certain sectors recover faster, but certain geographic markets will recover faster as well. Today's industrial economy is a global economy, and you should seek out opportunities where they exist. Don't limit yourself regionally unless the nature of your business dictates that you do. The Internet makes it easy to find and be found by target customers anywhere in the world.

- **Evaluate potential media partners.** If you had cut back on marketing during the downturn, you may have lost touch with your media partners. Some of your traditional media outlets may not even exist now, and many of them are no longer effective.

This is a good time to explore possibilities with new media partners. Be sure to ask them these questions:

1. Do they have the attention of the target audience you are trying to reach, in both existing and new markets?
2. Can they keep your company, products and services visible to customers and prospects at all times?
3. Do they offer a variety of integrated marketing programs that align with your marketing objectives?
4. Do they deliver targeted, quality leads with full contact information?
5. Do they provide reporting you can use to measure the performance of your marketing and justify your marketing investments?

Once you have lined up potential media partners, work with them to put together a program that will help you accelerate lead generation and branding visibility as you ramp up your marketing efforts. Have the program designed, approved and ready to launch when marketing budgets open up.

## It Won't Be "Marketing as Usual"

If there's one big lesson for marketers in this downturn, it's that old forms of marketing will not perform well and will not be tolerated. Avoid this critical mistake: don't go back to the same old way of doing things.

As a marketer, you must be prepared to think differently about your approaches to connecting with customers, prospects and markets. Even before economic problems hit, marketing was trending away from traditional media such as printed trade journals and in-person trade shows, and towards online media such as online search, e-newsletters, virtual events and banner advertising. Your audience has already migrated online, and will continue to stay online as the economy recovers.

### Evidence of the shift online

Here are a few statistics that demonstrate how the behavior of your customers and prospects has changed:

- More than 80 percent of engineering, technical, manufacturing and industrial professionals use the Internet to find components, equipment, services and suppliers, and to obtain product specifications. 73% spend three or more hours per week on the Internet for work-related purposes. Your audience is online; you need to be there to connect with them.
- Four of the top five resources that technical professionals use when searching for products, services and suppliers are online resources: General search engines, online catalogs, supplier Web sites, and GlobalSpec. The only non-online source to make the top five is "peers/colleagues."
- Engineers and other technical professionals prefer e-newsletters to printed trade magazines as an information source. Over the past 12 months, 30% have reduced their use of printed trade magazines, continuing a documented trend over the past several years. However, 56% receive three or more e-newsletters, and 46% read e-newsletters at least daily or several times a week.

<sup>3</sup> GlobalSpec 2009 Economic Outlook Survey.

<sup>4</sup> GlobalSpec 2009 Economic Outlook Survey.

<sup>5</sup> GlobalSpec 2009 Economic Outlook Survey.

## Trade Shows and Traditional Advertising are Suffering

- According to the *2008 Tradeshow Week Exhibition Management Survey*, trade show attendance dropped in excess of 25%.<sup>6</sup> These declines have been contributing factors in a number of national shows becoming regional, and some shows combining with others.

Overall, the trade show industry has been continuously trending downward the last few years, with a more precipitous drop late 2008 and into Q2 of 2009. The *Tradeshow Week Quarterly Report of Tradeshow Statistics* reported a sharp decline in Q2 2009 in two indexes it tracks: attendance was down 10.4%, and the number of exhibiting companies decreased by over 13%. Both of these indexes showed declines from Q1 2009.<sup>7</sup>

On the other hand, with travel budgets and in-person trade shows on the decline, virtual trade shows—hosted completely online—are on the rise. Two major providers of trade show services report record growth this year.<sup>8</sup>

- The number of ad pages in printed business publications continues to plummet. Total ad pages in business-to-business (B2B) publications fell more than 30% in the first half of 2009 compared to the same period in 2008, with some publications suffering more than 50% decline in ad pages.<sup>9</sup> And virtually every title tracked by Interactive Media Services showed losses of 20% or more in ad pages for Q1 2009 compared to Q1 2008.<sup>10</sup> The subsequent loss in revenues has led to some B2B publishers trying to sell their print publications, but few are finding buyers. Other publications are reducing publishing frequency.<sup>11</sup>

However, this decline in ad pages and revenue is not a new trend: due to the migration of your audience online, the printed advertising industry was struggling even before the economic recession struck.

