

# MARKETING OUT OF A DOWNTURN

Ed Davis | May 2016



# Three points towards better communications in a changing world.

The last 18 months have been particularly trying in our chosen industry: oil and gas. But there are small glimmers of hope that are starting to break through the morass. In this emerging environment, companies are asking themselves if their existing communications strategies fit the new needs of their markets.

During the week of OTC 2016, Fifth Ring brought together an intimate group of communications leaders to discuss the challenges that have impacted on them most. The idea was to provide a platform for clients to share experiences, hear different perspectives, meet other CMOs and expand their networks.

The session, the first in a series of quarterly Fifth Ring marketing round table events, was closed door and held under Chatham House Rule, but we've highlighted on the following pages the crucial themes that came up.

# Make your value matter.

Many companies last refreshed their marketing materials, website, trade show booth and collateral materials two-to-four years ago when oil was at \$120 a barrel. It was simple enough to market their products and services then because a lot of the value proposition was built on speed of delivery because of the expansion of the oilfield and the importance placed on activating projects.

Now, in a low commodity price environment, the focus has turned to true value derived from a product or service, and while this may have been a part of a value proposition in the past, it is likely companies need to rethink what an impactful and relevant value proposition is in today's market.

The definition of a value proposition is a business or marketing statement that a company uses to summarise why a consumer should buy a product or use a service. This statement convinces a potential consumer that one particular product or service will add more value or better solve a problem than other similar offerings.

So, how do you know your current statement is applicable to today's market environment and puts you in the best position to sell?

Ask yourself the following questions:

- **Does your value proposition differentiate your product or service from your competition based on things customers want, need and care about?**
- **Does your business, product or service align with how a customer defines and measures success?**
- **Does it evoke emotion?**
- **Is it intuitive and embedded into your organisation?**

If you believe your current value proposition doesn't accurately reflect these four key questions, you might want to take a look at how you freshen it up to address a market that has fundamentally shifted and is starting to evolve at a pace not seen before.



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# Join up internal and external communications.

There is often a disconnect between what is stated externally versus what employees hear and experience. So, how do you counteract this dynamic? And, how do you, in a multi-channel communications world, ensure employees understand your positioning and messaging and are able to carry that forward on behalf of the organisation?

Stakeholders, including employees, no longer passively receive information about organisations they are invested and interested in. Thanks to social media, all stakeholders – inside and outside your organisation – are empowered, can ‘gather’ information and are likely to fill-in gaps when there is a vacuum. Additionally, there are often silos created within organisations for internal comms (often handled by HR) and external comms (typically led by a marketing person).

This shift, and the silos, are the key reasons for the breakdown between internal and external communications and why it is ever so important to make sure there is a joined-up communications structure.

As part of our brand asset management process, we typically talk about things as a triumvirate of vision, culture and image, and how the most successful organisations find a delicate balance between the three.

This is critical today, because all employees are in contact with customers – and vice versa – and they need to genuinely buy into your brand values and be ready and willing to deliver on them.

Companies fundamentally understand the importance of communicating the values of the organisation to external stakeholders as a way of creating a connection with the customer. But that same care, if not more so, should be focused on employees, who ultimately can become brand ambassadors in every sense of the term.



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# Choose the right metrics.

CMOs have been talking about it for nearly a decade (if not longer) but in the energy space, the volume on relevant KPIs and showing financial impact are getting turned up significantly. As we discussed in a recent issue of FIVE – our award-winning thought leadership magazine – this is culminating in the rejoining of sales AND marketing.

A senior Vice President of Sales and Marketing for Clean Harbors Oil & Gas states in the latest issue of FIVE: "In the end, the concept of sales without marketing or marketing without sales is like rowing with one arm. You can do it and still make progress. But you won't get there as quickly as you want, and it won't be as efficient as it could be."

Why is this important? Because as marketers, we often try to rationalise budgets with fanciful (read 'impressive') numbers such as impressions, opportunities to see and publicity value. But the times they are a changing and, more and more, we are focused on effective measurement that truly shows a return on communications investment – with the ultimate goal being to report business outcomes, such as how our work improves and accelerates sales productivity, which is a direct precursor to revenue, margin and cash flow at the top of the company.

Nowadays we have access to measurement and analytics platforms that can give us insight into hundreds of data points. So, what should you be looking at right now?

If your organisation is a newcomer to understanding communications metrics and joining those to sales outcomes, we would advise that you start by looking at the following:

- **Engagement metrics**  
(database opt-ins, website dwell time, content downloads etcetera)
- **Sales metrics** (lead generation by region, product, audience, sales conversion rate, sales velocity and deal expansion)
- **Quantity metrics**  
(media placements/mentions/shares/reach/media targets)
- **Quality metrics**  
(tone of voice/message penetration/media quality/engagement)
- **Media scoring** (tone of coverage/depth of coverage/reporter targeting)
- **Competitive metrics** (share of voice/mindshare)

For a more advanced search, there are platforms and services that can look deeper, which ultimately can be viewed as indicators of potential future business success.

If you use a marketing automation platform, you can also start to identify and track customer journeys and review stimulus points that create environments and opportunities to position products and services for a sale. You can even look at results affected by environmental conditions and macroeconomic data, along with historical sales and marketing data, and truly gain insight into future performance across a widening range of events and situations. This creates an environment for the 'holy grail' of sales and marketing measurement: predictive analytics.

# Key takeaways from the Fifth Ring event:

- Barriers and silos between internal and external comms teams need to be destroyed in order to create a true environment for building informed brand ambassadors throughout the stakeholder map.
- Relevant business metrics have never been so abundant. You just need to figure out what key things you want on your c-suite dashboard.
- Messaging and propositions that worked in high times do not necessarily apply in a down market. Make sure your value proposition evolves with the market.

**The world your business is operating in is changing and so is the way you communicate. Make sure you don't get left behind.**

**If you would like to discuss any or all of these topics, please contact:**

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