<sup>6</sup> "Show Size Down, New Media Marketing Up," Kerri Zerlin, *Tradeshow Week*, 12/08/2008, <http://www.tradeshowweek.com/article/CA6619280.html?q=National+Manufacturing+Week+attendance>.

<sup>7</sup> "Double-digit Declines Still Part of Life in Q2," Marjorie Galas, *Tradeshow Week*, 8/10/2009.

<sup>8</sup> "Virtual Shows Find the Spotlight," *min's b2b*, June 22, 2009.

<sup>9</sup> "B2B Ad Pages Down 30 Percent," Eric Saas, *Media Daily News*, August 27, 2009, [http://www.mediapost.com/publications/?fa=Articles.showArticle&art\\_aid=112238](http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=112238).

<sup>10</sup> "Publishers in Sluggish Lockstep Heading into Summer," *min's b2b*, June 22, 2009.

<sup>11</sup> "B2B Ad Pages Down 30 Percent," Eric Saas, *Media Daily News*, August 27, 2009.

*Few if any experts expect the old ways of marketing and advertising to return.*

*Manufacturers are closely evaluating the performance of marketing programs, reducing or eliminating programs that don't perform well, and choosing marketing programs that are measurable.*

## If It's Not Marketing as Usual, What are Suppliers Doing?

Few if any experts expect the old ways of marketing and advertising to come back. Even advertising agencies themselves see the writing on the wall. According to AdWeek:

“Experts say agencies will not be able to simply return to business as usual. Some will be better positioned to grab a greater share of spending than others, say industry watchers, and those with the edge will be the ones that can optimize the use of digital media.”<sup>12</sup>

The article goes on to point out that post-recession marketers will “rely on a portfolio of marketing and media vehicles, allowing them to reach with greater precision and greater accountability than they ever had before.”<sup>13</sup>

On the supplier side, many manufacturers have already adopted the new reality of marketing. According to the recent survey, “Trends in Industrial Marketing 2009,” 30% of industrial marketers are reducing trade show attendance and 38% are reducing print ads. What is taking the place of these traditional media? 48% report that online marketing is a greater portion of their marketing budget in 2009 than in 2008.<sup>14</sup> In addition, three of the top four sources of leads for manufacturers in 2009 are online programs: company Web sites, GlobalSpec and e-mail marketing.

## Measurement and Accountability are Here to Stay

The measurement of marketing effectiveness was becoming a priority before the downturn. It commanded increased attention as executives demanded accountability from marketing, and measurement will remain a mandate as the economy recovers and marketing is the beneficiary of more investment.

Manufacturers recognize the need for marketing measurement and in a recent survey strongly agreed with this statement: “There is greater pressure to demonstrate accountability and return on marketing investments.”<sup>15</sup> Like most companies, manufacturers are loathe to invest marketing dollars not knowing what they are getting for their return, but the fact is that the effectiveness of print ads, trade shows and other forms of traditional marketing have always been difficult to measure.

<sup>12</sup>“Ad Biz Faces the ‘New Normal’,” Steve McClellan, AdWeek, August 3, 2009, [http://www.adweek.com/aw/content\\_display/news/agency/e3ia2224c3f78e5a3ce8f0edef5e540cd3d?pn=1](http://www.adweek.com/aw/content_display/news/agency/e3ia2224c3f78e5a3ce8f0edef5e540cd3d?pn=1).

<sup>13</sup>“Ad Biz Faces the ‘New Normal’”.

<sup>14</sup>“Trends in Industrial Marketing 2009: How Manufacturers are Marketing Today,” GlobalSpec.

<sup>15</sup>“Trends in Industrial Marketing 2009.”

*Whatever marketing programs you choose, make sure you can measure their effectiveness. This will allow you to see what works and what doesn't, as well as justify your marketing investments.*

In response to economic conditions, 69% of manufacturers will closely evaluate the performance of marketing programs and reduce or eliminate programs that don't perform well, and 53% will choose marketing programs that are measurable.<sup>16</sup>

The demand for measurement is also infiltrating the world of advertising agencies as clients have come to expect more accountability. Agencies will need a good understanding of measurable programs, know which ones will work for specific client objectives, and be able to deploy them for their clients.

### **Online Marketing is Measurable**

Online marketing has proven to be effective, and by its nature is measurable. Online programs are built around impressions, clicks and conversions—metrics which can be captured and then analyzed.

Take virtual events, for example. These online trade shows can track every move registered attendees make from the time they enter the digital door: which vendors they visit, time spent, materials downloaded, discussions and more.<sup>17</sup> Leads can be scored and prioritized according to their online behavior, helping an exhibiting company plan their response and convert more leads to customers. Compare that to a fishbowl of business cards collected at a trade show.

It's also easy to track the number of visitors to a Web page, the number of clicks on an online ad, and the number of visitors converted to leads for any online offer.

The key takeaway for marketers is that whatever marketing programs you choose, make sure you have tools to measure their effectiveness. This will allow you to see what works and what doesn't, as well as justify your marketing investments.

<sup>16</sup> "Trends in Industrial Marketing 2009."

<sup>17</sup> "Virtual Shows Find the Spotlight," *min's b2b*, June 22, 2009.

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## Online Marketing: Beyond the Basics

Your customers and prospects have long since migrated to the Internet to search out and locate products, services and suppliers. No doubt, you have an Internet presence as well. But at this point in the maturation of the Internet and its place in the business world, you need more than a company Web site to be effective online. You can't just drive anonymous clicks to your Web site. In other words, it's no longer Online Marketing 101.

To gain visibility into key markets, attract the attention of customers and prospects, and generate qualified leads that translate to legitimate sales opportunities, industrial companies today must deploy a portfolio of integrated, online programs that work together to achieve marketing objectives.

### A portfolio of online marketing

Consider these examples of effective online marketing programs:

- Targeted e-newsletter advertising delivered to a specific industrial audience of opt-in subscribers. Prospects click on your offer, such as a white paper or Webinar, and are directed to landing pages with conversion forms that generate leads.
- Searchable online catalogs of parts and components that deliver leads with full contact information and areas of prospect interest, helping expedite an appropriate response and increase sales opportunities.
- Robust listings in online directories and Web sites frequented by an industrial audience that can find your company description, technical articles, products, services and more.
- Banner ads distributed over targeted industrial Web sites that increase the visibility of your company and invite prospects to click-through to take advantage of offers.
- Participation in industry-specific online trade shows where you can chat and interact with prospects, and showcase your products and services, and in the end, have a list of every prospect who interacted with you and to what degree.

There are common threads running through all of these online marketing programs: they are targeted to a specific industrial audience and their performance is measurable—exactly what you need to put in place to be ready for the economic recovery.

## Emerging from the Downturn: A Six-Point Checklist for Success

1. **Build marketing plans and justify expenditures now.** Don't wait to hear that funds are available for marketing. Proactively plan your marketing efforts for the recovery and gather evidence to justify your expected marketing expenditures. Make sure you receive executive endorsement so you're ready to go as soon as possible. Otherwise, you might fall behind competitors.
2. **Prioritize marketing investments.** You won't be able to start everything at once, which is why it's more important than ever to prioritize your marketing investments where they will deliver the most return. Seek integrated marketing programs that use multiple tactics to maximize your exposure and opportunities for sales leads and that ensure you are reaching your prospects and clients at every stage of the buying cycle.
3. **Explore new markets.** Your products and services may be a good fit for one of the faster-recovering sectors. Manufacturers that can display their products and services simultaneously across multiple markets will have the best opportunity to gain new customers. Online industrial ad networks, e-newsletter advertising and vertical search engines are effective ways to target specific customers in new markets.
4. **Update marketing materials and fine-tune messaging.** Make sure your marketing collateral and Web site are up-to-date with current messaging and the latest product versions. If you choose to enter new markets, you may need to revise some messaging and re-purpose existing case studies, white papers and other materials. Do it now to avoid long lead times.
5. **Emphasize measurement and ROI.** To get any marketing plan approved going forward, you will need to demonstrate accountability. Today, the most effective marketing programs are online programs whose performance can be measured and analyzed. Online programs are built around impressions, clicks and conversions. You can easily see what is working and focus marketing dollars on the most successful programs, which will help reduce waste while increasing results.
6. **Work with new media partners.** Preparing targeted, online marketing programs for the economic recovery may be new to you, and you shouldn't have to do it alone. This is a good time to consult with an experienced online media partner that understands and has the attention of the industrial audience you need to reach. Discuss your marketing objectives and have them show you an integrated marketing program that will help you achieve your objectives and provide measurement and accountability.

## The GlobalSpec Advantage

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GlobalSpec offers valuable online advertising programs for business-to-business companies targeting the engineering, manufacturing, technical and industrial communities. Through both lean and robust economic times, we deliver your target audience—potential customers who are looking for products and services like yours.

### Customers not clicks

You require more than just anonymous traffic. You need to know exactly who you're reaching with your online marketing. Because our targeted audience is made up of industrial professionals registered with GlobalSpec, we provide you with detailed contact information from qualified prospects along with intelligence about the specific products and services they searched for. And you receive this information in real time, allowing you to respond quickly and increase sales opportunities.

### Personalized, expert support

With more than 12 years experience in the industrial marketplace, our online marketing experts are committed to your business success. We work to support your program every step of the way, strengthening your performance, offering one-on-one advice and saving you valuable time.

### Smart solutions you can count on

Choosing the right online marketing solutions can be the difference between program success and failure. A broad range of options is available—including online searchable catalogs, e-newsletters, banner ad programs, directory listings and more. All are highly targeted, smart solutions that expand your reach while generating relevant, measurable results.

## About GlobalSpec

GlobalSpec.com is used regularly by engineering, technical, manufacturing and industrial professionals worldwide to search for components, products, technical information and services. GlobalSpec users benefit from domain-expert search engines, a broad range of proprietary and aggregated Web-based content and 60+ e-newsletters - helping them search for and locate products and services, learn about suppliers and access comprehensive technical content. SpecSearch®, GlobalSpec's trademarked search technology, allows users to search by specification more than 184 million parts in 2,300,000 product families from more than 24,000 supplier catalogs.

For manufacturers, distributors and service providers, GlobalSpec offers tailored marketing solutions that put you in control and expert online marketing advice to help you find new customers. We provide highly filtered sales leads and marketing opportunities, qualified Web traffic to your site, product promotion and brand advertising platforms, and a wide range of e-media advertising and marketing solutions including keyword ads, e-mail marketing, banner ad networks and industry-leading e-newsletter advertisements - allowing you to choose the options that fit your unique business needs.

The ability to find customers ... to tap into new markets or new regions that are actively seeking your products ... to understand what prospects are looking for ... to gain an integrated marketing program and a wealth of practical advice about online marketing - this is the GlobalSpec approach. And it's why many manufacturers and suppliers choose GlobalSpec to help their businesses grow.

For more information on GlobalSpec's comprehensive marketing solutions please call 800.261.2052 or visit <http://www.globalspec.com/advertising>.

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